

SOUTHERN AFRICAN EMERGENCY SERVICES INSTITUTE

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SAESI DIRECTORS MEETING #1

MINUTES OF THE SOUTHERN AFRICAN EMERGENCY SERVICES INSTITUTE DIRECTORS MEETING #1 HELD ON THURSDAY 4 SEPTEMBER 2014, at Disaster Management Offices, 3 Hawley Road, Bedfordview, Johannesburg.

Resolutions 1 to 4 taken at the Directors Meeting held on 4 September 2014.

1. OPENING BY MR. OS MASIBI - ACTING CHAIRPERSON OF THE MEETING

1.1 Welcome and Opening

Mr. OS Masibi opened the meeting and welcomed all in attendance. Mr. Masibi explained that the registration of the Institute as a Non Profit Company (NPC) have necessitated not only the establishment of the Directors but the embarking on the Meeting program in order to establish clear roles and responsibilities in line with and as per requirements of the companies act and financial requirement that need to be complied with.

2. Present

MP Mosia	-	Immediate Past President
OS Masibi	-	President
D Padayachee	-	Vice President
M Ramlall	-	Vice President Elect
R Janse van Vuuren	-	Chairperson: Administration Committee
S van den Berg	-	Head Office

3. Open Agenda / General Discussion

3.1 Mr. Janse van Vuuren explained that as a result of the NPC registration the Board of Directors can be held personally accountable both legislatively and financially for the Institute Activities. The Institute and its Executive is no longer a voluntary group.

Compliance by the Board of Directors is thus crucial when it comes to items such as the Financial Status of the Institute, How the Institute conducts its billing, What Financial Systems are in place, is a Decision Register kept and adhered to? Etc.

- 3.2 Mr. Ramlall proposed to elect a Chairperson of the Board as it is clear that based on the summary Mr. Janse van Vuuren presented, by implication actions will be required which might become resolutions upon which decisions will be taken.
- 3.3 Mr. Mosia questioned the implied establishment of the Board of Directors as the Presidency or most Senior Ranking Officers. He was of the opinion that the Board of Directors should be independent from the day to day activities and/or decision making processes of the Institute/Company. Mr. Mosia questioned the role of the Board of Directors on the Executive Committee platform or structure, because it cannot function as executors but rather of overseers, giving direction to the executors.

General discussion, commentary took place and viewpoints aired.

- 3.4 Mr. Ramlall refers to Principle 2.6 of the King III report and the fact that the Institute has already taken a resolution on who will constitute the Board of Directors. Mr. Janse van Vuuren quoted Resolution 197 as was recorded in the Exco Meeting #6 held on 14 & 15 February 2013.

Resolution 197

The Executive Committee approved the appointment of the Presidency and the Chairperson of the Administration Committee as the Directors of the Non-Profit Company.

Mr. Ramlall reiterates that the members in attendance is the Board of Directors and responsible for execution of the Institute objectives and responsibilities.

- 3.5 Mr. Mosia was of the opinion that the Board of Directors should constitute a meeting where the Executive will give account to the Board on its activities, but the Board of Directors hold their own meeting separate from the Executive. In other words the Executive Committee gives execution to the decisions/directions given from Board level seeing that the Board could be held accountable.
- 3.6 Mr. Ramlall was of a different opinion. The Directors are responsible to show the leadership and give the direction for the Institute. In so doing the Board would hold the Executive accountable for decisions made by the Executive on Executive level. This would also give opportunity for Committees to continue on its level with them making executive decisions with the Board overseeing execution of such decisions.
- 3.7 Mr. Masibi enquired if the registration as NPC required the submission of the Institute's current Constitution, and if so, whether any objections to it were referred back to the Institute for clarification/rectification or adjustment. Mr. Janse van Vuuren confirmed that the Constitution was submitted as a prerequisite and that no commentary or reference on it was made to the Institute from the Registrar. This confirms the acceptance of the Institute's Constitution and mode of operation as currently contained and executed under the Constitution. Mr. Janse van Vuuren added that the only possible conflict of interest could be with the Chief Financial Officer also being in charge of the Administration/Head Office duties and execution.

General discussion, commentary took place and viewpoints aired.

- 3.8 Mr. Mosia suggested that assistance should be sought from a knowledgeable source who would be able to give guidance on how to and who would constitute the Board of Directors with regards to Legislative, Financial and Role compliance. Mr. Janse van Vuuren suggested Mr. Pieter Viljoen, the Institute Auditor.
- 3.9 Mr. Ramlall indicated that the Companies Act does make provision for some exclusions as a NPC is not restricted by. However the Board's role and responsibilities must be decided on by the "present" Board. In his view this is summarised by the Board being the Leaders and giving leadership. The Executive is responsible for the decision making process and the Committee structures is responsible for the execution. The Immediate Past President can be the Chairperson of the Board as a Non-Executive Chairperson, and the Board can at any time co-op someone onto the Board.
- 3.10 Mr. Janse van Vuuren re-iterated that the registration of the NPC has already been completed with the attendees currently present as the designated Board of Directors. Mr. Janse van Vuuren move to elect a Chairperson of the Board, and to compile a collective report on what would be the way forward to be tabled at Exco.
- 3.11 Mr. Padayachee disagreed and was of the view that the way forward has already been established with a two tier system at the Strategic Session held on 29 & 30 May 2014. One cannot take another report on the way forward to Exco.
- 3.12 Mr. Mosia re-iterated that we need the expertise of a knowledgeable person on Non Profit Companies and the establishment of a Board of Directors.
Mr. Janse van Vuuren proposed to invite Mr. Pieter Viljoen of the Auditing Firm who was paramount in getting the NPC registration for the Institute, to address the house at the next Exco meeting.
Mr. Ramlall does not support the proposal to have the address at Exco but proposed to rather have the presentation before hand with only the Board present. He also enquired whether the action to have an in depth look at ourselves and how we would prefer to be structured, are going to be applicable to the Board of Directors only, or the whole of the SAESI structure?
- 3.13 Mr. Janse van Vuuren proposed that an official invitation be extended to either Sean Macnamara or Pieter Viljoen to do the address. He continued that we could provide the person with the SAESI Layout as it existed before the Strategic Session and the proposal from the Presidency tabled thereafter. This would afford them the opportunity to compare and to see if the current proposal is in line with the requirements of the NPC Registration, Companies Act and establishment of the Board.
- Mr. Mosia and Mr. Ramlall re-iterated that this process needs to be concluded before the next Exco, and that a report with the decisions of the Board be taken to Exco.
Mr. Padayachee was of the view that we should present to the person what we look like now (SAESI) and how we see ourselves going forward and ask the question if our view is acceptable and can it work? Mr. Ramlall also refers to the fact that there are certain requirements in terms of the Companies Act that we need to adhere to, for instance the fact that the Board of Directors has to meet within 40 days of registration etc. and therefore we need to conclude the matter as a matter of urgency.
- 3.14 Mr. Mosia proposed that the Board and the invitee meet for analysis and compilation of a report for Exco on the last day of the King III workshop. This would address the Business Risk Analysis, Budgets for the Board and for Exco etc. in other words the Responsibility and Accountability changes to take place in the Institute as a NPC.
- 3.15 Mr. Ramlall also raised the point that all financial requests with reference to the mention of Branches seeking sponsorships with the Company Registration Number should be put on hold until clarity and finality on the issues in discussion. This state of "limbo" also has a direct influence on the Budget. The current budget is designed on the current way of doing business.

This will inadvertently change if the way we conduct ourselves change and the requirements necessary to execute our responsibilities, be it meeting frequencies, budgeting for the Board etc. Mr. Janse van Vuuren proposed that the Budget that will be tabled at the next Exco Meeting be accepted in its current form because firstly provision have been made for expenses of the Presidency/Board, and at a previous meeting the house agreed that the Budget will be reviewed at regular intervals during the financial year.

- 3.16 Mr. Janse van Vuuren informed the house that the Registration Document has a few anomalies on it that needs to be corrected and take note of i.e. incorrect personal details, and also that the financial year is indicated to be from March to February. Therefore we should abide by the registration and change the Institute Financial year accordingly and in compliance with the Companies Act. It should be noted that the Auditor in terms of the Registration is the officially appointed Auditor for the Company.

Mr. Janse van Vuuren proposed to continue to present the Key points he started to highlight at the onset of the meeting and for it to be taken note of, as well as some financial and administrative activities that was dealt with.

- a) The King III Report is with no doubt applicable to the Institute and we should accept and take note of it as such.
- b) Comply and Explain versus Apply and Explain. Do entities (SAESI) according to the principles of KING III and/or Institute of Directors, apply the principles and are able to report on it, i.e. this implicates action, or is it merely an inactive compliance with the principles.
- c) Sustainability
This would include or refer to the Business Continuity Plan.
It would also include the Audit of Head Office.
- d) Composition of the Board of Directors
The discussion and proposals made thus far speaks directly to this point. This is also the clarity sought from the knowledgeable person alluded to for instance with reference to - Executive Director holds Office, Non-Executive Director does not hold Office, and that the Chairperson is a Non-Executive Director. The issue is however more related to the impartiality or bias of the person.
- e) Audit Committee and Internal Audit
An Audit Committee in general refers to an independent person/company responsible for auditing the Company Financial Statements
Mr. Janse van Vuuren referred to the reasons precipitating the first "Internal Audit" of Head Office and indicated that the next audit is scheduled for 6 & 7 November 2014 with an extensive team involved. Mr. Mosia disagreed with the proposal because even the Internal Audit Committee must be independent, especially so from the Administration Committee. Mr. Janse van Vuuren explained that the Admin committee is well aware of the shortfalls and therefore would be able to address items like Risk Management, IT Governance, Personnel Management and Performance etc.
- f) IT Governance
With more equipment and more personnel, it has become necessary to address good IT management/governance.
- g) Remuneration, Shareholder disclosure, Director Involvement and Performance Management and items of this nature is successfully dealt with in the Constitution but will also be addressed by the person whom will be invited to give guidance.

h) Risk Management

This issue has been addressed with some intensity in the past two years, however;

h.1) With reference to Risk Management, Mr. Janse van Vuuren informed the house that SAESI "lost" an amount of ± R 14 000-00 due to the correction by the Reserve bank with regards to the African Bank bailout. This was 0.3 % on the Balance in the Money Market account + one day interest. The house all agreed that this should be disclosed in the Financial Statements but with the correct terminology for instance, Income Forgone.

Mr. Janse Van Vuuren disclosed that there is more than R 4 000 000-00 in the current account. The yearly expenditure is around two million and proposed that the balance of the capital over R 2 Million in the Current Account be transferred to the Money Market account because it constitutes less of a risk.

BOD Resolution # 1 – Risk Management

The Board agreed that R 1 000 000-00 be retained in the Current Account and the balance be transferred to the Money Market account. Miss van den Berg is to officially request ABSA bank to do the transfer as soon as possible.

h.2) Mr. Janse van Vuuren informed the house of the decision to acquire the ABSA Pebble in order to completely eradicate the cash received at Head Office. This will also assist when items are available at meetings and the Conference because card payments can be done at any location due to the mobility of the unit. The Board supported the decision and was of the view that the acquisition should be considered for all the branches. The administration Committee in conjunction with ABSA is planning to make a presentation on it at the Exco meeting in Cape Town.

BOD Resolution # 2 – Risk Management

The Board supported the acquisition of the ABSA Pebble Mobile Payment Unit for Head Office, with the possibility of acquiring more units for Branches and/or Committee's

h.3) All financial procedures, reporting and actions in other words all financial management systems will in future have to be adhere to in a standardised manner by all the Branches and/or Committees as well as Head Office. The Company would have to present one set of financial statements and comply with FICA regulations. Mr. Padayachee warned that in consideration of this that the Institute must guard against receiving for instance a qualified Audit Report. Mr. Mosia was of the view that Branches in noncompliance will in future have to be dealt with in a more effective disciplinary manner. Mr. Ramlall added that the Institute will also have to look at the membership and in particular the amount of members that constitutes a branch. The current ratio is not financially sound and viable. The Audit Methodology has to be consistent throughout all the Institute structures.

Further implications are that one Financial Statements for the Institute is submitted by one accountant/auditor and not one for Head Office and each for the branches different from each other.

Mr. Ramlall indicated that this would possibly mean that the institute would have to consider centralised banking.

Mr. Mosia re-iterated that it has now become a requirement for branches to submit a budget and agreed that the management of the finances must be centralised.

h.4) Mr. Janse van Vuuren propose to table the current budget as agreed, with a note to the budget, informing the Branches, Head Office and any other Committee structures, to submit a budget at the first meeting in 2015 in conjunction with the change of the new financial year. A guideline will thereafter follow on the financial structure/requirements etc. This will address such concerns as the 35% retainer and the membership fees as well as when it will be due (membership year).

Mr. Ramlall proposed that members who do pay within the current term have the membership extended until February 2016 in order to address the new financial year. This could also be used as a marketing tool.

h.5) As a result of the NPC Registration and FICA requirements, the details on the bank account (account holder with a board) has to be corrected and we need the id's of all board members and their proof of residence.

i) Mr. Janse van Vuuren informed the house of the appointment of Miss. Mariska van Heerden in the vacant administration clerk after the resignation of Mr. Ushia Alexander. The appointment is on a three month probation period with the offer of a three year contract thereafter. The Board supported the appointment.

j) KING III attendance

Mr. Janse van Vuuren requested finalisation on the attendance of the KING III workshop due to the fact that the initial attendance was only for The President, Vice and Vice Elect.

Mr. Mosia was later added as Immediate Past President and as proposed Chairperson of the Board as a non-executive director.

Mr. Janse van Vuuren was then added as a member of the board after his position on the board became evident.

Mr. Ramlall enquired with regard to the proposed structure of a Board as per the KING III report and Institute of Directors, the inclusivity of a company secretary and whether the board is going to appoint a secretary. This is not a legal requirement.

Mr. Janse van Vuuren proposed that under the NPC Registration, the 4 members originally registered as the Directors be retained, that Mr. Mosia be appointed as Chairperson of the Board and that Miss van den Berg be appointed as company Secretary of the Board.

Mr. van Vuuren proposed that the Registrar be informed of the decision, and that the decision be reviewed on an annual basis. Mr. Ramlall supports.

BOD Resolution # 3 – KING III Attendance

a) The Board of Directors approved the appointment of Mr. MP Mosia as the Chairperson of the Board of Directors.

b) The original members of the Board indicated for the Registration of the NPC be retained.

c) That Miss. Salomé van den Berg be appointed as Company Secretary of the Board.

d) That the Registrar be informed of the decision of the Board.

e) That the decision be reviewed on an annual basis.

BOD Resolution # 4 – KING III Attendance

The Board approved the attendance by Miss Salomé van den Berg and Mr. Riaan Janse van Vuuren of the King III Workshop.

Mr. Janse van Vuuren requested that the Resolutions taken at this meeting should be circulated before the KING III Workshop.

4. CLOSING OF MEETING

Mr. Masibi as President and Chairperson, in lure of the fact that the election of the Board and Chairperson were not finalised before the constituting of the first meeting, concluded the meeting at 21h17.