

SHREE PRETORIA HINDU SEVA SAMAJ

Minutes of the Meeting of the Interim Executive Committee held with the Trustees, Advisory Board and other Invitees on Wednesday 12 August 2009 in the Seva Samaj Boardroom

1. PRAYER & WELCOME

The meeting commenced with a prayer at 19:40 (7:40 p.m.). In his welcoming address, the President, Prakashbhai Hira, outlined the purpose of the meeting as follows:

- To reassure Trustees, Advisory Board and other concerned elderly members who had been invited to attend, that the Interim Executive Committee's (IEC) will do everything in their power to restore the good name, dignity and respected status of the Samaj;
- To provide the trustees with the opportunity to explain how they saw their role within the organization, challenges they have faced and the frustrations they have experienced in fulfilling that role;
- To give feedback to members present on the IEC's understanding of the current problems being faced by the Samaj based on investigations they have made since coming into office two weeks ago;
- Steps the IEC intends to take to rectify the situation

Pankajbhai supported Prakashbhai's sentiments and proposed agenda points and asked that the new committee adopt a more proactive stance in managing all aspects of the functioning of the Samaj.

2. ATTENDANCE AND APOLOGIES

In attendance:

Prakashbhai Hira; Rameshbhai Chhagan; Harshaben Dayal; Pankajbhai Joshi; Ashwinbhai P. Joshi; Baboobhai Gokal; Vassanjeebhai Ruder; Dhiroobhai Kalan; Jagdishbhai Makan; Vijaybhai Khatri; Ramanbhai Rama; Mohanbhai P. Lalla; Dayalbhai Govind; Sanjaybhai Govind; Jivanbhai Kalyan; Pravinbhai Daya; Himalbhai Ramjee; Kishorbhai Dajee Naran; Anielbhai Soma; Trusharbhai Kalan; Tapidasbhai Bhana and Shirishbhai Kaliaan.

Apologies:

Champakbhai Chagan, Nalinbhai Kala and Narothambhai Valjee

3. MATTERS DISCUSSED

The proposed agenda as outlined by the President in his welcome address was approved by the members present. In brief, the following are the salient aspects of the discussion that took place:

3.1 *Summary of Trustees Viewpoints and Comments*

The trustees outlined their understanding of their role as being to overlook affairs of the Samaj & make final decisions (Baboobhai Gokal); however, in practice this was never done properly as trustees were more figureheads than actual decision makers (Mohanbhai); Trustees for the first 50 years of Samaj existence did very little (Jivanbhai); Samaj was run on a trust-basis and the constitution was not adhered to (Jivanbhai); over the last few years attempts were made to revive trustee function and to get them to start holding meetings (at least every 2 months) but this did not take place as regularly as desired (Trusharbhai).

3.2 *Summary of Comments by the Interim Executive Committee (IEC)*

- 3.2.1 The work done by some of the previous sub-committees (e.g. education, welfare, culture & religion, hall hire) was commendable and worthy of the communities thanks (Prakashbhai);
- 3.2.2 These same committees hand-over was professionally done and their records were well maintained. However, other committees (e.g. secretary, finance) have still not handed-over their portfolios as per agreement (Prakashbhai)
- 3.2.3 There appears to have been a complete breakdown in the governance of the Samaj; In terms of the constitution, the trustees are ultimately accountable and the crux of the matter is that the trustees did not exercise their fiduciary duties as outlined in the Constitution. In effect, they could be held liable to make good the loss suffered by the Samaj (Prakashbhai);
- 3.2.4 As Past President and Trustee, Trusharbhai gave an undertaking that he will personally make good any loss the Samaj has suffered as a result of the fraud;
- 3.2.5 The breakdown in governance in the Samaj could be attributed to several factors: (1) the constitution was poorly crafted and contradictory, often confusing roles and responsibilities (Rameshbhai); (2) poor leadership in ensuring that the constitution, faulty as it might be, was faithfully abided by (Rameshbhai); there was a failure to separate functions of trustees and management committee as recommended by King II (Anielbhai); The current constitution will have to be revamped if we are to ensure poor governance issues do not recur (Rameshbhai)
- 3.2.6 Apathy by community members, including himself, by not attending AGM's and volunteering their services, also contributed to the problem (Prakashbhai);
- 3.2.7 Besides, not following the constitution faithfully, the management committee also failed to consult trustees and elders adequately in decision-making (Harshaben)
- 3.2.8 Despite the financial affairs of the Samaj being handled by professional accountants, there were many lapses and irregularities: treasurers were not in control of records for many years, 2005 financial records not signed by 2 trustees as required; money's have not been timeously deposited (e.g. tin collection); no record of letter to ABSA trustees exist requesting info and records to enable the process of reclaiming losses; no records of letter requesting records from Nareshbhai or ABSA, etc (Anielbhai Soma). Trusharbhai stated that all records are with Nareshbhai Mistry but undertook to hand-over some bank statements in his possession after the meeting.

- 3.2.9 All communication with Deloitte will henceforth be done directly with the relevant engagement auditor, Mr Murriday, and not with Trusharbhai to avoid role-confusion and role-contamination (Prakashbhai).
- 3.2.10 Arrangements have been made for a forensic audit for the period January 2006 to date to be conducted free of charge by an independent set of auditors (Himalbhai); nonetheless, it must be recognised that without supporting documents, the quantification of the loss suffered by the Samaj will, at best, be an educated guess (Anielbhai & Prakashbhai).
- 3.2.11 Parallel accounts will be opened at FNB and bulk of existing funds transferred to ensure proper control by new office-bearers. The ABSA account will still be kept open in the interim until all claims against ABSA have been settled (Anielbhai);
- 3.2.12 A demand for overdue rates and taxes on location property currently occupied by Soda Bros. was received. This needs to be investigated (Anielbhai). An application for further stands in Location has been made to the City Council and this should be followed up (Jivanbhai).
- 3.2.13 Important documents are in the hands of various people, thus increasing the risk of further loss (Rameshbhai); a strongroom and office will be built at the Samaj to contain all documents in a centralized place (Prakashbhai).
- 3.2.14 ABSA has agreed to refund stolen funds but will require proof of loss (Rameshbhai); However, they will also need the Samaj to lay criminal charges against Nareshbhai (Sanjaybhai) while our lawyer, Morris Pokroy, feels this is not necessary as ABSA will be doing this anyway and Samaj should only institute a Civil claim. It was agreed that further clarity must be sought on the way forward.
- 3.2.15 The IEC will be holding talks with Natoobhai Ranchod on Thursday 13 August for his advice since he is also a bank ombudsman.
- 3.2.16 A meeting will be called with the Pretoria Navyug Mandal and the Education Trust to ensure elections are held and governance streamlined.

4. **CONCLUDING REMARKS & PRAYER**

The President thanked everyone for their input and pledged all his energy in ensuring a credible election can be held as quickly as possible. In response, Pankajbhai remarked that the work that needed to be done is much more than he had initially thought but expressed confidence in the IEC and appreciation for the thorough way the task is being tackled. The meeting ended with a prayer at 22:00 (10 p.m.).

Rameshbhai Chhagan & Sanjaybhai Govind
Joint Honorary Secretaries