



MINUTES OF THE SPECIAL MEETING OF THE INTERIM EXECUTIVE COMMITTEE (IEC) HELD WITH THE TRUSTEES OF THE SHREE PRETORIA HINDU SEVA SAMAJ

Held at The Boardroom, Shree Pretoria Hindu Seva Samaj
Date Sunday 6 September 2009
Time 10:05

1. **WELCOME AND PRAYER**

The meeting opened with a prayer. Rameshbhai explained that the purpose of the meeting was to shed light and gain insight into certain transactions that have been detected by the interim committee and to obtain consensus on the appointment of a forensic auditor to carry the process further.

2. **ATTENDANCE**

In attendance were Pankajbhai Joshi; Jivanbhai Kalian; Kirtikumar Devjee; Baboobhai Gokal; Vasanjeebhai Ruder; Narothumbhai Valjee; Tapidasbhai Bhana; Ashwinbhai Joshi; Jyotiben Joshi; Harshaben Dayal; Pravinbhai Daya; Himalbhai Ramjee; Anielbhai Soma; Rameshbhai Chhagan; Kishorbhai Naran; Natubhai Ranchod; Vijaybhai Kathri; Pramodbhai Kassen; Chetanbhai Tanna; Trusharbhai Kalan; Nalinbhai Kala; Anilbhai Kalian; Mohanbhai Lalla; Ramanbhai Rama; Prakashbhai Hira; Sanjaybhai Govind

3. **ADDRESS BY ANIELBHAII SOMA – FINANCE HEAD**

Anielbhai explained that he and his team had attempted to reconstruct the books of the Samaj from the bank statements in his possession for the period January 2005 to December 2008. He is still busy with the period January 2009 to July 2009 at which point the interim executive committee took over. His aim was essentially to bring to everyone's notice that certain transactions appeared "irregular" and to confirm if any of the officials and trustees present could account for them. If not, this would confirm the "irregular" nature of the transaction and help to focus the proposed forensic investigation.

The following transactions were highlighted:

- 3.1 ***Navyug Mandal Education Fund.*** On 25 February 2008, a fixed deposit of R1, 078,108.77 was transferred from their account to a new call account. Subsequently, the following withdrawals were made from this call account: on 27 February 2008, R400, 000; on 27 February 2008 another R100, 000; on 11 March 2008, R200, 000 and on 12 March R300, 000, thus making a total withdrawal of R1, 000, 000. All trustees and previous executive members confirmed that they were unaware of this new call account and that it had been opened without their approval. The current status is that Navyug

has opened a criminal case, but Sanjaybhai confirmed that the bank has still not responded to their numerous requests for refunding of the said amount.

3.2 As far as the **Seva Samaj** accounts are concerned the following transactions (withdrawals & transfers) were highlighted, from various accounts and for which no trustee or previous executive committee member could account for:

3.2.1 25 June 2006, a cheque for R7,200 was withdrawn and then re-deposited a month later;

3.2.2 7 December 2007, R17, 500 withdrawn in cash despite a constitutional rule that no cash withdrawals are allowed;

3.2 12 January 2008, R22, 346.56 cash withdrawal

3.3 14 January 2008, R220, 990 transferred to another unknown account

3.4 13 February 2008, R130, 000 cash withdrawal

3.5 13 February 2008, another cash withdrawal of R50, 000

3.6 14 February 2008, R500, 000 transferred to Samaj "Active Save" account

3.7 26 February 2008, R200, 000 transferred to same active save account

3.8 27 February 2008, R700, 000 cash withdrawal from the same active save account; in addition, bank penalty of R5 000 + R2 000 charged for early withdrawal.

3.9 In total, there appears to be a misappropriation of R1,1 million of Samaj funds (excluding penalties) and R1 million of Navyug funds, giving a grand total of R2, 1 million of funds that were withdrawn without authority, irregular and outside the scope of Samaj activities. These amounts do not include any possible misappropriation of funds made by simply not depositing any cash amounts.

4. **REACTION OF TRUSTEES, PREVIOUS EXECUTIVE AND CONCERNED OTHERS**

The overwhelming emotion was one of shock and dismay. Some questions asked were: How was one person able to withdraw funds when the constitution requires at least two signatories (Pankajbhai)?

How can cash withdrawals be made when it is recorded that only cheque payments directly to bearer may be made (Trusharbhai)?

How come Samaj controls were so weak that none of this was picked up 18 months after the event (Anielbhai)?

We need to get a copy of the agency agreement that Nareshbhai Mistry had with ABSA to determine if he undermined that agreement (Trusharbhai);

This is a sad state of affairs, our one hope is that our status as a public benefit organisation (PBO) might help in getting funds back (Prakashbhai).

5. **APPOINTMENT OF FORENSIC AUDITORS**

It was unanimously agreed by all present that a forensic auditor should be speedily engaged to help recover the funds and to advice on legal action to be taken. The offer of Tayfin Forensic Auditors to provide pro bono service was debated. Reservations about appointing Tayfin were expressed by some members, but it was eventually agreed that the Interim Executive Committee (IEC) should make the final decision on this matter.

At this point the meeting with the trustees, previous officials and invited concerned members ended with a prayer at 20:30. The meeting then resumed with only the IEC members present.

After some discussion, it was agreed by all IEC members to accept Tayfin's offer to assist with a forensic audit on the basis of their extensive experience and track-record in such matters. However, it was emphasised that the terms of engagement must be clearly spelt out to ensure that no further reputational damage is suffered by the Samaj.

6. DRAFTING OF A NEW CONSTITUTION

Although it was previously agreed that a draft of a new constitution would be discussed at the meeting, it was felt that the process should be delayed until the strategic planning session took place as scheduled on 12 September. This would ensure that whatever structure and roles and responsibilities were proposed for the new constitution flowed from a shared vision, mission, governance model and aims and objectives.

7. CORRESPONDENCE

In:

- 7.1 Rameshbhai read out a letter received by a company called Wamalloy SA who wished to hire the Samaj premises on a long-term basis to start an Engineering College. As the letter was weak on detail, he was asked to obtain further information before a decision could be taken

Rameshbhai

8 GENERAL

- 8.1 Rameshbhai expressed concern about the non-attendance of Navyug chairperson at the IEC meetings. It was agreed that Rameshbhai should set up a meeting with him as soon as possible to discuss the need for his involvement and to invite him to the strategic planning workshop.

Rameshbhai

8.2 *Hindu Calendar*

Jagdishbhai presented different types of calendars and requested the members' opinion on which type to publish. It was agreed that the version that gave dates of all Hindu festivals should be used.

Jagdishbhai

8.3 *Secondment of Dharmesh Ramjee*

On the proposal of Prakashbhai, it was agreed that Dharmeshbhai Ramjee be seconded on to the Finance portfolio with the specific duty of updating on a bi-weekly basis all financial transactions done by the various portfolios on to a computer that has been loaded with the appropriate software. Approval was given for the necessary expenditure.

Prakashbhai

8.4 *Tin Collection*

Anielbhai requested assistance for the tin collection campaign he wanted to undertake

over the week-end. Sanjaybhai agreed to arrange for 20-30 volunteers and to help with the logistical arrangements.

Anielbhai & Sanjaybhai

9. **CLOSURE**

There being no further business, the meeting closed at 22:35

7 **PRAYER & CLOSURE**

The meeting ended with a prayer at 11:00

**RAMESHBHAI CHHAGAN & SANJAYBHAI GOVIND
JOINT HONORARY SECRETARIES**