

14/03/2024

Resolution tabled by the General committee at the AGM on 30/03/2024 for the Constitutional Amendment pertaining to Capital Expenditure as per Article 9 (f).

Rationale

The grievances of the Members aired at several Annual and General meeting had been concerning the purported observing of the Article 9F, in the breach. This was mainly due to the Article 9(f) having an exemption for expenses incurred due to "maintenance due to normal wear and tear of buildings, pool, machinery and equipment". The recently related audit report also highlighted the uncontrolled spending by the General committee, purportedly relying on this exemption.

Hence, it is now proposed that such exemptions be removed, thus avoiding any misinterpreting of the Article, and providing various interpretations to the said exemption, resulting in CAPEX, amounting millions, being incurred without the approval of the Members and/or without following the due processes of procurement.

Removal of existing Clause 9 (f)

~~Capital expenditure in excess of Rs. 1,000,000 for any one new entire project has to be approved by Members at a General Meeting of the Membership. This excludes maintenance due to normal wear and tear of buildings, pool, machinery and equipment.~~

Recommended replacement Clause9 (f)


Capital expenditure up to Rs. Three Million (3,000,000) shall be approved by the General Committee.
Capital expenditure, in excess of Rs. Three Million (3,000,000), shall be approved by the Members at a General Meeting of the Membership.

All maintenance and replacement expenses of existing items carried out on an emergency basis to ensure the continuity of a service or facility integral to the operations of the Club, in excess of Rs. Three Million (3,000,000), to be approved by the Trustees and notified to the Membership in writing within 30 days of approving of such expense.

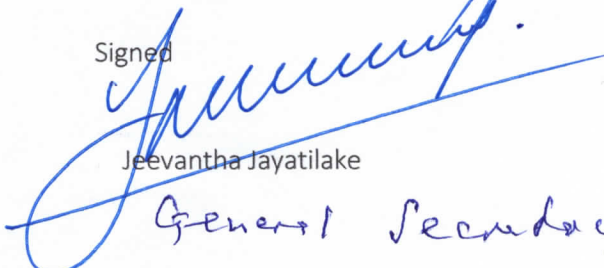
All matters relating to procurement of the Club, shall be in accordance with the policy framework as would be established by the General Committee. Procurement process shall be competitive, transparent and shall be implemented in the best interest of the Club, by a Procurement sub-committee consisting, of The Finance Member, General Manager (or in the absence, the Head of Operations) and the Head of Finance. All procurement of goods and services, shall be subject to the Procurement Committee, receiving a minimum of Three (3) quotes.

The appended chart shows the existing clause and the recommended change for easy comparison.

Signed


Shehara de Silva
President

Signed


Jeevantha Jayatilake
General Secretary

Item #	Original Version	Suggested Amendment	Comments
1	<p><u>9(f)</u></p> <p>Capital expenditure in excess of Rs. 1,000,000 for any one new entire project has to be approved by Members at a General Meeting of the Membership. This excludes maintenance due to normal wear and tear of buildings, pool, machinery and equipment.</p>	<p><u>9 (f)</u></p> <p>Capital expenditure up to Rs. Three Million (3,000,000) shall be approved by the General Committee.</p> <p>Capital expenditure, in excess of Rs. Three Million (3,000,000), shall be approved by the Members at a General Meeting of the Membership.</p> <p>All maintenance and replacement expenses of existing items carried out on an emergency basis to ensure the continuity of a service or facility integral to the operations of the Club, in excess of Rs. Three Million (3,000,000), to be approved by the Trustees and notified to the Membership in writing within 30 days of approving of such expense.</p> <p>All matters relating to procurement of the Club, shall be in accordance with the policy framework as would be established by the General Committee. Procurement process shall be competitive, transparent and shall be implemented in the best interest of the Club, by a Procurement sub-committee consisting, of The Finance Member, General Manager (or in the absence, the Head of Operations) and the Head of Finance. All procurement of goods and services, shall be subject to the Procurement Committee, receiving a minimum of Three (3) quotes.</p>	<p>The grievances of the Members aired at several Annual and General meeting had been concerning the purported observing of the Article 9F, in the breach. This was mainly due to the Article 9(f) having an exemption for expenses incurred due to <i>"maintenance due to normal wear and tear of buildings, pool, machinery and equipment"</i>. The recently related audit report also highlighted the uncontrolled spending by the General committee, purportedly relying on this exemption.</p> <p>Hence, it is now proposed that such exemptions be removed, thus avoiding any misinterpreting of the Article, and providing[†] various interpretations to the said exemption, resulting in CAPEX, amounting millions, being incurred without the approval of the Members and/or without following the due processes of procurement.</p>