

Parliamentary Portfolio Committee on Sport

SA RUGBY UPDATE



AGENDA

1. CEO'S POSITION

2. GOVERNANCE STRUCTURES

3. SAFEGUARDING POLICY

4. INTERNATIONAL FIXTURE PROGRAMME

5. WOMEN'S RUGBY AND PROFESSIONALISM



1. CEO's POSITION (Pt 1)

October 2010: Jurie Roux appointed as CEO of SA Rugby Union, on the recommendation of an independent panel. There were no allegations of any kind against him when he was appointed as verified by the independent panel and recruitment agency.

November 2013: 37 months later Roux advised the President and Deputy president of an investigation and potential legal action by his former employer

December 2013: Legal opinion is sought on the possible suspension of Roux and Adv. Suzanna Harvey advises: "I am of the view, based on the information available to me, it is presently premature to suspend the employee."

February 2014: The executive council further reviewed the allegations and resolved not to suspend the CEO as the claims related to a period prior to his engagement at SARU, and remained untested.



1. CEO's POSITION (Pt 2)

February 2014: The executive commissioned a further legal opinion who was consulted to verify the resolution of the executive council against good corporate governance and fiduciary standards.

August 2014: The General Council was presented with the process being followed and the current legal opinions, which meeting ratified the extension of the CEO's contract to 2021.

February 2016: New opinion is sought: Adv SA Cilliers concludes: "In overview, and judged on the evidence in the three files submitted to me, I would advise SARU to continue employing Roux as long as he satisfactorily performs, and not to be coerced into potential disciplinary steps when it does not have the evidence to support such steps, and that SARU Exco should not be concerned about failing to discharge fiduciary duties if it does not pursue a course for which it does not have the evidential basis to succeed."



1. CEO's POSITION (Pt 3)

March 2016: SARU President Regan Hoskins wrote to SARU staff confirming that Jurie Roux had the Exco's unanimous backing to continue in his role as CEO.

March 2016 SA Rugby confirms support of the earlier decision regarding Mr Roux

April 2016: A Special General Council Meeting attended by SASCOG ratified the decision by the Executive Council in respect of the handling the Stellenbosch v Roux issue and the renewal of the contract until 2021.

December 2020: Following the withdrawal of the criminal case and after lengthy delays, an arbitrator rules against Roux.



1. CEO's POSITION (Pt 4)

December 2020: An urgent Exco meeting was convened, and a sub-committee of independent Exco members (Ngumeni, Musikewa and Von Zeuner) was appointed to review the outcome in conjunction with the president (Alexander) and deputy president (Davids)

January 2021: The CEO advised the executive of the arbitration appeal outcome and his decision to appeal.

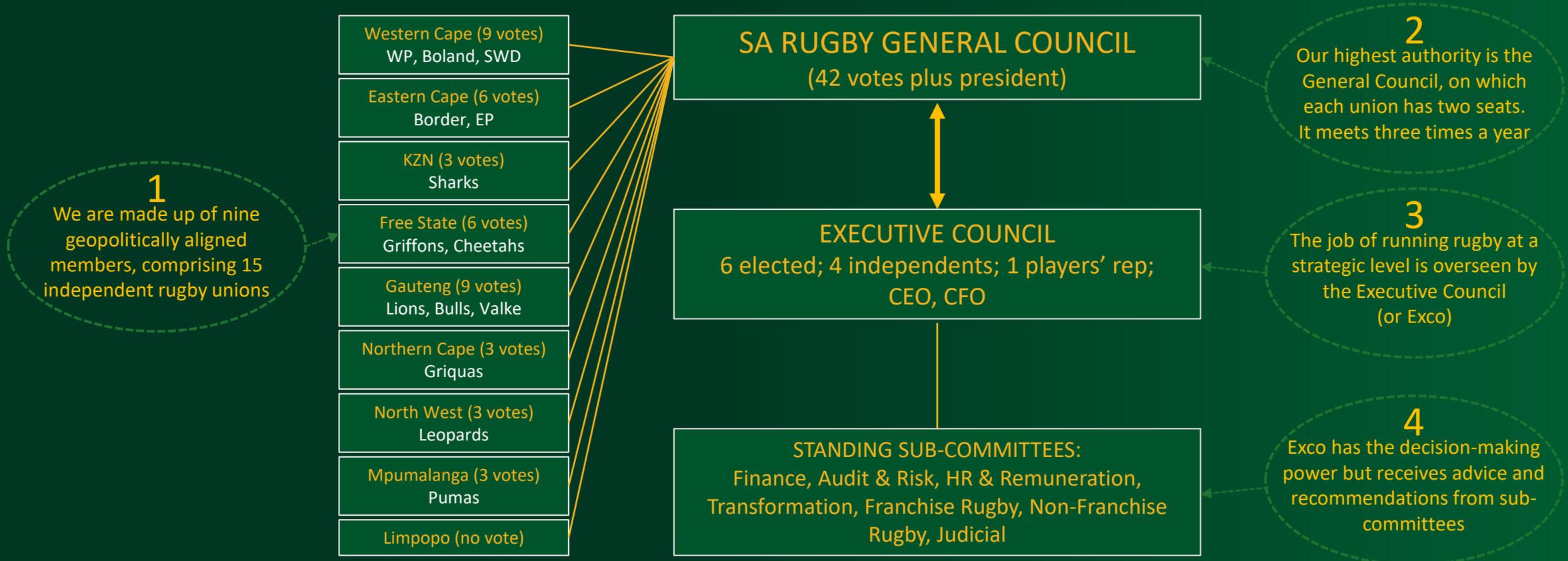
December 2021: The outcome of the arbitration was upheld.

January-April 2022: The Executive sub-committee contracted Prof. Katz (ENS) and Adv. Wim Trengrove to provide a legal opinion.

May 2022: Exco appointed an independent HR expert to assist with the implementation of the opinion.



2. GOVERNANCE STRUCTURE (Pt 1)



2. GOVERNANCE – EXCO* (Pt 2)



Mark Alexander

- President - Elected Member
- Former Deputy President GLRU
- BUSINESS BACKGROUND



Francois Davids

- Deputy President - Elected Member
- Former President BRU
- BUSINESS BACKGROUND



Faffa Knoetze

- Players' Union representative
- Actuary at Remgro Ltd
- Former Springbok player



Peggy-Sue Khumalo

- Independent Member
- Financial Services executive



Pat Kuhn

- Elected Member
- Former WPRU (Pty) Ltd Board chairman
- BUSINESS BACKGROUND



Hennie Baartman

- Elected Member
- Former President SWDRU
- EDUCATOR



Jannie Louw

- Elected Member
- Former President GWRU
- BUSINESS BACKGROUND



Randall September

- Elected Member
- Former President GRU
- EDUCATOR



Mary-Anne Musekiwa

- Independent Member
- CFO Coronation Fund Managers



Sam Ngumeni

- Independent Member
- Group COO Woolworths



Mimi Tau

- Independent Member
- Director: Bilateral Relations, IBSA & BRICS, Dept. of Comms & Digital Technologies

*The CEO (Jurie Roux) and CFO (Abubakar Saban) of SARU are voting members of the Executive Council

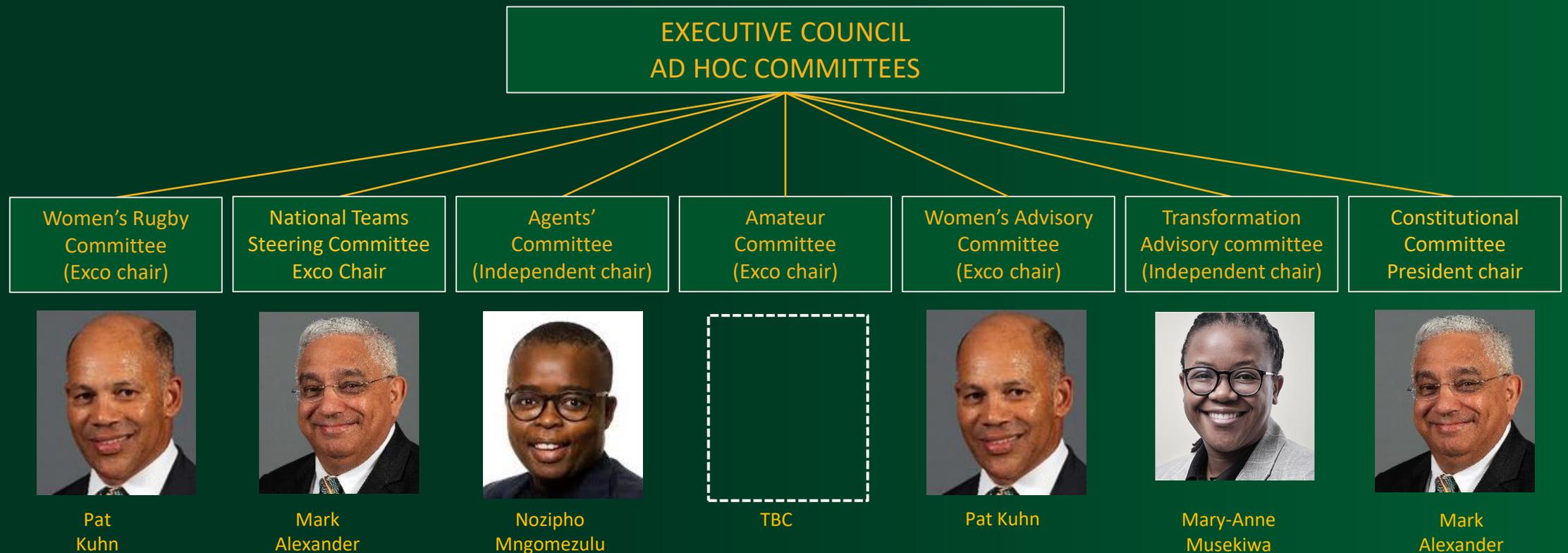


2. GOVERNANCE STRUCTURE (Pt 3)





2. GOVERNANCE STRUCTURE (Pt 4)





2. GOVERNANCE STRUCTURE (Pt 5)

“The provisions of the Act (The Companies Act)...apply *mutatis mutandis*...to the members of the Executive council as if SARU were a public company.”



“The principles and the best practice recommendations set out...in King IV...apply as a guideline to the governance of SARU”

2. GOVERNANCE STRUCTURE (Pt 6)

SOUTH AFRICAN RUGBY UNION ANNUAL REPORT 2021



Terms of reference: Each sub-committee executes its mandate according to its terms of reference (recorded in the Annual Report and available on the website: springboks.rugby)

Delegation of Authority
Clear authority identified in 17 areas of activity between (GC) , Exco (Board) , CEO and other management.

		SARU							
		GENERAL COUNCIL	EXCO	CEO	ALL GMS	CFO	HR	LEGAL	Committee
1	Budget	A	R	R	I	R			EXCO & FINCO
2	Strategic Plan	A	A	R	C	C			EXCO & FINCO
3	Financial Reporting								EXCO & FINCO
	- Monthly management reporting		I	A		R			EXCO & FINCO
	- Annual statutory reporting	A	R	R		R			EXCO & FINCO & A&R
	- Material change in accounting policies	A	R	R					EXCO & FINCO & A&R
4	Fraud Reporting								
	- Less than R1 million			A	R	R		R	EXCO & FINCO & A&R
	- Loss greater than R1 million		I	A		C			
5	External Auditors	A	R	R		R		R	EXCO & A&R
	- Appointments/dismissals		A			A		C	* material items only
	- Reports		A			R			EXCO
	- Fees								
6	Internal Auditors								
	- Appointments/dismissals			R		R		C	EXCO & A&R
	- Reports		A	R	C	R		C	* material items only
	- Fees		A	R		R		C	EXCO
7	Insurance Brokers								
	- Appointments/dismissals		A	R	C	R		C	EXCO & FINCO
	- Fees and insurance cover - overseas		I	A	GMR,R	R		C	EXCO & FINCO & A&R
	- Fees and insurance cover - local		I	R	C	R		C	EXCO & FINCO & A&R
8	Banks – Commercial								
	- Appointments/dismissals		I	A		A			EXCO & FINCO & A&R
	- Authorised signatory		A	R		R			FINCO
	- Overdraft Facility up to R150 million		I	A		R			EXCO & FINCO & A&R
9	Appointment of external consultants								
	- Fee < R1 million per service			A	A	C			Subject to PPP
	- Fee > R1 million per service		A	R		R		R	

EXTRACT FOR ILLUSTRATION



2. GOVERNANCE STRUCTURE (Pt 7)

A combined assurance model is used for risk management of the organisation's risk register overseen by the Audit and Risk Committee:

- First line of defence – management assurance
- Second line of defence – corporate assurance (internal structures and committees)
- Third line of defence –
 - External Audit (Nexia SAB&T replacing PwC per auditor rotation)
 - Internal audit (outsourced to KPMG)
 - Other independent assurance providers such as legal counsel

Assurance providers are then indicated and categorised between management, the A&R committee (for the purposes of the King IV assurance areas) and external service providers (e.g. internal and external auditors).

2. GOVERNANCE STRUCTURE (Pt 8)

FINANCE COMMITTEE

- Chaired by an independent member of the Exco
- Unqualified audits every year
- Well defined Terms of Referenced (left)



TERMS OF REFERENCE FOR THE FINANCE COMMITTEE

1. STATUS OF THE COMMITTEE

- 1.1. SARU's constitution provides for the establishment and operation of a Finance Committee, as a sub-committee of the Executive Council, whose members shall be members of the Executive Council.
- 1.2. The committee's Chairperson should give at least an oral summary of the committee's deliberations at the Executive Council meeting following the committee meeting. The minutes of the committee meeting's proceedings should be included in the board pack for the Executive Council's information as soon as they have been approved.

2. ROLE, COMPOSITION AND TERM OF THE COMMITTEE

The role of the committee is to assist the Executive Council in fulfilling its responsibility for overseeing SARU's financial affairs in terms of clause 16.12.3.4 of its constitution.

The committee shall comprise of no fewer than four (4) members and no more than six (6) members, all of whom shall be members of the Executive Council. The committee shall serve for a period of two years.

3. ROLE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer is the executive responsible for SARU's financial affairs on a day-to-day basis, subject always to the directions of the Chief Executive Officer.

4. RESPONSIBILITIES

The Committee has the following specific responsibilities subject to its mandate from the Executive Council:

4.1 Internal monthly financial reporting

The Committee reviews internal monthly financial reporting, including that of the provincial unions and their commercial arms

4.2 Management of revenue streams (including Commercial Properties, Sponsorships and Broadcasting Rights)

The Committee has immediate oversight in matters related to major revenue streams (including Commercial Properties, Sponsorships and Broadcasting Rights) and must review and recommend to the Executive Council the signing off of Sponsorships and Broadcasting Rights contracts with a monetary value in excess of R10 million. This amount may be increased as deemed necessary by the Committee.

4.3 Financial Policies

The Committee has immediate oversight in matters related to financial policies.

4.4 Financial results, budgets, cash flow management and financial planning

The Committee has immediate oversight in matters related to financial results, both operating and capital expenditure budgets, cash flow management and financial planning.

4.5 Ad-hoc matters which have a financial or commercial impact

The Committee has immediate oversight in matters which have a financial or commercial impact, i.e.:

- Ensuring the build-up of adequate reserves
- Liaise with other committees on expenses they oversee, i.e. salary increases, etc.



Respect between opponents after the Juster Springboks beat Argentina in the final of the Under-20 International Series.

4.6 Financial Support

The committee will evaluate application from a union for financial support – all criteria will be determined to evaluate such applications. Should financial support be approved SARU and the relevant Union will enter into a formal agreement which will contain the conditions of approval. Punitive measures will be applied where there is a breach to the agreement.

4.7 Delegation of Authority

The Committee will approve the authority.

5. AUTHORITY

The Committee acts in accordance with its delegated authority from the Executive Council as recorded in these terms of reference (as listed above). It has the power to investigate any activity within the scope of its terms of reference.

The Committee, in the fulfilment of its duties, may call upon the Chairperson of the other Sub Committees, any of the Chief Executive Officer, Company Officers, and Company Secretary or assurance providers to provide it with information subject to Executive Council approved processes. The Committee must have reasonable access to

SARU's records, facilities and any other resources necessary to discharge its duties and responsibilities subject to following Executive Council approved process.

The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the Company's cost, subject to an Executive Council approved process being followed.

The Committee has no decision-making authority in regard to its duties and is accountable in this respect to the Executive Council. The Chairperson of the Committee must be present at all annual general meetings.

On all responsibilities delegated to it by the Executive Council, the Committee makes recommendations for approval by the Executive Council. Where there is a perceived overlap of responsibilities between the Committee and the Audit & Risk Committee, the respective Committee Chairmen shall have the discretion to agree the most appropriate Committee to fulfil any obligation.

2. GOVERNANCE STRUCTURE (Pt 9)

External audit

- External auditors are rotated
- No material items raised in latest report (2021)
- Audit and risk committee comfortable to recommend to Exco for approval AFS with no material findings on weaknesses in the control environment or breaches in law/regulations
- Auditors reviewed management control override in latest audit and found...

Our findings and conclusion

- There is sufficient segregation of duties with respect to general journal entries and that a comprehensive review structure is in place to verify the validity, completeness and accuracy of account balances and classes of transactions;
- We did not identify any deficiencies around the controls relating to the bank and payments;
- We noted that there has been no significant inconsistencies to the methods and underlying assumptions used to prepare accounting estimates and accounting for significant transactions outside the normal course of business;
- No fraudulent journal entries were noted.



3. SAFEGUARDING POLICY

The SA Rugby policy is available by download from our website (as below)

NEWS & FEATURES SPRINGBOKS SA TEAMS & PLAYERS TOURNAMENTS RWC 7S 2022 PODCASTS COVID-19 MORE MATCH CENTRE

Governance

This page is a resource for those involved in the sport of rugby union in South Africa. In the sections below you will find PDF documents with information on the following categories.

PDF SAFEGUARDING POLICY EXCO APPROVED MARCH 2022

DOWNLOAD



**SOUTH AFRICAN RUGBY UNION
("SARU")**

**SAFEGUARDING POLICY
AGAINST
HARASSMENT AND ABUSE**

Document Title:	Safeguarding Policy against Harassment and Abuse
Date written:	November 2019
Effective Date:	May 2020
Electronic File Available:	Yes



4. INTERNATIONAL FIXTURE PROGRAMME



Springboks v Wales, 2 July (Pretoria)
Springboks v Wales, 9 July (Bloemfontein)
Springboks v Wales, 16 July (Cape Town)



Springboks v New Zealand, 6 August (Mbombela)
Springboks v New Zealand, 13 August (Johannesburg)
Springboks v Argentina, 24 September (Durban)



Rugby World Cup Sevens, 9-11 September (Cape Town)



HSBC World Rugby Sevens Series, 9-11 December (Cape Town)

Combined direct, indirect and induced economic impact

= R4.3bn (est.)



5. WOMEN'S RUGBY AND PROFESSIONALISM

Women's rugby is a strategic priority for SA Rugby and World Rugby

Investment taking place globally to deliver more opportunities and grow sustainable participation

New international competitions being created (Sevens Challenger Series and regional XVs competitions)

Creating pinnacle events for the growing number of female participants

Profile of women's rugby in SA at an all-time high

Top HP manager (Lynne Cantwell) head hunted to drive performance gains and shape pathways

Securing corporate sponsorship support a key commercial target



QUESTIONS?