



The efficiency of Cricket South Africa's financial distribution model

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Higher Degrees Administration

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ABSTRACT

Sport is treated as a national religion in South Africa and has a definite role to play in uniting this nation. This role will only be fulfilled if the team representing the nation is a competitive and winning team.

The national government department responsible for sport in South Africa is Sport and Recreation South Africa (SRSA). Its vision is to create an active and winning nation with its primary focus on providing equal opportunities for all people in South Africa to participate in sport, managing the regulatory framework thereof, and providing funding for different codes of sport.

South Africa has a vast amount of different sporting codes of which football, rugby and cricket are the biggest. Cricket in South Africa is governed by Cricket South Africa (CSA), which in turn will extend the goals of the SRSA by providing opportunities to all people in South Africa to participate in cricket, managing the regulatory framework thereof, and providing funding for the various affiliates who needs to administrate cricket in all the provinces on CSA's behalf.

The aim of this study was to explore the aspect of CSA pertaining to the providing of funding to the various affiliates and the efficiency of this distribution model.

The main research methodology applied in this study was exploratory in nature. A mixed-method research design was utilised with the first-phase being the collection of quantitative data from the various chosen affiliates, with the second phase focusing on the procurement of qualitative data from the various CEO's / Financial Managers.

The results highlighted the fact that the current model is an effective tool to allocate financial resources. It also confirmed that all members believed that it is an efficient model but can still be improved by analysing and implementing the various feedback received.

Key words: cricket, affiliates, efficiency, financial distribution model

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TABLE OF CONTENTS

DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENTS	iv
CHAPTER 1: NATURE AND SCOPE OF STUDY.....	1
1.1 BACKGROUND	1
1.2 PROBLEM STATEMENT AND CORE RESEARCH QUESTION	2
1.3 RESEARCH OBJECTIVES.....	3
1.4 IMPORTANCE AND BENEFITS OF THE PROPOSED STUDY.....	3
1.5 SCOPE OF STUDY	4
1.5.1 Scope	4
1.5.2 Definition of key terms	4
1.6 STUDY OUTLINE	5
1.7 SUMMARY.....	6
CHAPTER 2: THEORETICAL COMPONENT OF THE STUDY	7
2.1 INTRODUCTION.....	7
2.2 SOUTH AFRICAN SPORT STRUCTURES	7
2.3 SPORT AND RECREATION SOUTH AFRICA	7
2.4 SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE.....	8
2.5 SOUTH AFRICA'S PARTICIPATION ON THE WORLD CRICKETING STAGE	8
2.5.1 Background	8
2.5.2 The structure of cricket in South Africa.....	10
2.5.3 Background of domestic cricket.....	10
2.5.4 Relevance of funding.....	12
2.6 CRICKET SOUTH AFRICA OPERATIONAL MODEL.....	13
2.6.1 Background to the model.....	13
2.6.2 Driving CSA's Vision.....	15
2.6.3 Funding	16
2.6.4 The Incentive Principles and Scorecard	17
2.6.5 Stadium Operating Model and Hosting Agreement	18
2.6.6 Legal structure and objectives.....	18
2.6.7 Efficiency and financial distribution models	19
2.7 SUMMARY.....	23
CHAPTER 3: RESEARCH DESIGN AND METHODS/ RESEARCH METHODOLOGY.....	24
3.1 INTRODUCTION.....	24

3.2 RESEARCH DESIGN	24
3.3 RESEARCH PROCESS.....	25
3.4 POPULATION/SAMPLING	26
3.5 DATA COLLECTION.....	28
3.6 DATA ANALYSIS	29
3.7 ASSESSING AND DEMONSTRATING THE QUALITY AND RIGOUR OF THE PROPOSED RESEARCH DESIGN	30
3.8 RESEARCH ETHICS	30
3.9 SUMMARY.....	31
CHAPTER 4: EMPIRICAL ANALYSIS AND RESULTS.....	32
4.1 INTRODUCTION.....	32
4.2 QUANTITATIVE DATA	32
4.2.1 Introduction.....	32
4.2.2 Analysis of data	32
4.2.3 Conclusion.....	39
4.3 QUALITATIVE DATA	39
4.3.1 Introduction.....	39
4.3.2 Section A: Demographics	39
4.3.3 Section B: 1-4 Rating questions	41
4.3.4 Section C: Comments.....	52
4.4 SUMMARY.....	54
CHAPTER 5: CONCLUSION AND RECOMMENDATIONS.....	55
5.1 INTRODUCTION.....	55
5.2 CONCLUSION	55
5.3 RECOMMENDATIONS.....	56
5.3.1 CSA needs to be improve communication and information sharing	56
5.3.2 CSA needs recognise the unique attributes of each member.....	56
5.3.3 CSA needs to improve the timing of the process.....	56
5.3.4 CSA needs to add certain position to the presidential plan	57
5.4 RECOMMENDATIONS FOR FUTURE RESEARCH	57
5.5 SUMMARY.....	57
LIST OF REFERENCES.....	58

LIST OF TABLES

TABLE 1: Abbreviations used in this document.....5

TABLE 2: International rankings (2 Nov 2017).....9

TABLE 3: Franchise teams10

TABLE 4: Financial data received32

TABLE 5: CSA activity based funding schedule.....33

TABLE 6 CSA’s total annual spending on the sample group34

TABLE 7: CSA sample group’s total income as a percentage of CSA
according to AFS34

TABLE 8: A breakdown of the categories of the CSA activity based funding
model.....35

TABLE 9: Mini Cricket programme breakdown36

TABLE 10: Allocation of semi-pro funding38

TABLE 11: Position40

TABLE 12: Years in position40

TABLE 13: Years in cricket administration41

LIST OF FIGURES

FIGURE 1: CSA Governance framework.....12

FIGURE 2: CSA Operational Structure15

LIST OF GRAPHS

GRAPH 1: The incorporation of CSA’s activity based funding model in 2014/15 has improved overall efficiency42

GRAPH 2: The CSA Funding methodology is driven by the Presidential Plan43

GRAPH 3: The CSA Presidential Plan is continuously monitored, reviewed and communicated.....43

GRAPH 4: The activity based funding model is an effective tool to best apply and allocate financial resources.44

GRAPH 5: Total funding for the year per union (affiliate/ associate) is split into 14 payments of which two are performance based.45

GRAPH 6: Total funding for the year per union (affiliate/ associate) is accurately calculated according to the activity based funding model.....46

GRAPH 7: The evaluation and reward of the incentive scorecard is done efficiently and fairly.47

GRAPH 8: All payments to affiliates/ associates are done timeously.....48

GRAPH 9: The funding model contributes to an efficient budgeting process.....49

GRAPH 10: The cost of living principle is applied efficiently in the funding model.50

GRAPH 11: The funding model’s aims to Centralise, Standardise and Incentivise is fair and efficient.51

GRAPH 12: The CSA financial distribution model is efficient.52

APPENDICES

APPENDIX A: Informed consent form to all participating affiliates64

APPENDIX B: Quantitative data.....66

APPENDIX C: Qualitative data83

APPENDIX D: Letter of ethical clearance85

THE EFFICIENCY OF CRICKET SOUTH AFRICA'S FINANCIAL DISTRIBUTION MODEL

CHAPTER 1: NATURE AND SCOPE OF STUDY

1.1 BACKGROUND

On May 25, 2000, the majority of the Laureus academy members gathered in Monaco for the very first Laureus Sport awards. It was on that evening that the South African president at the time, Nelson Mandela, made the visionary speech which has become the philosophy of the Laureus World Sports Academy and a driving force that has shaped the organisation's work for the past 17 years.

"Sport has the power to change the world. It has the power to inspire. It has a power to unite people in a way that little else does. It speaks to youth in a language they understand. Sport can create hope, where once there was only despair. It is more powerful than governments in breaking down racial barriers. It laughs in the face of all types of discrimination." (Schreiber, 2013)

This speech epitomized the role that sport needs to play in the world, and more especially in a country like South Africa. The hosting of the Rugby World Cup in 1995, the Africa Cup of Nations football tournament in 1999, the 2003 Cricket World Cup and the 2010 FIFA Football World Cup showed that sport could be a unifying process for a nation. However, for the unifying factor to happen the team that represents the nation needs to be a team that the nation wants to identify with, in most cases, a winning team.

For a team to participate and perform at these major tournaments and events on an international level, the team needs to have a sound base. According to Luiz and Fadal (2011: 879) "...sport is tied intimately to issues of national pride and has the potential to transcend deep divides in fragmented societies".

"When one delves deeper into the world of sport, the role of money cannot be ignored" (Luiz & Fadal, 2011). Sport has been a major source of revenue for South Africa in the past and when one considers that the forecasted revenue generated from sporting

activities in South Africa has been estimated to grow to an incredible amount of R1.4 billion US dollars by 2020 (Statista:2013). The Department of Sport and Recreation South Africa (SRSA) is set to invest R1 billion per annum for the next three years on sport development programs (SRSA, 2015). These numbers prove once again that the sports industry is a major contributor and role player in the South African economy.

1.2 PROBLEM STATEMENT AND CORE RESEARCH QUESTION

The funding models implemented throughout the world and the links between input (investment) and output (performance) has been a continuous debate amongst the various codes in the sporting environment. With these major contributions that the various sporting codes play all over the world, it has been a continuous battle to find the correct balance in terms of the financial distribution models for sporting federations.

Governments around the world have many factors that motivate them to provide extensive funding to national sports teams (Mitchell *et al.*, 2012). One such factor is the potential to build national pride through top national performances on the international stage. The aftermath of these top performances can generate extensive results in terms of nation building and a sense of national togetherness (Mitchell *et al.*, 2012: 7; Pomfret and Wilson 2011: 87).

In a sporting-mad country like South Africa there are many codes vying for their slice of the national funding pie to make their specific code a successful one. It is important to note that although financial resources play a massive role it does not guarantee success at international competitions (Frisby, 1986). It is the way in which countries optimally use their resources through different elite sports and development programs which increases the possibility of success on the international stage. In South Africa, one of those elite sports with an extensive development program is cricket. The professional part of the game in South Africa funds the various development programs and in return, the development programs produce players to ensure that the professional teams perform at international level. The key is to design funding mechanisms which encourage the former rather than the latter.

Background clearly indicates that a balance needs to be found between the funding of activities and the performance achieved. This leads to the primary research question: Is the current financial distribution model implemented by Cricket South Africa (CSA) efficient?

1.3 RESEARCH OBJECTIVES

- To Identify and analyze the current funding model implemented by CSA
- To explore how the efficiency of the funding model currently implemented by Cricket South Africa (CSA) can be improved.
- To determine whether there is an efficient balance between activities conducted by members and the funding received through the CSA funding model.
- To determine whether the newly implemented CSA funding model is efficient.

1.4 IMPORTANCE AND BENEFITS OF THE PROPOSED STUDY

- The research findings could contribute in enhancing the financial outcomes for Cricket South Africa (CSA) and affiliated unions.
- This research can potentially assist Cricket South Africa in identifying and redirecting funding within its annual performance plan, to the areas where they will receive the biggest return on investment. Currently the bulk of Cricket South Africa's annual budget is spent on mass participation and access to all.
- This research can potentially assist Cricket South Africa with identifying which of the different affiliates to fund within each of the different programs. Applying the correct funding strategy, can potentially lead to an increase in performance and ultimately achieving better results at major competitions and events.
- This research can potentially confirm that CSA's funding model is effective.
- This research can potentially lead to further academic research and may contribute to the improvement of education in funding models in South Africa.

1.5 SCOPE OF STUDY

1.5.1 Scope

The study will be done within the following scope:

It will focus on the formal cricket structure within the South African boundaries. Cricket South Africa (CSA), is a full member of the International Cricket Council (ICC), and of the recognised affiliates of the South African Sports Confederation and Olympic Committee (SASCOC). CSA is the national governing body for cricket in South Africa and administers all aspects of South African cricket, men and women, through its franchise and affiliate structure.

It used to operate under the name of the United Cricket Board of South Africa (UCB). It changed its name to CSA in 2002, after the completion of the unity process between the South African Cricket Union (SACU) and the South African Cricket Board (SACB) (CSA, 2017).

The study will entail a review of the financial distribution model used by CSA to fund its affiliates. The specific funding applicable to this study will be the annual distribution paid by CSA to the specific affiliates according to the CSA Operational Model.

1.5.2 Definition of key terms

Critical – “the objective analysis and evaluation of an issue in order to form a judgement” (Concise Oxford English Dictionary, 2011:339).

Efficiency – “the state or quality of being efficient.” (Concise Oxford English Dictionary, 2011:488).

Review – “a formal assessment of something with the intention of instituting change if necessary” (Concise Oxford English Dictionary, 2011:1232).

Financial – “the monetary resources and affairs of a state, organisation or person” (Concise Oxford English Dictionary, 2011:532).

Distribution – “the way in which something is shared out among a group or spread over an area” (Concise Oxford English Dictionary, 2011:416).

Model – “a simplified description, especially a mathematical one, of a system or process, to assist calculations and predictions” (Concise Oxford English Dictionary, 2011:919).

Affiliate – “a person or organisation officially attached to a larger body” (Concise Oxford English Dictionary, 2011:21).

The table below explains the abbreviations used in this study:

Table 1: Abbreviations used in this document

Abbreviation	Meaning
CSA	Cricket South Africa
GCB	Gauteng Cricket Board
ICC	International Cricket Council
KZN	KwaZulu-Natal Cricket Union
NCC	Northern Cape Cricket
NWC	North West Cricket
ODI	One Day International
SASCOC	South African Sports Confederation and Olympic Committee
SRSA	Sport and Recreation South Africa
SWD	South Western Districts Cricket
WP	Western Province Cricket

1.6 STUDY OUTLINE

Chapter 1: Nature and scope of the study

Chapter 2: Theoretical component of the study

Chapter 3: Research discussion

Chapter 4: Empirical analysis and results

Chapter 5: Conclusion and recommendations

1.7 SUMMARY

Chapter one covered the nature and scope of the study, as well as defining the objectives. This chapter further highlights the needs for the research and the benefits that the research may potentially provide. An outline of the subsequent chapters is provided to illustrate the process that was undertaken in conducting the research. Chapter two will cover the theoretical component of the study and include the literature review on the appropriate matters.

CHAPTER 2: THEORETICAL COMPONENT OF THE STUDY

2.1 INTRODUCTION

The following section provides a brief description of the sport structures within South Africa. This is followed by a section providing a background to South Africa's participation on the world cricketing stage and finally a breakdown of the structures of cricket in South Africa. This literature review is an evaluative report of information found in the literature related to this study.

2.2 SOUTH AFRICAN SPORT STRUCTURES

Sport in South Africa is governed by Sport and Recreation, a national department appointed by the government. South African sport and recreation is governed by the National Sport and Recreation Act as amended (NSRA). The act aims to provide for the promotion and development of sport and recreation and the co-ordination of the relationships between SRSA, the Sports Confederation, national federations and other agencies; to provide for measures aimed at correcting imbalances in sport and recreation; to provide for dispute resolution mechanisms in sport and recreation; and to provide for matters connected therewith (SRSA). South Africa has a proud sporting history, and has produced various international winning teams and individuals.

2.3 SPORT AND RECREATION SOUTH AFRICA

SRSA is mandated to act as a facilitator and regulator to ensure that sport and recreation is administered and regulated in the best interests of all stakeholders and participants in South African sport and recreation. The NSRA gives SRSA guidance and the necessary power to enter into service level agreements with sport and recreation bodies. It also gives the mandate to SRSA to regulate and monitor the administration of policies implemented by the sport and recreation bodies. SRSA supports these bodies responsible for the delivery of sport and recreation with its available resources (SRSA, 2015). The South African Sports Confederation and Olympic Committee (SASCOC) is currently the national body administering and co-ordinating sport on behalf of SRSA.

2.4 SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE

SASCOC is South Africa's national multi-coded sporting body responsible for the preparation, presentation and performance of teams to all multi-coded events, namely the Olympic Games, Paralympic Games, Commonwealth Games, World Games, All Africa Games, Olympic Youth Games, Commonwealth Youth Games and Zone VI Games.

SASCOC is also responsible to look after the National Sports Federations, together with the various provincial sports councils. Its objective is to deliver South African teams able to participate at international competitions (SRSA, 2015).

SASCOC is responsible for the coordinating, promoting and monitoring of high performance sport in South Africa, which was, before the formation of SASCOC, the responsibility of the following organizations (SASCOC, 2006):

- Disability Sport South Africa
- National Olympic Committee of South Africa (NOCSA)
- South African Commonwealth Games Association
- South African Sports Commission
- South African Student Sport Union
- Sport and Recreations South Africa
- United School Sports Association of South Africa.

2.5 SOUTH AFRICA'S PARTICIPATION ON THE WORLD CRICKETING STAGE

The following section provides a brief history of South Africa's participation on the world stage.

2.5.1 Background

Cricket has a rich history in South Africa covering more than 200 years after being introduced by occupying British Forces from 1795. It was mainly an army game until the 1840s when the first clubs and school teams emerged. From these beginnings, local cricket developed its foundations and some of the oldest traditions of playing in the world emerged amongst the indigenous people in the Eastern Cape, the descendants of slaves in Cape Town and Dutch-speaking Afrikaners. Women were

also involved long before it was recognised that they supported the game (Cricket South Africa, 2016).

For CSA's leadership to be able to promote inclusive identities and provide strategic leadership it is necessary to understand the different cricket traditions and cultures that emerged in the country. Arising from these beginnings, CSA has recognised that it is imperative to build a new and inclusive cricketing culture in South Africa to make cricket a truly national sport of winners. The period over which CSA has existed in its present form has seen great progress in developing cricket for all South Africans and this initiative will continue.

The first tour by a side from England took place in 1888-89. In 1909, the Imperial Cricket Conference (Known now as the International Cricket Council) was formed with South Africa as one of the three founding members. In 1970, South Africa was suspended from international cricket due to the government's policy at the time. In 1991, South Africa was reinstated as a test nation and is currently rated as one of the powerhouses of cricket in the world (Cricket South Africa, 2016; Shazi, 2017)

Table 2: International rankings (2 Nov 2017)

Team	Test	ODI	T20	Women
Australia	5	3	7	1
Bangladesh	9	7	10	9
England	3	4	4	2
India	1	2	5	4
New Zealand	4	5	2	3
Pakistan	7	6	1	7
South Africa	2	1	6	6
Sri Lanka	6	8	8	8
West Indies	8	9	3	5
Zimbabwe	10	*11	*12	N/A

From table 2 it is clear to see that South Africa deserves its recognition as a powerhouse of world cricket, especially because of its top two ranking in the two traditional forms of the game.

2.5.2 The structure of cricket in South Africa

The following section provides a brief history of cricket structures in South Africa.

2.5.3 Background of domestic cricket

The first domestic competition in South Africa, the Currie Cup, was introduced in 1890 by Sir Donald Currie. It started off as a competition between only two sides, Kimberley and Transvaal and quickly expanded into a very strong competition between all the provinces in South Africa.

In 2003, CSA decided to move to a franchise system of six teams with the aim of producing a stronger top-tier underpinned by a second-tier tournament based around the old provincial teams. Each franchise team was composed out of two or more affiliates grouped together based on geographical areas.

Table 3: Franchise teams

Franchise	Affiliate	Affiliate	Associate
Cobras	Western Province	Boland / South Western Districts	
Dolphins	KZN		*KZN Inland
Knights	Free State	Northern Cape	
Lions	Gauteng	North West	
Titans	Northerns	Easterns	Limpopo/ Mpumalanga
Warriors	Eastern Province	Border	**Border Kei

* KZN Inland was deregistered in 2017 and currently falls under the auspices of KZN

** Border Kei currently falls under the auspices of Border

Table 3 depicts the composition of the franchise teams. Affiliates and associates remain the custodians of cricket in the respective areas and the task of development remains the responsibility of these cricket unions (CSA, 2017)

CSA currently has twelve Affiliate and two Associate Members:

Affiliates

- Boland Cricket NPC (Paarl)
- Border Cricket NPC (East London)
- Eastern Cricket NPC (Benoni)
- Eastern Province Cricket NPC (Port Elizabeth)
- Free State Cricket NPC (Bloemfontein)
- Gauteng Cricket Board NPC (Johannesburg)
- Kwa-Zulu Natal Cricket Union NPO (Durban)
- Northern Cape Cricket Union NPC (Kimberley)
- Northerns Cricket Union NPO (Pretoria)
- North West Cricket NPC (Potchefstroom)
- South Western Districts Cricket NPC (Oudtshoorn)
- Western Province Cricket Association NPO (Cape Town)

Associates

- Limpopo Impala Cricket Association NPC (Polokwane)
- Mpumalanga Cricket Union NPC (eMalahleni)

Figure 1: CSA Governance framework

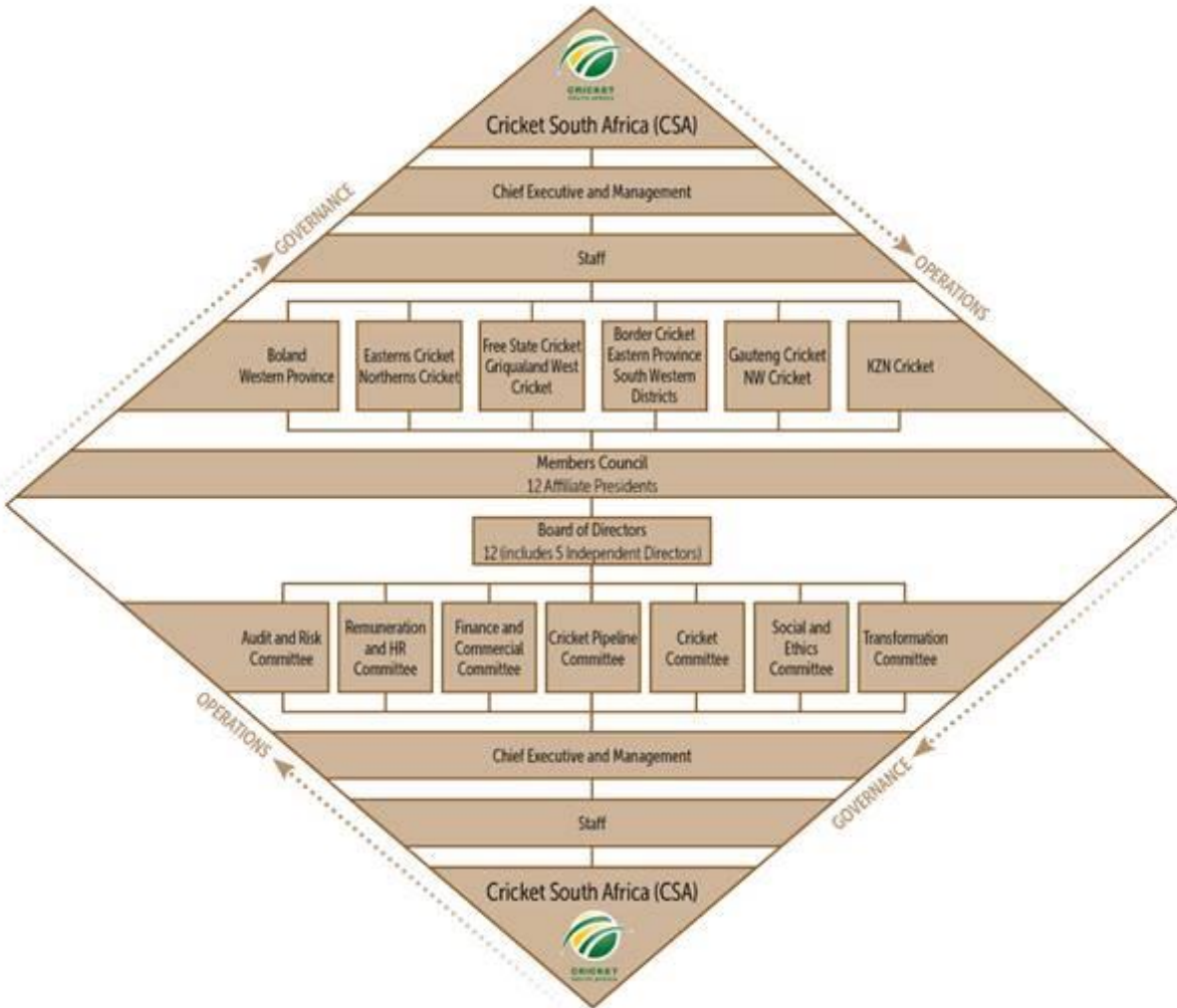


Figure 1 clearly depicts the governance framework of CSA in terms of its operations and it shows the fact that all affiliates are represented on a Members Council, who then appoints a Board of Directors, which will in turn appoint the Chief Executive (Cricket South Africa 2016: 36).

2.5.4 Relevance of funding

SASCOC announced in 2015 that the governing body would require more than R100m to prepare athletes for the 2016 Olympic Games in Rio de Janeiro in order to achieve its target of winning ten medals (Sport 24, 2015).

South African athletics will only be able to show more medals once it receives a significant increase in funding (Cardinelli, 2012). In the world of sport there are so many variables that the possibility exists that even though significant funding is invested in a

certain sporting code it does not guarantee success. Financial backing is not the only reason for success but it will have an impact on the long-term consistency of a specific code.

The British government recently outlined that their elite sporting codes spend way too much money when one considers the socio-economic conditions currently experienced worldwide (SBD, 2015). Maslow's hierarchy of needs also suggests that governments should rather be funding people's basic needs in the form of physiological and safety requirements rather than spending funds on the less basic items. Sport falls into the psychological and self-fulfillment needs which moves towards "the nice to have categories". On the flip-side it has to be taken into consideration that sport has a huge role to play in creating a healthy environment.

Sport therefore needs to stretch every cent available and implement the right funding models, constant monitoring of programs and expenditure and the efficient application of policies and procedures. Findings of the study by Binns (2009) on the use of performance based funding in sports organizations indicated that many sports organisations and administrators do not correctly apply and spend the financial resources available to them.

2.6 CRICKET SOUTH AFRICA OPERATIONAL MODEL

2.6.1 Background to the model

CSA Chief Executive, Mr. Haroon Lorgat stated the following in his foreword for CSA's Operational Handbook (2016) "Cricket is more than just a game. It is an integral part in forging a nation and, in our country; it contributes to the transformation of our society. Cricket plays a role in making sure that South Africa flourishes. Let us all play for the same team. Let's all consolidate our efforts to create a sporting body that we can be proud of, and in turn we will be building a South Africa that prospers for all its people."

This Operational model is intended to guide CSA, its Affiliates, Associates, Franchises and Stadiums on how best to apply and allocate its resources to deliver on its strategies in a sustainable manner.

The model incorporates the following key factors:

- Sustainability and Growth
- Focused and effective spending to achieve CSA's vision; and
- Right sizing and alignment of structures and purposes.

The main aims of the model are:

- Adopting Best Practices;
- Standardisation and alignment of processes and systems across the cricket spectrum; and
- Sustainability and Growth.

They are based on the three pillars: **C**entralise, **S**tandardise and synergise and **I**ncentivise (CSI)

Figure 2: CSA Operational Structure



Figure 2 indicates the operational structure of CSA in order to obtain sustainability. It starts with a broad foundation with the implementation of the basic elements of regulatory compliance and governance, and operational effectiveness and efficiency. When these elements are in place revenue and the business will grow, which will give the opportunity to come up with a differentiated strategy which will ultimately lead to the building of a brand. This will finally equate to success (Cricket South Africa 2016: 57).

2.6.2 Driving CSA's Vision

In nature, organisms flourish, grow and survive if they exist in a healthy eco-system. This is true of all organisations. The organisational eco-system requires a fine and

delicate balance between resilience, optimization, being adaptive, having systems, and values, and supporting life (growth). The business imperatives of CSA need to be supported to ensure sustainability. These imperatives ensure that the work of CSA can happen in a balanced and sustained manner.

In other words, it puts CSA in a better position to support products and programmes for the cricket pipeline, near (domestic stakeholders), and far (international stakeholders). Work in harmony, the organisational eco-system, which supports the imperatives, and work of CSA, ensures that CSA is sustainable and successful, and reaches its strategic objectives and vision. Each of these is as important as each other, and cannot be diminished in favour of another.

For CSA and its affiliates, these include:

- **Regulatory compliance and governance:** priorities that keep organisations properly managed and controlled.
- **Operational efficiency:** priorities that drive business efficiencies including cost optimization, process transformation, and elimination of redundancy.
- **Sales and growth:** priorities that drive top-line improvements
- **Strategic differentiation:** priorities that create game changing transformation or business model disruptions.
- **Brand:** priorities focused on expanding the image and appeal of an organisation's stakeholder perception including building connectedness (Cricket South Africa, 2016: 15-16)

2.6.3 Funding

The Operational Model focusses on how Amateur and Provincial Cricket should be funded and managed. The funding model is activity based - Activity Based Funding (ABF) - and the funding methodology is based on the operations, operational structure and historical management, all of which are driven by the Presidential Plan (PP).

Using the prior year's activities and operations as a base, the funding requirements for the current year are calculated (with reasonable growth projections) and will be

released over 14 payments each year, the last two (P13, P14) of which are not time-based, but achievement-based. Periods 1 to 12 payments will be paid each month. Each Member in turn is required to prepare an activity-based and zero-based annual budget which **shall not be less than break even** and which is approved by the Member Board and provided to CSA in advance of each financial year.

P13 payment is achievement based and will be made after the submission of a number of largely administrative procedures e.g. confirmation league fixtures, the existence of facilities, program structures and capacity requirements.

P14 will be paid after the conclusion of each season. P14 payments can only be made after all reports and supporting documentation have been received **and** evaluated by CSA.

The funding is core to the basic deliverables of the Member **operating requirements**, and they can be forfeited if, after evaluation of the submissions and supporting documentation, the objective is not met.

The Operational Model objectives are assessed annually on the basis of Return Forms and Incentive Scorecards. (Cricket South Africa, 2016: 17)

2.6.4 The Incentive Principles and Scorecard

The basic requirements expected from each member to carry out their cricket programmes are all covered by the ABF (P1-P12). The reward and incentive scheme (P13-P14) is aimed at achieving the development objectives for CSA as whole. While the ABF is geared towards sustaining cricket in South Africa, the reward and incentive scheme is aimed at advancing, enhancing and growing the game across South Africa.

Incentive Scorecards reward **excellence** and not competence. The reward and evaluation of the Return Forms and Incentive Scorecard is performed annually as per the timelines communicated to Members (Cricket South Africa, 2017: 18).

2.6.5 Stadium Operating Model and Hosting Agreement

The Stadium Operating Model and Hosting Agreement (SOMHA) sets out the means to optimize the use of our stadiums and thus to ensure future sustainability. It is imperative that stadiums are self-supporting operations and that the revenues generated (both self-generated and co-generated with CSA) cover all the operating and capital costs without any form of subsidy from CSA or from the Members (Affiliates or Associates) other operations.

This document proposes a stadium operating and related revenue share model as means to tackle the sustainability of South African stadiums. CSA and the respective stadiums have entered into an agreement in order to ensure that these objectives are met (Cricket South Africa, 2017: 18).

2.6.6 Legal structure and objectives

CSA is a non-profit company (Companies Act, 2008). A non-profit company is required to be either a public benefit organisation or a cultural, communal or group interest's organisation. It cannot use its funds for anything other than the objective for which it was formed. CSA's objectives include the promotion and development of cricket and consequently all its funds must be directed to that objective.

CSA's objectives are explained in more detail in its MOI. The MOI was introduced in 2008 and replaced previous legislation that fell under the old act that were two documents known as the Memorandum of Association and the Articles of Association. The Memorandum of Association was the founding document of the company. The Articles of Association dealt with the internal arrangements relating to control, administration and any other matters of substance.

The Companies Act, No. 71 of 2008, as amended, ("the Act") has since replaced the Memorandum and Articles of Association with a single MOI. Prior to CSA's 2015 Annual General Meeting (AGM) CSA had only two classes of membership, namely a class of voting Members (Affiliates) and a class of non-voting Members (defined as Associates due to their smaller scale operations).

At the 2015 AGM, CSA Members resolved that the class of non-voting Members be split into two categories, namely Associate Members and Ancillary Members. The Ancillary Member category is intended to have more lenient criteria for membership and was introduced to accommodate the different forms of cricket which may not meet the stringent criteria required for the other membership categories. The relationship with Ancillary Members is governed by an MoU.

In contrast to a for-profit company which is answerable to its shareholders, CSA's mandate comes from its member associations (i.e. Affiliate, Associate and Ancillary Members) represented by officials (i.e. Presidents) from all over the country, elected by their respective members. Membership is conferred upon the applicant who meets the relevant criteria for such classes of membership as determined by Members' Council from time to time.

The Membership criteria are available from the Memorandum of Incorporation (MOI), clause 10.7 and further criteria upon request by the applicant from the Transformation and Member Relations Executive. Applications for membership are considered at an Annual General Meeting or at any, postponed Annual General Meeting and the application must be received by the CEO at least 60 business days prior to the date of the Annual General Meeting and shall be subject to the approval of two-thirds of the Members' Council. Ancillary and Life Members do not have voting rights and do not receive funding, but receive CSA's endorsement.

CSA must use all its assets and income, however derived, to advance its stated objects, as set out in its MOI. Despite having large revenues, CSA remains, in accordance with South African law, a non-profit company as long as it invests its surplus funds into its stated objectives. The Act acknowledges that CSA need to generate a profit to survive and grow (Cricket South Africa, 2017: 20-25).

2.6.7 Efficiency and financial distribution models

Financial distribution models have always been a deliberated subject, with the main aim usually of creating a balance between the distributor and the receiver.

Currently the bulk of CSA's revenue is received through television rights paid by broadcasters to view certain cricket matches. A percentage of this funding is then distributed to the various members to conduct activities through which players are produced.

Funding is an interdependent component of an overall business model and organisational strategy. A crucial part of a full overall business ensemble, but in the end still only a part (Duermyer, 2017; Osterwalder, 2017). In view of this it can be argued that a successful model is one that generates sustainable income in a manner that gives an organisation the best possible opportunity to reach its goals. This concept was broken down into the following aspects:

- **Reliability:** The efficiency in terms of reliability can be measured through consistency in funding (De la Roza, 2014).
- **Diversification:** It is never advisable to put all eggs in one basket, but the fact is also that too much diversification might entail high dispersion in terms of project objectives. An added administrative burden might also be created due to multiple grants received for various projects (De la Roza, 2014).
- **Acceptable conditions:** The administrative and contractual conditions attached to funding should enable (rather than prevent) an organisation to effectively apply the funding and allocate resources to areas where it will make the biggest difference (De la Roza, 2014).
- **Independence:** A good funding model has the basic condition that the receiving organisation should still remain independent in terms of deciding how to best run the organisation (De la Roza, 2014).
- **Transparency:** This pertains to the fact that the origin of funding and the main conditions attached to it should be easy to track (De la Roza, 2014).

These criteria offer a basic guide to determine whether a company's funding model is efficient (De la Roza, 2014).

Sport funding can be received from two basic sources:

- Budget or public sources
- Non-budget or specific means (Jolly, 2013).

Non-budget funding consists out of the following:

- Donations
- Sponsorships
- Gifts
- Other income (Skoric et al., 2012)

The distribution of funds is not widely covered in literature however with the primary responsibility of the organisation to make a difference to beneficiaries, who rarely provide any financial assistance, it leaves the organisation with the need to cultivate a distinct set of funders. It is therefore imperative that an organisation identifies an appropriate funding model (Brest, 2009).

Almost all of CSA's members are based on a breakeven model and therefore it made sense to gather information regarding the funding model of an NPO. The benefits of identifying an appropriate funding model will assist the NPO to provide better value to its beneficiaries. Such model ensures that funds are effectively and efficiently used within the organisation to successfully achieve all set objectives and maintain the sustainability of the NPO. Identifying a standard funding model framework is challenging due to the vast range of services provided and the size of the NPO's beneficiaries. The following are the ten funding models based on source of funds and the motivation and need of the decision makers (Foster, Kim & Christiansen, 2009). These ten models are:

Heartfelt connector – this model is based on the use of voluntary services in an attempt to reduce operational costs and by attracting voluntary donations by hosting special events (Foster, Kim & Christiansen, 2009).

Beneficiary builder – this model is best suited for organisations that are recognised by specific individuals who are highly appreciative for services provided. Such model is most effective with hospitals and universities (Foster, Kim & Christiansen, 2009).

Member motivation – this model harnesses the funds from members who have an integrate interest in the organisation. Such organisation attracts funds by offering a

collective benefit for all members. NPO's founded on religion, humanities, environment or arts & culture best benefit from such model (Foster, Kim & Christiansen, 2009).

Big bettor – the sustainability of the organisation is heavily reliant on selective individuals or foundations. This model is best suited for NPO's which have a direct purpose and timeline eg. Medical research (Foster, Kim & Christiansen, 2009).

Public Provider – This model is based on funding provided by government. It is specifically founded for organisations providing essential social services aligned to national government funding (Foster, Kim & Christiansen, 2009).

Policy innovator – as with the Public Provider model, this model is built on government funding. However, it is formed for organisations that tackle social issues that are not directly aligned to national government funding (Foster, Kim & Christiansen, 2009).

Beneficiary broker – This model is best suited for organisations that compete to provide beneficiaries services which are supported by government. Such services include housing, employment services, health care and student loans (Foster, Kim & Christiansen, 2009).

Resource recycler – this model is best suited for organisations built on collecting and distributing donated items. Such donations form the main revenue stream of the organisation with fund raising initiatives taken to raise funds to cover the operations costs (Foster, Kim & Christiansen, 2009).

Market maker – this model was developed for NPOs operating in markets which have a constant or increasing demand but is considered unseemly or unlawful to operate within, with the intention to make a profit, such as organ donation. It is illegal to sell human organs even though there is a constant demand for human organs. Funding for these organisations are mostly received from fees or donations directly linked to their activities (Foster, Kim & Christiansen, 2009).

Local Nationalizer – This model is best suited for organisations formed to aid various nations in ways that government cannot reach, such as Gift of the Givers. These

organisations receive funding from donors or through fund raising initiative and receive little to no financial support from local government (Foster, Kim & Christiansen, 2009).

These ten funding models provide the foundation on which a NPO may build the appropriate funding model. Upon receiving the required funds, the organisation has to ensure the appropriate distribution of such funds.

Funds need to be utilised in a way that best aligns with the organisation's vision and aims, attains the organisations targeted objectives and provides the assurance of long-term sustainability. There are various business strategies that assist in ensuring that funds are distributed accordingly which requires precise processes to be implemented to ensure the desired outcomes are delivered (Whitaker, 2007; deHoog and Salamon, 2002). A funding distribution model needs to be a formal, well documented agreement between all parties clearly stating the requirements needed to be fulfilled to become legible for the funding (Gazley, 2008). Due to the diversity of NPOs, no single standardized process can be completely fair to implement across all (Henderson et al, 2002).

2.7 SUMMARY

Chapter two covered the theoretical component of the study and included the literature review on the appropriate matters ranging from sport in South Africa to cricket specific structures. This chapter has explored the current sport structure and background of South Africa within the international cricket stage. The current structures and funding structures of cricket within South Africa were reviewed to provide a thorough understanding.

Chapter three will cover the research design and methods applicable to this study.

CHAPTER 3: RESEARCH DESIGN AND METHODS/ RESEARCH METHODOLOGY

3.1 INTRODUCTION

The research objectives have been stated and the theoretical part of the study has been completed.

Chapter three will focus on the research design and research methodology. The data collection will be discussed, the survey questionnaire will be used as one of the measuring instruments and finally the presentation and interpretation of the results.

3.2 RESEARCH DESIGN

According to Welman et al. (2009), a research design is a plan of how a study is to be conducted. This includes finding respondents from whom information will be collected. A research design describes what is to be done with participants, with a view to finding conclusions regarding the research problem. Every research design must include a research methodology. This is the context of the research.

The focus of this study is to evaluate the efficiency of the CSA funding model.

In designing research questions, Rowley (2014:315) suggests that you need to check that your questions:

- Are as short as possible;
- Are not leading or have implicit assumptions;
- Do not include two questions in one;
- Only exceptional invite “yes/no” answers;
- Are not too vague or general;
- Do not use double negatives;
- Are not, in any sense, invasive, or asking questions that the respondent is unlikely to want to answer; and
- Do not invite respondents to breach confidentiality.

The mixed method approach allows for the use of both quantitative and qualitative approaches to study a research phenomenon (Creswell, 2008). This approach is justified for this research because of the following reasons:

- a.) The study seeks to investigate the efficiency of a funding model. Statistics fall in the realm of quantitative research, hence its importance to this study.
- b.) A qualitative methodology seeks to test the different views and perceptions about the research by respondents (Creswell, 2008).

For this research a mixed method approach was used, specifically the exploratory mixed method meaning that it was started with the collection and analysis of quantitative data followed by the collection and analysis of qualitative data (Delpont & Fouche, 2011:441; Engel & Schutt, 2010:199).

The quantitative design will be incorporated to physically verify and compare all the financial details from the various affiliates.

The qualitative design will be used to research the different opinions through interviews with stakeholders from the various affiliates in order to answer the research question. The research included a questionnaire that was sent to respondents to complete.

3.3 RESEARCH PROCESS

The research process is defined by various authors in similar terms ((Engel & Schutt, 2013: 28-48; Gilbert, 2008: 50-60; Grinnell & Unrau, 2014: 310). The following outlines the specific research process conducted:

Step 1 – Literature study

The gathering of information and previous research information on the specific topic

Step 2 – Research methodology

Choose a research approach, which will best suit the literature gathered and refining the research questions

Step 3 – Sampling

Decide on a unit of analysis

Step 4 – Data collection

Collect the data – quantitative (financial statements) and qualitative (interviews)

Step 5 – Data analysis

Analyse the data gathered

Step 6 – Assessing the quality

Assess the quality and accuracy of the data analysed

Step 7 – Conclusion

3.4 POPULATION/SAMPLING

One of the most important aspects in a research project is the unit of analysis. The unit of analysis is the major entity that is analyzed in the study (Mitchell & Jolley, 2010: 143). For instance, any of the following could be a unit of analysis in a study:

- individuals
- groups
- artifacts (books, photos, newspapers)
- geographical units (town, census tract, state)
- social interactions (dyadic relations, divorces, arrests) (Delport & Fouche, 2011:441).

It is the analysis you do in your study that determines what the unit is.

In answering the primary research question, the following background is of importance. Cricket South Africa (CSA) is the mother body of all cricket unions in South Africa. There are currently 12 Affiliates and two Associates that form part of CSA. In terms of CSA's funding model, all of these cricket unions receive monthly grants to run their respective activities.

In 2014, CSA introduced a new activity-based funding model based on the number of activities conducted by a union, as well as introducing a system with different categories of funding for administration according to size and the cost of living in the various areas.

The unit of analysis will be the affiliates/associates.

The 14 CSA Affiliates and Associates are divided into three categories, which are also used to differentiate between the affiliates in terms of funding. In terms of an inclusive approach, the number of units chosen will be two members with different backgrounds from each category. This will lead to choosing six members to form the study population. A quantitative research method will be implemented.

The main focus of this study is the funding model applied by CSA to govern the allocation of funding to affiliates. The affiliates can be grouped into categories in terms of the size of activities, geo-political operations and the importance of stadiums.

Stratified random sampling is advantageous because it ensures that each sub group within the population receives proper representation within the sample. Simple random sampling is the ideal, but in this case stratified random sampling will be a good base to start from because of the different categories (Monette et al., 2011: 141; Strydom. H., 2011: 230). Within these categories, diversity sampling will be used to deliberately choose variety.

The following Affiliates / Associates have been chosen after confirming availability to form part of the research:

Category A

- Gauteng (traditionally seen as the biggest affiliate)
- KwaZulu-Natal (biggest affiliate in terms of number of districts)

Category B

- North West (top ranked affiliate from this category in terms of stadium)
- South Western Districts (newest affiliate member).

Category C

- Mpumalanga (associate)
- Limpopo (associate)

The researcher communicated to these Affiliates and Associates that access would be required to view their financial statements and the budgets that each receive from CSA on an annual basis.

The researcher would be able to rely on these financial statements because it would be independently audited statements. The budgets would also be accurate because it would be received directly from CSA.

The specific unit of analysis was chosen because in the need to determine whether the funding distribution model is fair and effective, all Affiliates/ Associates need to be represented. All the required data will be readily available and will basically need to be filtered in such a way that comparisons can be made. The data will then be able to indicate whether the funding model is in fact effective.

3.5 DATA COLLECTION

Data collection is the process of gathering data that will be applicable to the specific study. The researcher is currently the CEO of one of the affiliates of CSA that forms part of this study. On a quantitative level, the researcher had access to financial information of all the affiliates, as well as CSA. On a qualitative level, the researcher had access to the CEO's and Financial Managers of all the affiliates, as well as CSA.

A first verbal communication took place to explain the research to the sample group. The researcher then contacted all the units that were part of the sample group telephonically to request the financial information. The following step was to send an e-mail with the specific requests to the various contacts. Continuous follow-ups were done.

This part of the study would be quantitative in nature. The information collected were in the form of financial statements and budgets. Quantitative design was incorporated to physically analyze the CSA budgets and selected financial details from the various affiliates.

The data was compared over two financial periods (1 May 2015– 30 April 2016 & 1 May 2016 – 30 April 2017). A cross-sectional design involves the collection of data on more than one case and at a single point in time. Cross-sectional design is usually also used with official statistics like the financial information which will be collected from the various affiliates (Bryman & Bell, 2015:106)

The qualitative design will be the second part of the study. A first verbal communication took place to explain the research to the sample group. The researcher then contacted all the units that were part of the sample group telephonically to request the completion of a research questionnaire. The following step was then to send an e-mail with the specific questionnaire to the various contacts. Continuous follow-ups were done.

The information collected was in the form of completed questionnaires. Qualitative design was implemented to analyze the information. According to Rowley (2014:308) research questionnaires may be distributed to the potential respondents by post, e-mail, as an on-line questionnaire or face-to-face by hand. For purpose of this research,

the questionnaires were distributed via e-mail. Each research questionnaire was accompanied by a letter explaining the reason for it, as well as confirmation that all feedback would be treated as confidential.

If any issues arose in terms of accessibility at a later stage, a different Affiliate/ Associate would have been approached from the same category.

3.6 DATA ANALYSIS

The quantitative data preparation and analysis will be broken down into two phases. Phase one involved the compilation of all the relevant raw data into one spreadsheet. Phase two was the process of delving deep into the various details of each allocation.

Data was collected in both numeric (operational budgets, income and expenditure reports) and textual (literature on applicable policy documents and handbooks) forms. The data was analyzed using Microsoft Excel spreadsheets.

The bivariate analysis method was used to analyze the data. This type of analysis is concerned with analyzing two variables at a time in order to uncover whether or not they are related. A variety of techniques is available for examining whether variation in one variable coincides with variance in another.

The research question was answered by comparing the funding received to the details of the specific activities. Contingency tables can be implemented because they are the most flexible of all methods in analyzing relationships that can be employed to any pair of variables (Bryman & Bell, 2015: 322).

The final answer was in the detail breakdown of all the allocations received and the correlation to the different amounts of funding received by each unit of the sample group.

The qualitative data preparation and analysis was broken down into two phases. Phase one involved the identification of all responses that expressed a form of dissatisfaction. Phase two was the process of analyzing all additional comments.

3.7 ASSESSING AND DEMONSTRATING THE QUALITY AND RIGOUR OF THE PROPOSED RESEARCH DESIGN

The nature of the quantitative data to be collected will be of a financial nature consisting out of audited financial statements from the chosen population and approved budgets received from CSA. The validity and accuracy of this information will be of an extremely high-quality due to the independent auditor's reports. The information will be reliable because of the same reason. (Bryman, 2008:149; Mitchell & Jolley, 2010: 143; Stangor, 2011: 101-102)

The trustworthiness of the qualitative data was achieved by determining the truth value, applicability, consistency, neutrality and authenticity (Botma *et al*, 2010: 232-234; Creswell, 2013: 250). The information collected was of an historical nature going back to the 2015/16 financial year and the 2016/17 financial year, as well as the budgets for both financial years.

Specific emphasis was placed on the CSA distribution part of the statement of comprehensive income related to income received from CSA. This part of the income received was also broken down into the specific allocations received for the various activities. The funding for the specific activities was then be inspected in detail to determine the fairness and effectiveness thereof.

3.8 RESEARCH ETHICS

Research ethics is specifically interested in the analysis of ethical issues that are raised when people are involved as participants in research (Welman *et al*, 2009). The financial review was done mainly on financial data, which is freely available to the public. Interviews were also conducted with the CEO's of the selected affiliates. In view of maintaining good relations with all the applicable affiliates, as well as CSA, all the respective CEO's were contacted to discuss the nature of the study and to confirm that no person would be directly quoted without consent. Nobody was coerced to participate in the study, thus voluntary participation was sought (Babbie, 2010: 64).

The research was ethically governed by the following areas:

- Minimised the risk of harm through obtaining consent from all participants

- Obtained informed consent from the founder of the funding model
- Protected anonymity and confidentiality through no specific reference to participants
- Avoided deceptive practices by defining the scope of the study clearly
- Provided the right to not participate by stating voluntary basis of research upfront

3.9 SUMMARY

Chapter three outlined in detail the importance of qualitative research for this study, as well as the importance of adding a quantitative approach. The chapter covered the research methodology and data collection process.

Chapter four will cover the method on how the population sample was selected. The chapter will outline the analysis of data and the presentation of findings. The quantitative and qualitative methods of designs were used to gather the relevant information of the research. Interpretations of the data will be provided within this chapter.

CHAPTER 4: EMPIRICAL ANALYSIS AND RESULTS

4.1 INTRODUCTION

This chapter outlines the analysis of data and the presentation of findings. The quantitative and qualitative methods of designs were used to gather the relevant information of the research. Tables and graphs are used to illustrate the information gathered from the research conducted. Interpretations of these tables and graphs are provided within this chapter.

4.2 QUANTITATIVE DATA

4.2.1 Introduction

The financial data were initially requested from the CEO's of each of the affiliates/ associates that formed part of the sample selection, as well as the Financial Manager of CSA. The audited annual financial statements for 2017 were requested for each of the affiliates/ associates, and the annual approved distribution budget was requested from CSA. The initial response rate was average, which forced the researcher to contact almost of the selected sample for a second time.

All data was received after this second request.

Table 4: Financial data received

Institution	Data received
Gauteng Cricket Board	AFS 2017
KZN Cricket Union	AFS 2017
North West Cricket	AFS 2017
South Western Districts	AFS 2017
Limpopo Cricket	AFS 2017
Mpumalanga Cricket	AFS 2017
CSA	Budget 2017

4.2.2 Analysis of data

The first consideration of this analysis was the CSA Funding model, and in particular, the distribution part to its members.

Table 5: CSA activity based funding schedule

AFFILIATE MEMBER FUNDING	Activity Based Funding Budget 2016/17	Semi-Professional Cricket 2016/17
Gauteng	9,059,028	1,473,547
Kwa-Zulu Natal	7,792,673	1,544,588
Northerns	8,407,369	1,577,838
Western Province	9,170,313	1,472,946
Boland	6,615,768	1,609,428
Eastern Province	6,976,277	1,578,248
Free State	6,106,404	1,570,320
North West	5,740,090	1,475,302
Border	6,928,232	1,688,838
Easterns	6,794,893	1,516,916
Griqualand West	5,715,462	1,703,260
South Western Districts	6,108,355	1,413,558
Total	85,414,865	18,624,789
ASSOCIATE MEMBER FUNDING		
KwaZulu-Natal Inland	4,813,559	1,479,328
Mpumalanga	4,342,940	
Limpopo	4,342,797	
Kei	3,565,758	
Total	17,065,055	1,479,328
Total (Nett cost)	R 102,479,919.96	R 20,104,117.00

CSA's total annual spend on all members according to the official approved budget in terms of the activity based funding model is just over a R122 million. The goal of the CSA activity based funding model is to effectively distribute these funds to the members according to the activities that take place.

Table 6: CSA's total annual spending on the sample group

MEMBER FUNDING	ACTIVITY-BASED	SEMI-PROFESSIONAL
GCB	9,059,028	1,473,547
KZN	7,792,673	1,544,588
NWC	5,740,090	1,475,302
SWD	6,108,355	1,413,558
LIMPOPO	4,342,797	
MPUMALANGA	4,342,940	
TOTAL	37,385,883	5,906,995

Table 6 depicts CSA's total annual spend on the sample group according to the activity based funding model. The total amount applicable to this group is more than R43 million.

Table 7: CSA sample group's total income as a percentage of CSA according to AFS

MEMBER	CSA ACTIVITY BASED INCOME	MEMBER TOTAL INCOME	CSA INCOME AS PERCENTAGE OF MEMBER INCOME
GCB	10,532,575	57,786,061	18%
KZN	9,337,261	49,732,741	19%
NWC	7,215,392	21,534,409	34%
SWD	7,521,913	17,553,006	43%
LIMPOPO	4,342,797	7,174,157	60%
MPUMALANGA	4,342,940	10,865,372	40%
TOTAL	37,385,883	164,645,746	23%

The total of the sample group's activity based income as a percentage of the sample group's total income is given in table 7. This clearly shows the dependence by the members on funding received by CSA. It also emphasises the importance of an effective distribution model. The model currently used by CSA is an activity based funding model which allocates funding to members according to the activities conducted by each member.

Table 8: A breakdown of the categories of the CSA activity based funding model

PROGRAMMES
KFC Mini Cricket:
Administration (KFC MC Coordinator)
Provincial Seminar
Provincial Festival
Courses & Refreshers
Regional Festivals
Equipment
Youth Cricket:
Administration of Schools Cricket (Executives)
Provincial Age group trials
Provincial Age Group Teams - Preparation programme
Provincial Age Group Teams - Transport to Friendly matches
Provincial Age Group Teams - Friendly matches
National Tournament Fees - Coaches/ Selectors
Development of Women's Cricket
Affiliates/Associates with less than 4 teams
Affiliates/Associates with between 4 and 8 teams
U/19 Schools league cricket (minimum 4 teams)
U/13 Schools league cricket (minimum 8 teams)
Cricket Centres of Excellence
HUBS (# of allocated HUBS and against set deliverables)
Club Cricket:
Premier League Clubs
Promotion League Clubs
Clubs Other Leagues
Transport Assistance
Facility Assistance
Other
Rural Club Cricket Grant
Umpires
Scorers
Provincial Academies
Coaching Grant
Player Support (as per the OMT)
Presidential Plan Salaries (as per the OMT)
Administration costs

Table 8 shows a list of all the programmes conducted by members on behalf of CSA. Each programme then implements a breakdown according to the activity based model to the various members.

The following table is an example of how funding will be allocated within the various programmes. The example used is the mini-cricket programme.

Table 9: Mini Cricket programme breakdown

MINI CRICKET	UNIT COST	PER AFFILIATE
Provincial Seminar:- (1 per Affiliate/Associate annually)		44,750.00
Venue Hire		8,000.00
Transport (Bus hire)		18,000.00
Meals and Drinks (R 125 x 80 delegates)	125.00	10,000.00
Support staff (R 450 pp x 5)	450.00	2,250.00
Guest Speakers/Consultants (R 3500 x 2)	3,500.00	7,000.00
Administration:- (Co-ordinator)		89,800.00
Cellphone allowance (R 500 per month x 12)	500.00	6,000.00
Accommodation (R 800 B/B x 12)	800.00	9,600.00
Petrol Allowance		13,000.00
Meetings Expenses		4,000.00
Clothing for kids(R 32 a shirt x 1000)		32,000.00
Clothing for Coaches(R 360 per coach x 70)		25,200.00
Provincial festival:- (1 per Affiliate/Associate annually)		55,000.00
Venue Hire		3,000.00
Transport (Bus hire)		20,000.00
Meals for Coaches(R 50 per coach x 100)	50.00	5,000.00
Meals and Drinks (R 25 per kid x 800)	25.00	20,000.00
Support staff (R 350 x 20)B	350.00	7,000.00
Regional Festival (1 per region) - Variance		3,250.00
Transport (Bus hire)	1,000.00	1,000.00
Meals and Drinks - (R 15 x 150)	15.00	2,250.00
Courses and Refresher Courses:- (1 per zone) - Variance		2,250.00
Venue Hire		500.00
Facilitator	250.00	250.00
Meals and Drinks (R 125 x 12)	125.00	1,500.00
Equipment (5% Growth) - 50 sets per Affiliate/Associate x R 265		13,250.00

Table 9 indicates the activities that are funded by the Mini-cricket allocation of the activity based model. Each of these specific activities are then funded according to each member's confirmed numbers:

- Provincial seminar
 - o Each member receives R44,750 as per the detailed breakdown.

- Administration (Co-ordinator)
 - o Each member receives R89,800 as per the detailed breakdown.
- Provincial festival
 - o Each member receives R55,000 as per the detailed breakdown.
- Regional festival
 - o Each member receives R3,250 per region. The various members will receive different funding according to the number of regions within the geo-political boundaries.
- Courses and refresher courses
 - o Each member receives R2,250 per region. The various members will receive different funding according to the number of regions within the geo-political boundaries.
- Equipment
 - o Each member receives R13,250 as per the detailed breakdown.

The regions and numbers of kids are then confirmed on an annual basis through a thorough verification process by the CSA managers. This is a very extensive process and according to these confirmed numbers the following year's budgets will then be calculated and allocated.

Table 10: Allocation of semi-pro funding

SEMI-PRO FUNDING DETAILS - 2016/17					
AFFILIATE MEMBER FUNDING	Total	A Player Salaries	B Hosting Fees	C Travel Subsidy	D Clothing Subsidy
Boland	1,609,428	583,464	371,000	589,244	65,720
Border	1,688,838	699,483	371,000	552,635	65,720
Eastern Province	1,578,248	583,464	371,000	558,064	65,720
Easterns	1,516,916	583,464	371,000	496,732	65,720
Free State	1,570,320	583,464	371,000	550,136	65,720
Gauteng	1,473,547	583,464	371,000	453,363	65,720
Griqualand West	1,703,260	583,464	371,000	683,076	65,720
Kwa-Zulu Natal	1,544,588	583,464	371,000	524,404	65,720
North West	1,475,302	583,464	371,000	455,118	65,720
Northern	1,577,838	583,464	371,000	557,654	65,720
South Western Districts	1,413,558	583,464	371,000	393,374	65,720
Western Province	1,472,946	583,464	371,000	452,762	65,720
Total	18,624,789	7,117,587	4,452,000	6,266,562	788,640
ASSOCIATE MEMBER FUNDING					
KwaZulu-Natal Inland	1,479,328	583,464	371,000	459,144	65,720
Total	1,479,328	583,464	371,000	459,144	65,720
Total (Nett cost)	20,104,117	7,701,051	4,823,000	6,725,706	854,360

Table 10 depicts a breakdown of the semi-pro funding. This funding is allocated to each member in terms of:

- Player salaries
 - o Each member receives the same grant for seven players, except for Border who receives a grant for 9 players.
- Hosting fees
 - o Each member receives a total amount of R371,000 for the hosting of five three-day matches and five 50-over matches, which basically works out to R18,550 per match day. Each affiliate receives the same amount.
- Travel subsidy
 - o Each member receives a travel subsidy calculated by CSA and taking into consideration distances to travel.
- Clothing subsidy
 - o Each member receives the same clothing subsidy of R65,720.

The only variable in terms of this programme is the travel subsidy, which is annually calculated according to confirmed fixtures (Cricket South Africa, 2016: 108).

4.2.3 Conclusion

The quantitative research basically confirms the need for an effective funding model but does not really give clarity on the efficiency of the model. The process of determining the efficiency through quantitative methods will be an arduous process of intricate calculations and physical verifications. Therefore qualitative research will also be conducted as part of the mixed method approach.

4.3 QUALITATIVE DATA

4.3.1 Introduction

Questionnaires were sent to the Chief Executive Officers and Financial Managers of the six affiliates/ associates that were chosen as part of the sample:

- Gauteng
- KZN
- North West
- SWD
- Limpopo
- Mpumalanga

Completed questionnaires were received from 11 of the 12 chosen.

4.3.2 Section A: Demographics

The new financial model was implemented three years ago, therefore it made sense to determine the respondents' experience in cricket administration and involvement before the model was amended. The background information gathered about the respondents was limited to the respondents' position held in the organisation, years of experience in the specific position and general experience in cricket administration.

The traditional information gathered regarding general demographics of gender, age and race were of no value for this research due to its financial nature.

Table 11: Position

Position Held	CEO	Financial Manager
Number of respondents	5	6

From table 11 it is clear to see that the respondents were all employed and functioning at the highest levels of the respective affiliates/ associates, whether as CEO's or Financial Managers. They would therefore have attended various CSA workshops on the implementation and rollout of the CSA distribution model and would have been involved in the compilation of the respective affiliate/ associate's budgets.

This experience would put the respondent in the perfect position to comment on the efficiency of the current distribution model.

One questionnaire was not received back by the researcher, which confirmed the total sample unit at 11 respondents.

Table 12: Years in position

Period in position	Less than one year	One – three years	More than three years
Number of respondents	0	4	7

Table 12 gives a clear indication of how many respondents have been in their current positions for a certain period. This confirmation has reference to determine how many of the respondents have been in their respective positions long enough to have experienced the previous distribution model as well.

The numbers clearly indicate that more than 60 percent of the respondents were in their current positions more than three years ago, which means that they would have also experienced the previous funding model and would be able to give comparative feedback on whether or not the new funding model is more efficient. The rest of the respondents have been in their respective positions for at least one year.

Table 13: Years in cricket administration

Years in cricket administration	Less than one year	One – three years	Three – five years	Five - ten years	More than ten years
Number of respondents	0	2	2	2	5

Table 13 gives feedback on how many respondents have been involved in cricket administration for a certain period. This breakdown shows how many of the respondents have been involved in cricket administration for long periods which will give them the necessary background information of how the world of cricket administration have evolved through implementation of various funding models.

The numbers clearly indicate that more than 80 percent of the respondents have been involved in cricket administration for more than three years, which includes 60 percent who has been involved for more than five years. These numbers depict a huge amount of experience amongst the respondents and adds to the reliance that can be placed on the feedback received.

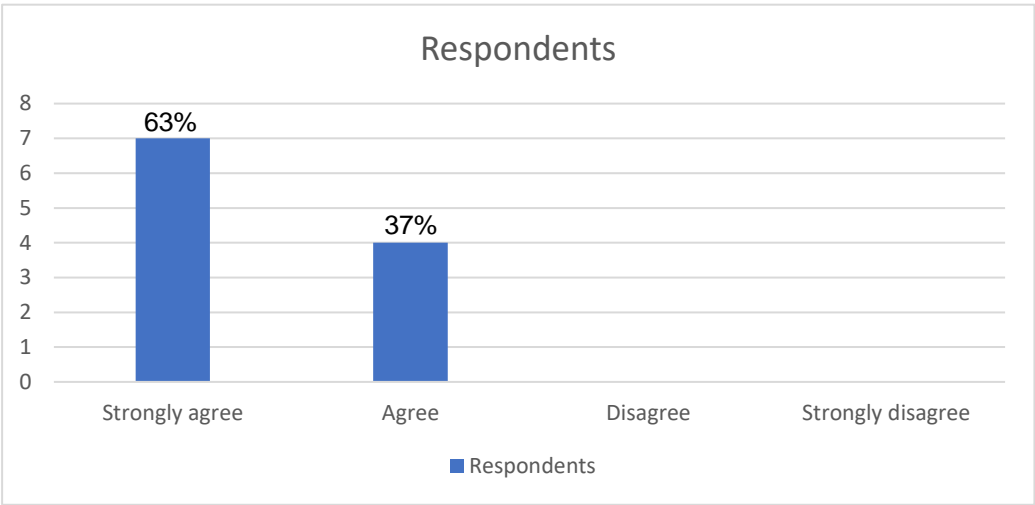
The fact that 45 percent of the respondents have been involved in cricket administration for more than 10 years confirms that the feedback received were from experienced administrators.

4.3.3 Section B: 1-4 Rating questions

This section was designed to specifically rate the various aspects that might play a part in terms of the efficiency of CSA’s financial distribution model. The rating scale of 1-4 was specifically used to be able to determine with which aspects the respondents agreed or strongly agreed with and which aspects the respondents did not agree or strongly disagreed with.

This section consists out of 12 questions and will be discussed on an individual basis.

4.3.3.1 The incorporation of CSA’s activity based funding model in 2014/15 has improved overall efficiency.

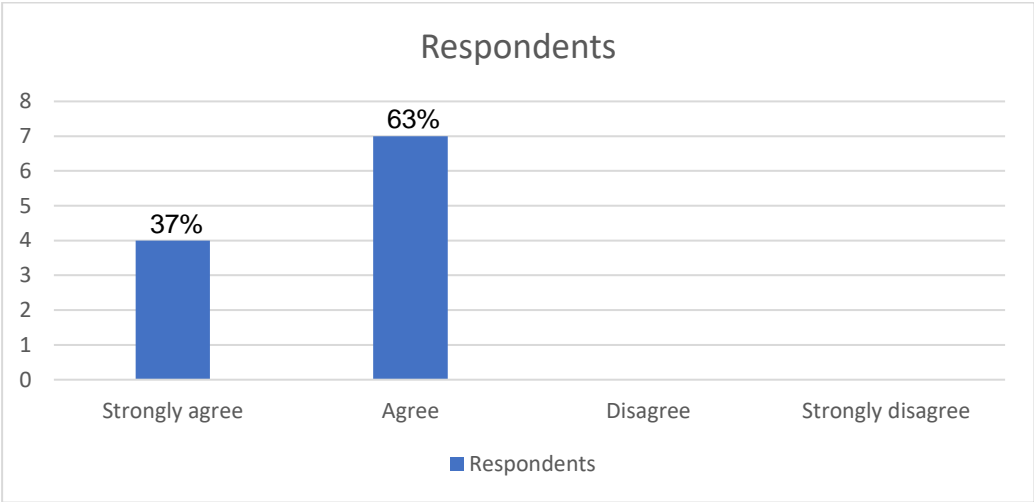


Graph 1: The incorporation of CSA’s activity based funding model in 2014/15 has improved overall efficiency

This statement was especially designed to get a general understanding of whether the respondents felt that the new funding model implemented in 2014/15 has contributed positively to the way that CSA distributes its funding (Cricket South Africa, 2016: 17).

A combined total of 100 percent of the respondents agreed (63 percent strongly agreed) that the new funding model improved CSA’s overall efficiency.

4.3.3.2 The CSA Funding methodology is driven by the Presidential Plan

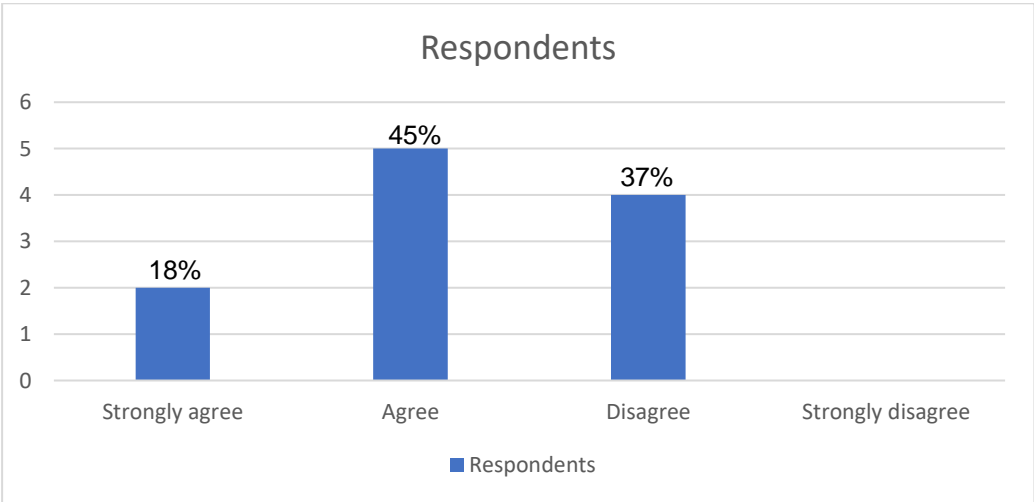


Graph 2: The CSA Funding methodology is driven by the Presidential Plan

This statement is basically confirmation that the respondents have a good idea of what forms the basis of the funding model.

A combined total of 100 percent of the respondents agreed (37 percent strongly agreed) that the CSA funding method is driven by the CSA Presidential plan.

4.3.3.3 The CSA Presidential Plan is continuously monitored, reviewed and communicated.



Graph 3: The CSA Presidential Plan is continuously monitored, reviewed and communicated.

This statement was formulated to obtain clarity on whether the respondents have a reasonable idea of how the Presidential plan, which is basically a fundamental tool in this model, works.

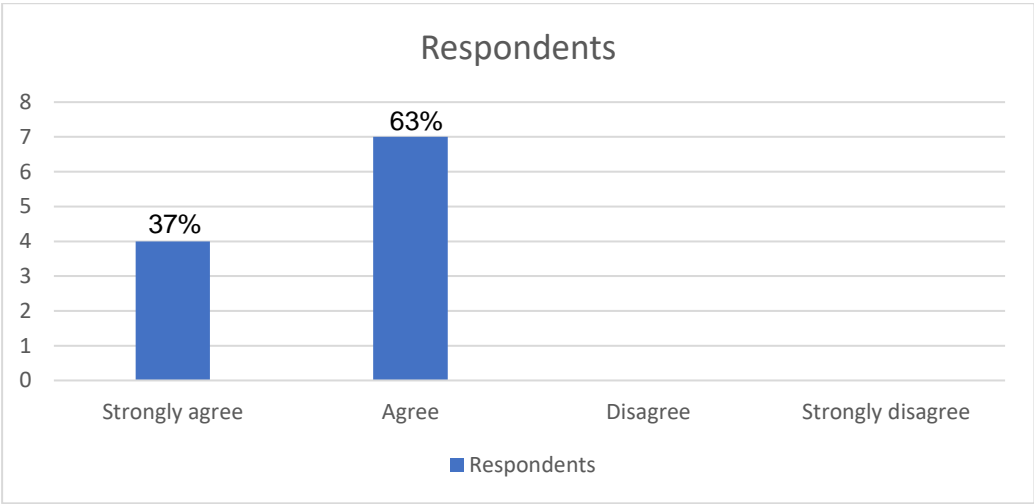
This is the first statement that showed mixed results. 63 percent of the respondents agreed with the statement, whilst 37 percent disagreed. There was a relatively large number of respondents that felt that the Presidential Plan is not continuously reviewed or communicated.

Specific feedback regarding the statement, received in Section C:

- "Haven't seen the presidential plan in a long time."
- "I haven't seen any formal amendments to the Presidential plan."
- "The presidential plan has not been reviewed in a long time."

This implies that there is a need for transparent and consistent communication between Cricket South Africa and Affiliates.

4.3.3.4 The activity based funding model is an effective tool to best apply and allocate financial resources.



Graph 4: The activity based funding model is an effective tool to best apply and allocate financial resources.

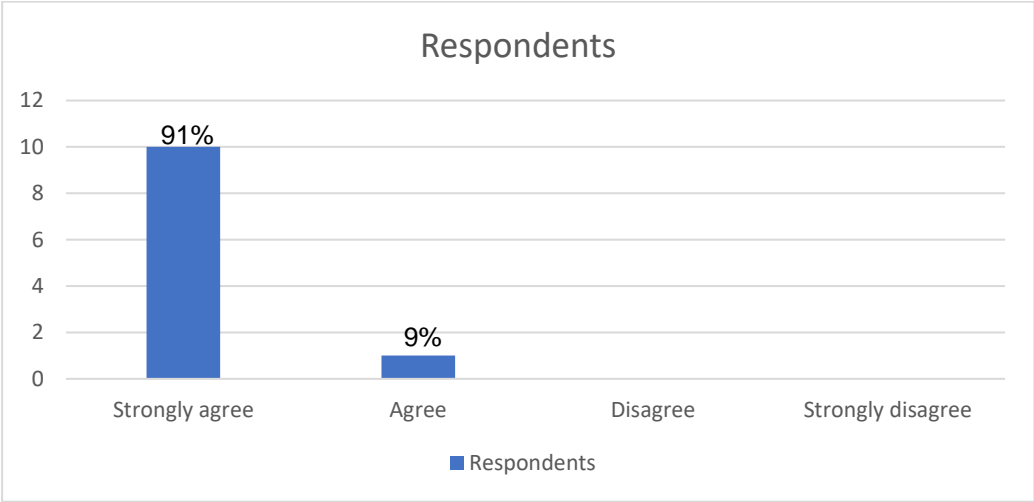
This statement was designed to ascertain whether the respondents agree that this funding model is an efficient tool to best allocate financial resources to all the various affiliates/ associates.

A combined total of 100 percent of the respondents agreed with the statement (37 percent felt strongly that the funding model is an effective tool).

The specific comments made in Section C, that addresses this specific statement were:
- “The model gave clarity and for the first time there is a standard on which people can be evaluated on. The timing of evaluations however leaves room for improvement.”

There is a need for the evaluations to be conducted on a more time-conscious manner, as well as at a more appropriate period during the year.

4.3.3.5 Total funding for the year per union (affiliate/ associate) is split into 14 payments of which two are performance based.



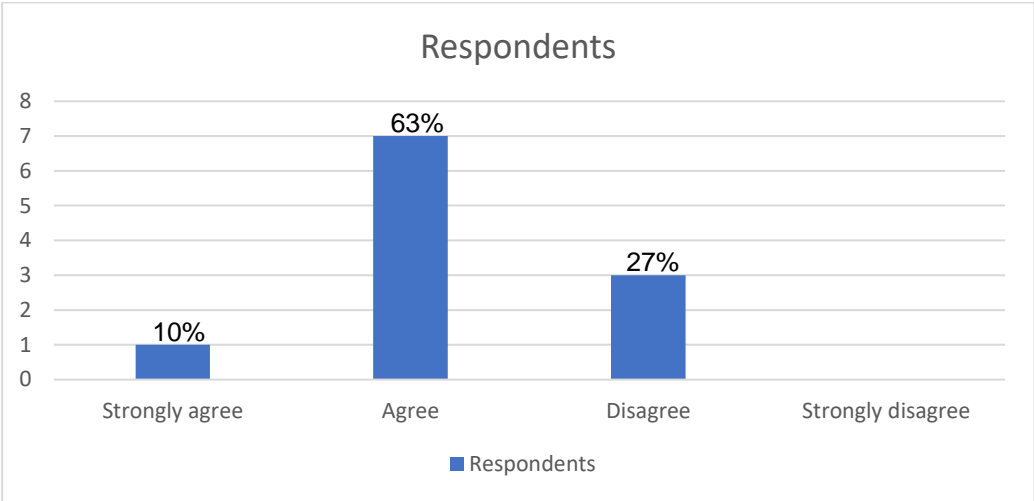
Graph 5: Total funding for the year per union (affiliate/ associate) is split into 14 payments of which two are performance based.

This statement is basically the confirmation of a fact and strategically placed to confirm that the respondents applied their minds in the completion of this questionnaire.

100 percent of the respondents agreed with the statement, of which 91 percent strongly agreed. This statement was a factual statement with the goal of confirming that all respondents showed a good understanding of the model and applied their minds with the completion of the questionnaire.

This indicates that all respondents have a basic knowledge of the way that the model is implemented.

4.3.3.6 Total funding for the year per union (affiliate/ associate) is accurately calculated according to the activity based funding model.



Graph 6: Total funding for the year per union (affiliate/ associate) is accurately calculated according to the activity based funding model.

This statement tests the respondent’s feeling in terms of the accuracy of in the application of the model.

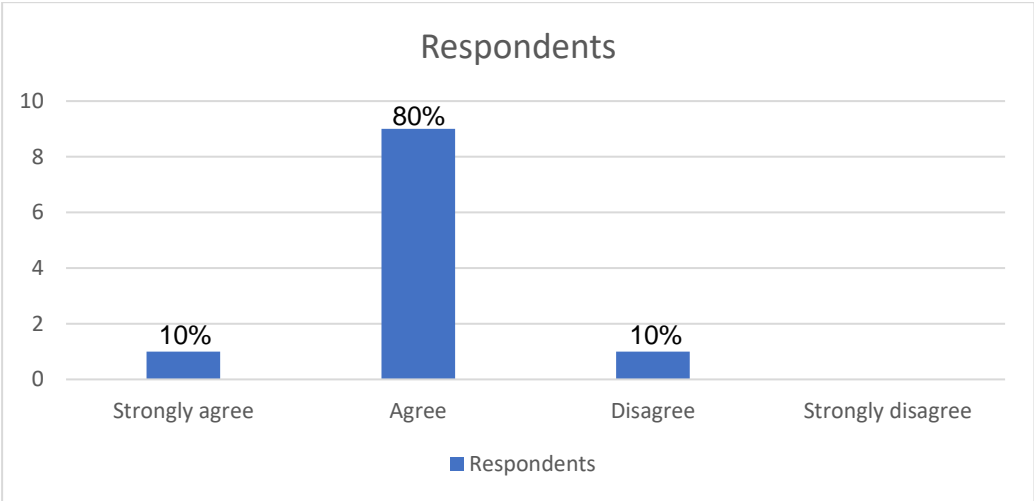
This statement had a mixed response where 73 percent agreed with the statement, and 27 percent disagreed with the statement.

There were some comments received in terms of this specific statement in terms of Section C:

- “When the outcome of the calculations was announced the specific criteria was not communicated properly. Specific circumstances which are unique to some members was not considered e.g. geographical area.”
- “All our activities are not recognised in the model.”
- “The vastness of some members has not been taken into consideration.”
- “Unique successful activities are not taken into consideration.”
- “Cannot believe that the financial manager is not included in the presidential plan positions.”

These findings indicate the need for CSA to modify the measurements within the funding model as the standard measurements overlooks the specific challenges and unique needs within the Affiliates.

4.3.3.7 The evaluation and reward of the incentive scorecard is done efficiently and fairly.



Graph 7: The evaluation and reward of the incentive scorecard is done efficiently and fairly.

This statement confirmed whether the respondent was in agreement with the efficiency of the model through the application of the incentive part of the funding model.

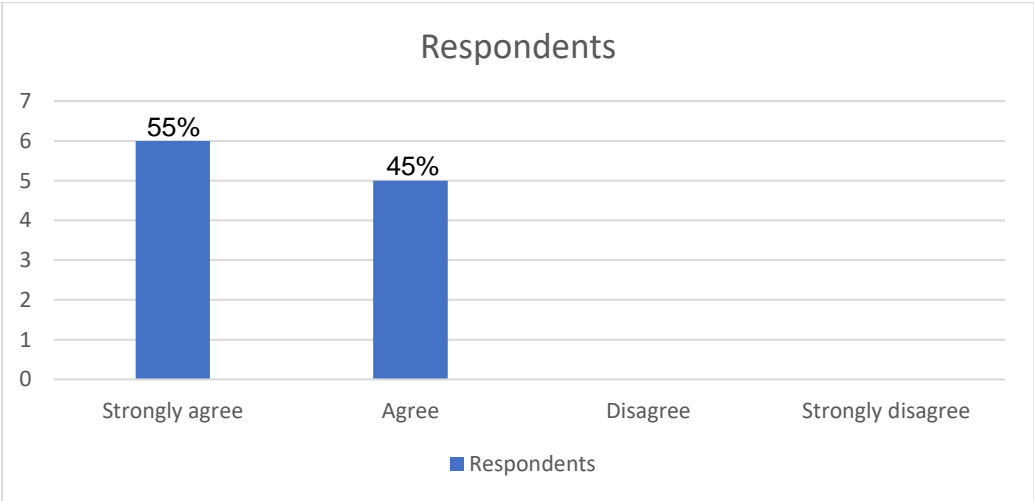
90 percent of the respondents agreed with the statement (10 percent strongly agreed). Only one respondent felt that the incentive part of the funding model was not implemented efficiently.

The following comment was made in terms of this specific statement in terms of Section C:

- "More consultation and discussion during evaluation process will contribute to a more effective and efficient evaluation process."

This means that there is a need for continuous communication between CSA and the affiliate during the evaluation process. This will ensure that both parties are aware of the various ratings.

4.3.3.8 All payments to affiliates/ associates are done timeously.



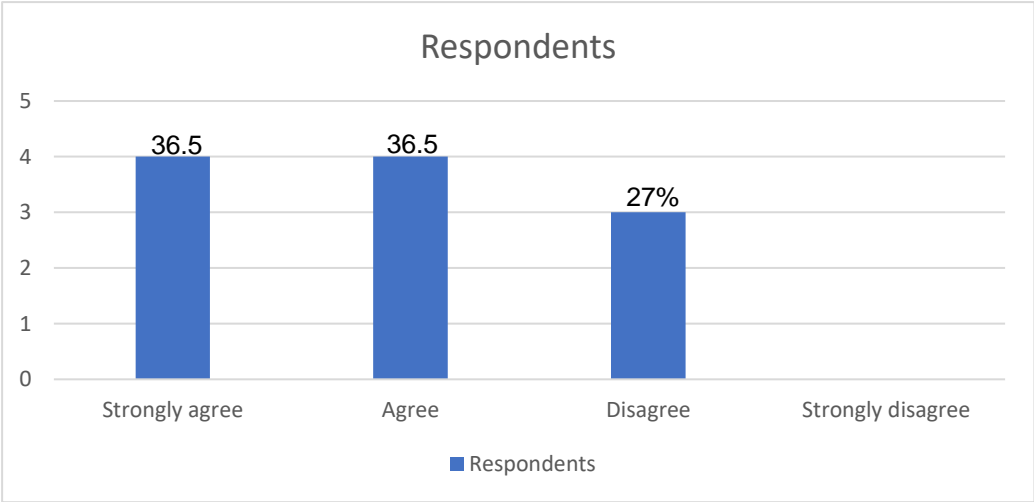
Graph 8: All payments to affiliates/ associates are done timeously.

This statement confirmed whether the respondent agreed/ did not agree that the model was rolled out efficiently in terms of timeous payments.

All respondents agreed that payments are done timeously (55 percent agreed strongly to the statement).

This indicates that CSA’s financial department did a good job in ensuring that all payments are made on or before communicated deadlines.

4.3.3.9 The funding model contributes to an efficient budgeting process.



Graph 9: The funding model contributes to an efficient budgeting process.

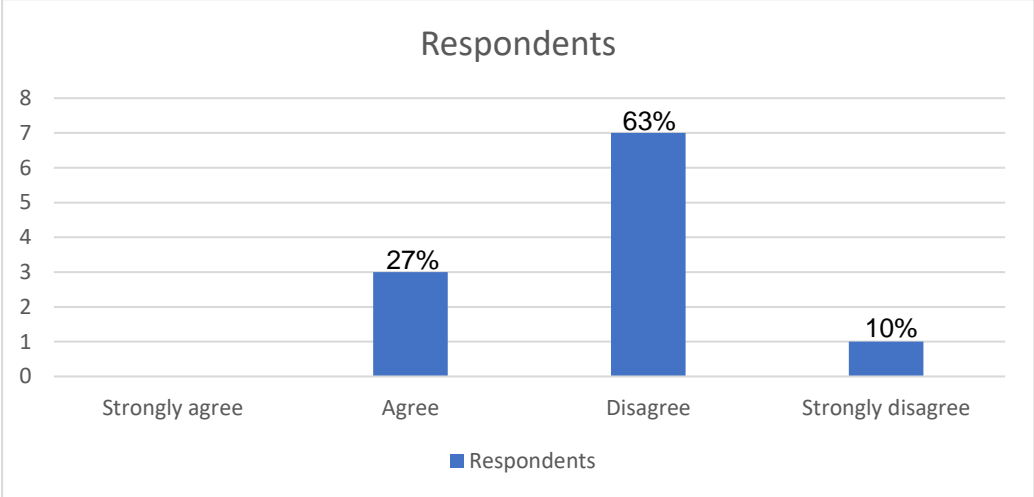
At the heart of any financial distribution model is the budgeting process. This statement addressed whether the respondents believed that the model contributed towards efficient budgeting. Efficient budgeting has the key principles of accuracy and timeliness.

A combined total of 73 percent of the respondents agreed with the statement (36.5 percent of respondents agreed strongly and 27 percent of the respondents disagreed with the statement).

- Specific feedback received in terms of the specific statement in Section C:
- “Budgeting is very difficult because CSA’s budget is only released after year-end.”
 - “Budgeting process is difficult because of the availability of CSA information only after annual review has been completed.”

This feedback confirms that the budgeting process at affiliate level is tough to perform due to only receiving budgeting numbers after year-end.

4.3.3.10 The cost of living principle is applied efficiently in the funding model.



Graph 10: The cost of living principle is applied efficiently in the funding model.

This statement is applicable to the different cost-of-living scenarios across all areas of South Africa. It tests whether the respondents believe that it is efficiently applied in the distribution model.

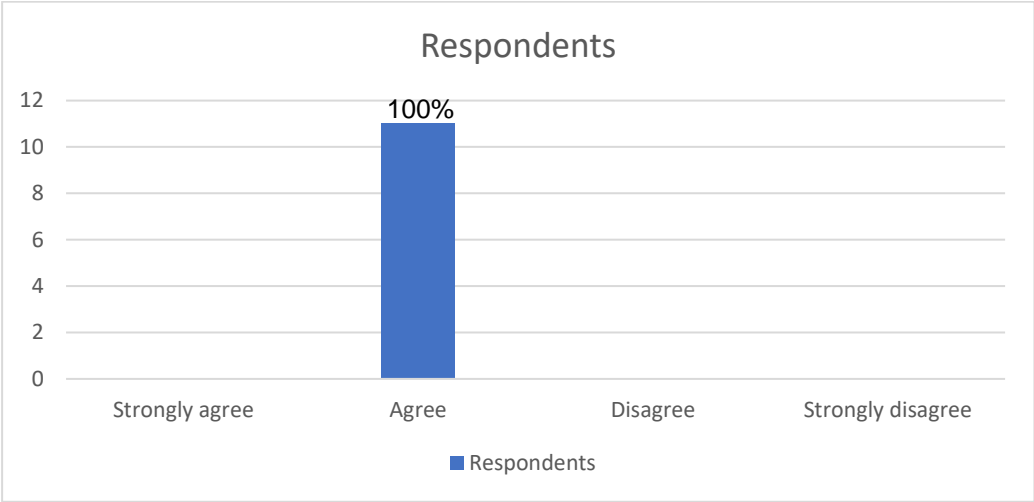
A combined total of 73 percent of the respondents did not agree with the statement (10 percent of the respondents strongly disagreed with the statement and 27 percent agreed with the statement).

There were some comments received in terms of this specific statement in terms of Section C:

- “Not sure whether the cost of living principle is accurate.”
- “After three years this matter is still neglected.”
- “I don’t believe that the annual increase of 6% truly reflects the increase in the cost of living. A more realistic annual increase would be good.”
- “The cost of living principle is not considered in some aspects of the model.”
- “Cost of living only applied in some activities.”

The feedback indicates that the implementation of the quality of living principle needs to be reviewed. It also indicates a lack of consistency in the application thereof.

4.3.3.11 The funding model’s aims to Centralise, Standardise and Incentivise is fair and efficient.



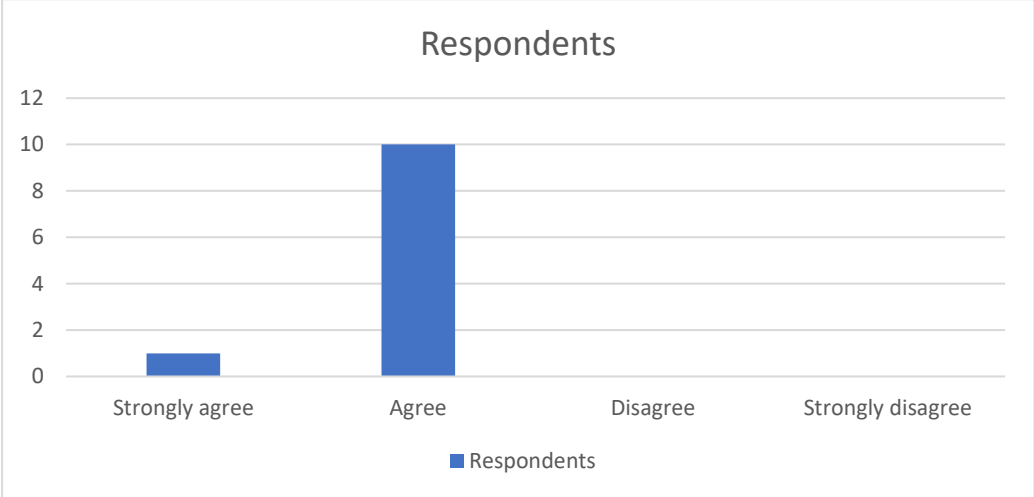
Graph 11: The funding model’s aims to Centralise, Standardise and Incentivise is fair and efficient.

This statement addresses the funding model’s aims and whether the respondents feel that these aims are reached.

A combined total of 100 percent of the respondents agreed with the statement that the aims of the model is fair and efficient.

This feedback indicates that the model’s aims are clear for all to see.

4.3.3.12 The CSA financial distribution model is efficient.



Graph 12: The CSA financial distribution model is efficient.

This statement addressed the ultimate research question of whether the respondents believed that the financial distribution model is efficient.

A combined total of 100 percent of the respondents fundamentally agreed with the statement that the financial distribution is efficient.

This feedback indicates that the funding model is efficient, and has made a positive impact on how the CSA business is conducted.

4.3.4 Section C: Comments

4.3.4.1 Please state reasons for any matters rated as a 3 or a 4.

In section C the respondent was asked to give reasons on the statements with which the respondent did not agree or strongly did not agree with. These comments could address the possible pitfalls of the current CSA distribution model. The comments were discussed under the headings of each individual statement.

4.3.4.2 How can the financial model be improved?

This question serves purely as a tool to address one of the research objectives of enhancing the CSA model. The answers given to this question will be given to CSA to evaluate and possibly implement. The following are some of the answers received from the questionnaires:

- “Communication in regards with presidential plan and information on how the cost of living principle has been applied.”
- “A more decisive strategy is needed to address standardization in terms of salary structures for staff and players.”
- “Specific treatment in terms of the geographical distances of members must be considered.”
- “The fact that a specific transformation trust fund was stopped when the new model came about must be seen as a shortcoming of the new model.”
- “As the incentive part of the scorecard changes every year, it makes it difficult to adjust when activities have already commenced.”
- “Scorecard changes should be implemented and communicated to members before the start of the financial year.”
- “Budgets should be confirmed before the commencement of the financial year.”
- “Timing of the evaluations are important. Regular discussions between HOD’s at CSA and members to ensure that all are on the same page.”
- “Each member’s unique situation and demographic area should be considered.”
- “The one-model-fits-all approach is not effective in addressing the various unique attributes and programmes.”
- “Each member has a unique business model that needs to be taken into consideration.”
- “Challenges in terms of the size of the geographical area should be taken into consideration.”
- “The funding model should be extended to all facets of our business, including finance, marketing, production of players for national teams, etc.”
- “Improved method of data collection (currently a massive effort to send and upload all documents.)”
- “Take into consideration unique activities of each member and the contribution thereof.”
- “Members should not compete with each other, but rather work together to move cricket forward.”

- “More effective budgeting by CSA. We need to receive budgets before year end.”
- “I would suggest that Finance and Governance should form part of the funded presidential plan positions.”

This feedback received will be discussed in the next chapter and form part of the recommendations.

4.4 SUMMARY

Chapter four covered the analysis of the quantitative and qualitative data applicable to this study. This chapter illustrates the findings for the research conducted using tables and graphs. The quantitative research conducted has highlighted the need for an effective funding model within the current cricketing structures in South Africa. The qualitative research obtained valuable assessments on the efficiency of the current funding models.

Chapter five will be the culmination of the study and provide a conclusion and various recommendations for the future.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

The data collected was analysed in Chapter 4. This final chapter will include the recommendations and conclusions made from this research and will answer the problem statement and research objectives.

The quantitative results confirmed the reliance that each member places on CSA funding and therefore stressed the importance of having an efficient funding distribution model. The qualitative results were aimed at answering the prime research question and to address the research questions.

5.2 CONCLUSION

Based on the analysis done through the research, it is evident that the current financial distribution model implemented by CSA is a massive improvement on the previous model.

The following research objectives were set at the start of the research:

- To explore how the efficiency of the funding model currently implemented by Cricket South Africa (CSA) can be improved.
- To investigate if there is an efficient balance between activities conducted by members and the funding received through the CSA funding model.
- To investigate if the newly implemented CSA funding model is efficient.

All these objectives were met through intensive research.

Most of the respondents had views on how the model can be improved, and how an efficient balance between activities and funding can be reached.

All respondents agreed that:

- the model has improved overall efficiency
- the model is an effective tool to best apply and allocate financial resources
- all payments are done timeously

- the funding model's aims of "Centralise, Standardise and Incentivise" is fair and efficient

Some of the respondents had some negative comments about the model but in answering the final question all respondents agreed that the CSA financial distribution model answered the primary research question of whether the model is efficient.

5.3 RECOMMENDATIONS

The recommendations and comments are directed towards CSA. The objective of this feedback is to assist CSA in improving an already efficient funding model.

5.3.1 CSA needs to be improve communication and information sharing

- For CSA to improve the model it needs improve its communication:
 - send the presidential plan to all members
 - send the basis used for the cost of living to all members
 - communicate to members why the cost of living is only applied in certain categories.

5.3.2 CSA needs recognise the unique attributes of each member

- For CSA to improve the model it needs to analyse the unique contributions and situations for each affiliate:
 - find a way to incorporate the vast differences between members in terms of size of geo-political boundaries
 - identify and recognise each member's unique activities (if any) and find a way to assist
 - unique needs in terms of transformation imperatives.

5.3.3 CSA needs to improve the timing of the process

- For CSA to improve the model it needs to address the following:
 - timeous announcement of specific categories to be measured according to the incentive scorecard, before year end.
 - announcement of budgets before year end, to ensure an accurate and timeous budgeting process for the following year, where the budget can then be used as a management tool to make informed decisions.

- timing and method of evaluations.

5.3.4 CSA needs to add certain position to the presidential plan

- finance and governance need to be recognised as critical positions in the administration of members. All other key roles are currently funded through the presidential plan.

5.4 RECOMMENDATIONS FOR FUTURE RESEARCH

The study focused on the effectiveness of the CSA funding model that was implemented three years ago. The study focused on the activity based funding model which directly relates to all amateur activities.

Another part of CSA's funding is in terms of the stadiums and its activities. It is therefore recommended that future research be extended to focus on the funding model applicable to the cricket stadiums.

5.5 SUMMARY

The study was about evaluating the effectiveness of the CSA financial distribution model. It highlighted the fact that the current model is an effective tool to allocate financial resources. It also confirmed that all members believed that it is an efficient model.

The completion of this mini-dissertation has improved my personal knowledge of the subject and will definitely assist in the future designing of efficient funding models.

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APPENDIX A

- Informed consent form to all participating affiliates-

7 Pezula street
Potchefstroom
2531

19 September 2016
Mr. A. Kennedy
South Western Districts Chief Executive

Mr. Kennedy,

MBA Research Proposal

I intend to conduct a research study as part of the partial fulfilment of the requirements for the degree Masters in Business Administration.

The theme of the research study is a critical review of the efficiency of Cricket South Africa's financial distribution model.

The primary aim of this research is to obtain a better understanding of how the funding model used by Cricket South Africa works and whether it has an efficient balance between activities and performance which will contribute to Cricket South Africa's performance at international level.

The study includes the analysis of the financial data of your affiliate for the two financial year-ends ended on April 2015 and April 2016, as well as an interview with you.

I commit myself to the professional code of ethics for researchers which include among other:

- An unobtrusive research method will be used
- The findings will be made available upon completion

Kind Regards
Heinrich Strydom
(Student nr: 12330361)

APPENDIX B

- Quantitative Data:

**1.) Extracts from the Annual Financial statements for the year ended
30 April 2017:**

a.) Gauteng Cricket Union

b.) KZN Cricket Union

c.) North West Cricket

d.) SWD Cricket Union

e.) Limpopo Cricket Union

f.) Mpumalanga Cricket Union

2.) Extracts from the CSA Budget for the year ended 30 April 2017

GAUTENG CRICKET BOARD NPC
(Registration Number 1977/002554/08)
Consolidated and Separate Annual Financial Statements
for the year ended 30 April 2017

GAUTENG CRICKET BOARD NPC

(Registration Number 1977/002554/08)

Consolidated and Separate Annual Financial Statements for the year ended 30 April 2017

Statements of Profit or Loss and Comprehensive Income

Figures in R	Note(s)	Group 2017	Group 2016	Company 2017	Company 2016
Revenue	13	71,116,024	74,402,311	52,625,821	52,381,247
Other income	14	1,881,253	468,182	2,672,688	2,430,162
Operating costs		(75,242,703)	(76,001,605)	(57,268,720)	(56,268,054)
Operating Loss	15	(2,245,426)	(1,131,112)	(1,970,211)	(1,456,645)
Finance income	16	2,833,984	2,525,327	2,487,552	2,255,159
Finance costs	17	(3,787)	-	(186)	-
Profit before taxation		584,771	1,394,215	517,155	798,514
Taxation expense	18	(431,083)	451,387	(412,150)	623,464
Profit for the year		153,688	1,845,602	105,005	1,421,978
Total comprehensive income attributable to:					
Non-controlling interests		21,908	190,631	-	-
Owners of the parent		131,780	1,654,971	105,005	1,421,978
		153,688	1,845,602	105,005	1,421,978

13. Revenue

An analysis of revenue is as follows:

Advertising	4,526,167	3,653,906	3,826,167	3,153,906
Bar and function revenue	1,211,170	1,274,932	1,211,170	1,274,932
Suite Revenue	6,146,120	6,582,852	6,536,120	6,967,852
CSA Income	27,728,225	28,710,072	15,868,007	16,254,549
Gate revenue	4,923,210	6,449,918	4,923,210	6,319,525
Sponsorships	17,140,074	18,930,715	10,020,089	11,234,555
Hosting Fees	1,071,004	1,209,290	1,871,004	1,209,290
Prize money	-	1,611,888	-	-
Season packages	636,628	1,097,280	636,628	1,085,180
Hospitality	2,043,038	2,516,385	2,043,038	2,516,385
Rent received	2,374,064	1,280,588	2,374,064	1,280,588
Sundry revenue	737,151	521,606	737,151	521,606
Lotto funding	2,579,173	562,879	2,579,173	562,879
	71,116,024	74,402,311	52,625,821	52,381,247

KWAZULU-NATAL CRICKET UNION
(Registration No. 026-796 NPO)

**CONSOLIDATED AND SEPARATE
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**



**KWAZULU-NATAL
CRICKET**

KWAZULU-NATAL CRICKET UNION
(Registration No. 026-796 NPO)
CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Consolidated		Union	
		2017	2016	2017	2016
		R	(Restated) R	R	(Restated) R
Revenue	12	40,398,200	36,777,843	40,398,200	36,777,843
Other Income	13	7,223,112	4,618,689	7,223,112	4,618,689
Total Income		47,621,312	41,396,532	47,621,312	41,396,532
Operating expenses	14	(49,614,322)	(42,733,383)	(49,884,175)	(42,702,811)
Operating loss	15	(1,993,010)	(1,336,851)	(2,262,863)	(1,306,279)
Finance income	16	2,152,764	2,487,140	2,111,429	2,453,191
Finance expense	16	(21,230)	(28,717)	(21,230)	(28,717)
Share of profit / (loss) of joint venture	3	78,624	(30,136)	-	-
Profit / (loss) for the year		217,148	1,091,436	(172,664)	1,118,191
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the year		217,148	1,091,436	(172,664)	1,118,191

12. Revenue

Revenue comprises the following:

CSA Distributions	24,343,369	14,851,760	24,343,369	14,851,760
Advertising	3,060,110	3,107,829	3,060,110	3,107,829
Barter revenue	2,955,337	2,133,333	2,955,337	2,133,333
Grant received	-	1,440,000	-	1,440,000
Gate revenue	2,865,118	3,868,284	2,865,118	3,868,284
KZN Inland	-	2,350,917	-	2,350,917
Stadium hire	4,466,189	3,291,436	4,466,189	3,291,436
Sponsorships	6,986,207	9,523,900	6,986,207	9,523,900
Revenue attributable to KZN Cricket Proprietary Limited	(4,278,130)	(3,789,616)	(4,278,130)	(3,789,616)
	40,398,200	36,777,843	40,398,200	36,777,843

Included in Sponsorships is a government grant received from the Department of Sport and Recreation towards the KZN Cricket's Township Programme for R2,500,000. (2016: R3,365,118)



NORTH WEST CRICKET (NPC)

Financial statements
for the year ended 30 April 2017

North West Cricket (NPC)

(Registration number 2003/022639/08)

Financial Statements for the year ended 30 April 2017

Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue	8	18,700,961	20,860,7
Other income	9	2,833,448	3,373,1
Operating expenses	10	(21,275,514)	(20,476,7
Operating profit	10	258,895	3,757,2
Finance costs	11	(44,350)	(37,2
Profit for the year		214,545	3,719,9

8. REVENUE

Admin - Re-imburement	587,008	550
CSA distribution	6,556,881	5,160
CSA Special grant-once off	1,372,769	4,082
Chalets	320,650	466
Academy	509,143	392
Facility Hire	1,794,975	424
CSA tournaments	997,892	2,598
Club cricket	532,794	72
Mini cricket	288,382	239
International Gate revenue	-	1,613
Provincial side	902,960	1,111
Rural cricket	112,535	95
Schools cricket	1,588,989	278
Training camps	881,874	1,622
Woman's cricket	1,556	249
Sponsorships	2,252,553	1,901
	18,700,961	20,860

SOUTH WESTERN DISTRICTS CRICKET NPC

Trading as

SOUTH WESTERN DISTRICTS CRICKET

(Registration Number 2015/136676/08)

Annual Financial Statements

for the year ended 30 April 2017

SOUTH WESTERN DISTRICTS CRICKET NPC

(Registration Number 2015/136676/08)
Annual Financial Statements for the year ended 30 April 2017

STATEMENT OF COMPREHENSIVE INCOME

Figures in R	Notes	2017	2016
Revenue	12	16,123,943	11,630,018
Other income	13	1,314,929	1,626,769
Operating costs		(17,344,291)	(13,441,38)
Operating surplus/(deficit)	14	94,581	(184,59)
Finance income	15	114,134	63,43
Finance costs	16	(44,549)	(36,1)
Surplus/(deficit) before taxation		164,166	(157,3)
Taxation expense	17	165,229	239,2
Surplus for the year		329,395	81,9

12. Revenue

An analysis of revenue is as follows:

CSA Amateur allocation	7,054,300	6,48
CSA Africa T20 cup	2,033,284	1,03
CSA Boundary rope distribution	138,764	13
CSA Coaching grant	74,000	6
CSA Differently Abled Cricket Grant	20,000	
CSA Educational bursaries	122,917	6
CSA Focus schools project	193,683	13
CSA Franchise academies tournament	682,825	55
CSA Gate revenue	835,362	1,04
CSA Incentive	1,466,800	
CSA International tournaments	374,960	
CSA IPL Hammer fee	377,647	54
CSA Schools T20 Competition	270,000	21
CSA Schools travelling to national tournaments	146,823	15
CSA Special once-off funding	1,672,625	80
CSA Stadium equipment funding	234,378	
CSA Transformation Funding	36,000	39
CSA Transport subsidy	220,000	
Other CSA tournament income	169,575	
	16,123,943	11,63

LIMPOPO IMPALA CRICKET (NPC)

Trading as

LIMPOPO IMPALA CRICKET (NPC)

(Registration Number 2009/007401/08)

Annual Financial Statements

for the year ended 30 April 2017

LIMPOPO IMPALA CRICKET (NPC)

(Registration Number 2009/007401/08)

Annual Financial Statements for the year ended 30 April 2017

Statement of Comprehensive Income

Figures in R	Notes	2017	2016
Revenue	8	7,067,291	6,265,453
Other income	9	51,428	-
Operating costs		(6,946,672)	(5,493,410)
Operating profit		172,047	772,043
Finance income	10	55,438	321,028
Profit for the year		227,485	1,093,071

8. Revenue

An analysis of revenue is as follows:

CSA Monthly Funding	4,568,794	4,276,991
Coaching Courses Income	26,352	113,600
CSA - Adhoc Funding	2,415,571	1,654,079
Sundry income	1,471	23,577
Teams/Schools/Players Affiliations	55,103	197,206
	<u>7,067,291</u>	<u>6,265,453</u>

Mpumalanga Cricket Union (NPC)
(Registration number 2015/057693/08)
Financial statements
for the year ended 30 April 2017

Mpumalanga Cricket Union (NPC)

(Registration number 2015/057693/08)

Financial Statements for the year ended 30 April 2017

Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Other income	6	10 742 476	6 135
Operating expenses		(9 311 050)	(5 939)
Operating surplus (loss)		1 431 426	195
Investment revenue		122 896	84
Finance costs		(15 957)	
Surplus for the year		1 538 365	279
Other comprehensive income		-	
Total comprehensive income for the year		1 538 365	279
Other income			
Income - CSA Grants		6 673 211	3 939
Income Coaching and Training-CSA		64 000	
Income - Coaching Courses		76 566	
Income - Sponsorship		1 028 400	
Income- CSA Umpires		449 119	
Income- National weeks		389 055	6 135
Income- Affiliation Fees Girls		714 037	4 000
Income- Rural & Youth Cricket		-	
Income- Schools Pro 20 (CSA)		-	5 000
Income - Donation received		-	
Income- Ladies Grant CSA		478 179	
Income - Ad-Hoc Funding Tournaments Youth		869 909	
Interest received		122 896	
Gains on disposal of assets		-	
		10 865 372	6 200

Cricket South Africa Budget

ACTIVITY BASED FUNDING - 2016/17

PROGRAMMES	2016/17 Activity Based Funding	Percentage Allocation	1 Boland	2 Border	3 Easterns	
U/19 Schools league cricket (minimum 4 teams)			R 44,944.00	R 44,944.00	R 44,944.00	R
U/13 Schools league cricket (minimum 8 teams)			R 67,416.00	R 67,416.00	R 67,416.00	R
Cricket Centres of Excellence	R 5,450,583.60	5.3%	R 437,080.40	R 437,080.40	R 505,620.00	R
HUBS (# of allocated HUBS and against set deliverables)	R 14,885,452.80	14.5%	R 970,790.40	R 1,294,387.20	R 647,193.60	R
Club Cricket:	R 14,445,955.00	14.1%	R 688,659.00	R 937,326.00	R 1,100,873.00	R
Premier League Clubs			R 190,863.00	R 275,706.00	R 350,796.00	R
Promotion League Clubs			R 122,260.00	R 111,141.00	R 128,366.00	R
Clubs Other Leagues			R 296,884.00	R 297,669.00	R 284,631.00	R
Transport Assistance			R 33,708.00	R 61,798.00	R 157,304.00	R
Facility Assistance			R -	R 78,652.00	R 112,360.00	R
Other			R -	R -	R 67,416.00	R
Rural Club Cricket Grant			R 44,944.00	R 112,360.00	R -	R
Umpires	R 1,829,428.00	1.8%	R 106,169.00	R 112,572.00	R 135,044.00	R
Scorers	R 1,462,499.00	1.4%	R 83,952.00	R 88,531.00	R 106,848.00	R
Provincial Academies	R 6,413,000.00	6.3%	477,000.00	477,000.00	477,000.00	R
Coaching Grant						
Player Support (as per the OMT)						
Presidential Plan Salaries (as per the OMT)	R 36,439,158.17	35.6%	R 2,469,394.06	R 2,242,612.97	R 2,494,591.96	R
Administration costs	R 4,920,888.00	4.8%	R 303,372.00	R 303,372.00	R 303,372.00	R
Over-Funded (Corrective Measures Required)	R -	0.0%				
Grand Total	R 102,479,919.96	100.0%	R 6,615,767.69	R 6,928,232.41	R 6,794,893.39	R

Cricket South Africa Budget

ACTIVITY BASED FUNDING - 2016/17

PROGRAMMES	2016/17 Activity Based Funding	Percentage Allocation	5 FS	6 Gauteng	7 Griquas	
U/19 Schools league cricket (minimum 4 teams)			R 44,944.00	R 44,944.00	R 44,944.00	R
U/13 Schools league cricket (minimum 8 teams)			R 67,416.00	R 67,416.00	R 67,416.00	R
Cricket Centres of Excellence	R 5,450,583.60	5.3%	R 505,620.00	R 437,080.40	R 437,080.40	R
HUBS (# of allocated HUBS and against set deliverables)	R 14,885,452.80	14.5%	R 323,596.80	R 1,617,984.00	R 647,193.60	R
Club Cricket:	R 14,445,955.00	14.1%	R 811,048.00	R 1,669,809.00	R 656,431.00	R
Premier League Clubs			R 262,371.00	R 456,966.00	R 165,042.00	R
Promotion League Clubs			R 65,741.00	R 234,260.00	R 38,107.00	R
Clubs Other Leagues			R 168,328.00	R 760,104.00	R 114,586.00	R
Transport Assistance			R 168,540.00	R 150,801.00	R 54,828.00	R
Facility Assistance			R 78,652.00	R 67,678.00	R 137,800.00	R
Other			R -	R -	R 56,180.00	R
Rural Club Cricket Grant			R 67,416.00	R -	R 89,888.00	R
Umpires	R 1,829,428.00	1.8%	R 111,003.00	R 177,232.00	R 61,119.00	R
Scorers	R 1,462,499.00	1.4%	R 87,852.00	R 139,920.00	R 48,590.00	R
Provincial Academies	R 6,413,000.00	6.3%	477,000.00	477,000.00	477,000.00	
Coaching Grant						
Player Support (as per the OMT)						
Presidential Plan Salaries (as per the OMT)	R 36,439,158.17	35.6%	R 2,350,989.13	R 3,134,652.18	R 2,116,623.48	R
Administration costs	R 4,920,888.00	4.8%	R 337,000.00	R 337,000.00	R 303,372.00	R
Over-Funded (Corrective Measures Required)	R -	0.0%				
Grand Total	R 102,479,919.96	100.0%	R 6,106,403.77	R 9,059,028.42	R 5,715,462.31	R

Cricket South Africa Budget

ACTIVITY BASED FUNDING - 2016/17

PROGRAMMES	2016/17 Activity Based Funding	Percentage Allocation	9 KZN	10 KZN Inland	11 Limpopo	
U/19 Schools league cricket (minimum 4 teams)			R 44,944.00	R 44,944.00	R 44,944.00	R
U/13 Schools league cricket (minimum 8 teams)			R 67,416.00	R 67,416.00	R 67,416.00	R
Cricket Centres of Excellence	R 5,450,583.60	5.3%	R 437,080.40	R -	R -	R
HUBS (# of allocated HUBS and against set deliverables)	R 14,885,452.80	14.5%	R 970,790.40	R 647,193.60	R 970,790.40	R
Club Cricket:	R 14,445,955.00	14.1%	R 1,407,371.00	R 456,202.00	R 407,950.00	R
Premier League Clubs			R 341,362.00	R 131,355.00	R 134,450.00	R
Promotion League Clubs			R 244,234.00	R 20,352.00	R 50,509.00	R
Clubs Other Leagues			R 507,167.00	R 135,955.00	R 26,924.00	R
Transport Assistance			R 112,360.00	R 33,708.00	R 147,753.00	R
Facility Assistance			R 112,360.00	R -	R 48,314.00	R
Other			R -	R -	R -	R
Rural Club Cricket Grant			R 89,888.00	R 134,832.00	R -	R
Umpires	R 1,829,428.00	1.8%	R 128,684.00	R 46,131.00	R 87,810.00	R
Scorers	R 1,462,499.00	1.4%	R 101,124.00	R 36,633.00	R 69,451.00	R
Provincial Academies	R 6,413,000.00	6.3%	R 477,000.00	R 477,000.00	R 106,000.00	R
Coaching Grant						
Player Support (as per the OMT)						
Presidential Plan Salaries (as per the OMT)	R 36,439,158.17	35.6%	R 2,854,772.52	R 1,890,683.00	R 1,490,578.59	R
Administration costs	R 4,920,888.00	4.8%	R 337,000.00	R 269,664.00	R 269,664.00	R
Over-Funded (Corrective Measures Required)	R -	0.0%				
Grand Total	R 102,479,919.96	100.0%	R 7,792,673.16	R 4,813,559.44	R 4,342,796.83	R

Cricket South Africa Budget

ACTIVITY BASED FUNDING - 2016/17

PROGRAMMES	2016/17 Activity Based Funding	Percentage Allocation	13 NW	14 Northern	15 SWD	
U/19 Schools league cricket (minimum 4 teams)			R 44,944.00	R 44,944.00	R 44,944.00	R
U/13 Schools league cricket (minimum 8 teams)			R 67,416.00	R 67,416.00	R 67,416.00	R
Cricket Centres of Excellence	R 5,450,583.60	5.3%	R -	R 437,080.40	R 437,080.40	R
HUBS (# of allocated HUBS and against set deliverables)	R 14,885,452.80	14.5%	R 970,790.40	R 1,294,387.20	R 970,790.40	R
Club Cricket:	R 14,445,955.00	14.1%	R 674,414.00	R 1,456,874.00	R 626,956.00	R
Premier League Clubs			R 266,908.00	R 501,486.00	R 219,844.00	R
Promotion League Clubs			R 114,480.00	R 259,954.00	R 101,897.00	R
Clubs Other Leagues			R 63,812.00	R 420,714.00	R 79,372.00	R
Transport Assistance			R 94,382.00	R 162,360.00	R 140,450.00	R
Facility Assistance			R 112,360.00	R 112,360.00	R 85,393.00	R
Other			R -	R -	R -	R
Rural Club Cricket Grant			R 22,472.00	R -	R -	R
Umpires	R 1,829,428.00	1.8%	R 80,326.00	R 184,164.00	R 116,706.00	R
Scorers	R 1,462,499.00	1.4%	R 82,213.00	R 145,856.00	R 91,774.00	R
Provincial Academies	R 6,413,000.00	6.3%	R 477,000.00	R 477,000.00	R 477,000.00	R
Coaching Grant						
Player Support (as per the OMT)						
Presidential Plan Salaries (as per the OMT)	R 36,439,158.17	35.6%	R 2,116,623.48	R 2,994,712.35	R 2,116,623.48	R
Administration costs	R 4,920,888.00	4.8%	R 303,372.00	R 337,000.00	R 303,372.00	R
Over-Funded (Corrective Measures Required)	R -	0.0%				
Grand Total	R 102,479,919.96	100.0%	R 5,740,089.71	R 8,407,368.79	R 6,108,355.11	R

APPENDIX C

- Qualitative Data

Dissertation Questionnaire

The efficiency of CSA's financial distribution model

Section A: Demographics

Position	
Years in position	
Years in cricket administration	

Section B: 1-4 rating

The following questions pertain to a review of CSA's financial distribution model.

- Please answer all the questions
- Mark response clearly and take note that more than one response to a particular question will be disqualified and therefore disregarded

Please indicate your response to each of the statements by marking the appropriate block with an "X", using the 4-point scale below:

1	2	3	4
Strongly Agree	Agree	Disagree	Strongly disagree

	Statements	1	2	3	4
1	The incorporation of CSA's Activity based funding model in 2014/15 has improved overall efficiency				
2	The CSA funding methodology is driven by the Presidential Plan				
3	The CSA Presidential Plan is continuously monitored, reviewed and communicated				
4	The activity based funding model is an effective tool to best apply and allocate financial resources				
5	Total funding for the year per union is split into 14 payments of which two are performance based				
6	Total funding for the year per union is accurately calculated according to an activity based model				
7	The evaluation and reward of the incentive scorecard is done efficiently and fairly				
8	All payments to affiliates are done timeously				

9	The funding model contributes to an efficient budgeting process				
10	The cost of living principle is applied efficiently in the funding model				
11	The funding model's aims of Centralise, Standardise and Incentivise is fair and efficient				
12	The CSA financial distribution model is efficient				

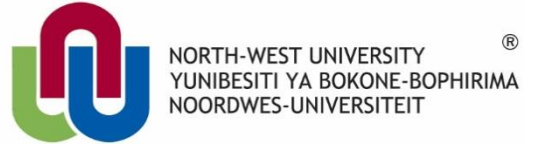
Section C: Comments

Please state reasons for any matters rated as a 3 or a 4.

How can the financial model be improved?:

APPENDIX D

- Letter of ethical clearance –



NWU School of Business & Governance

North-West University
Private Bag X6001, Potchefstroom
South Africa 2520

Prof CJ Botha

Tel: (018) 299 1672
Email: christoff.botha@nwu.ac.za

02 August 2017

ETHICAL CLEARANCE

This letter serves to confirm that the research project of **STRYDOM, HM** has undergone ethical review. The proposal was presented at a Faculty Research Meeting and accepted. The Faculty Research Meeting assigned the project number **EMSPBS16/06/03-01/57**. This acceptance deems the proposed research as being of minimal risk, granted that all requirements of anonymity, confidentiality and informed consent are met. This letter should form part of your dissertation manuscript submitted for examination purposes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'CJ Botha'.

Prof CJ Botha

Manager: Research - NWU Potchefstroom Business School

Original details: Wilma Pretorius(12090298) C:\Documents and Settings\Administrator\My Documents\Briewe MBA\2017\

11. Will the study require the co-operation of a gatekeeper for initial access to the groups or individuals to be recruited? (e.g. students at school, members of self-help groups, residents of a nursing home, the Minister of Education, a tribal chief or village elder). Also please indicate anticipated *level* of risk:

Yes No

No risk
 Low risk
 Medium risk
 High risk

If you answered **yes** to *any* of the above questions, you will need to describe more fully how you plan to deal with the ethical issues raised by your proposal. *This does not mean that you cannot do the research, only that your proposal will need to be approved by the Faculty Research Ethics Committee. Attach a full description of the specific issues to this declaration, for discussion by the panel at the Proposal Colloquium. Also, outline/describe your motivation for the classification of the research as being of low, medium or high risk (Please refer to the attached NWU Ethical risk level descriptors).*

Please note that it is your responsibility to follow NWU's *Guidelines for Ethical Research* as set out in the Manual for Postgraduate studies and any other relevant academic or professional guidelines in the conduct of your study. **This includes providing appropriate information sheets and consent forms, and ensuring the confidentiality in the storage and use of data, and anonymity of participants.** Any significant change in the question, design or conduct over the course of the research should be notified to the Study Leader and may require a new application for ethics approval.

Candidate

Students should retain a copy of this form and submit it with their dissertation/thesis.

I have read the NWU's Manual for Postgraduate Studies and am familiar with the Guidelines for Research Ethics contained therein⁴.

Yes No

I have familiarised myself with the NWU Policy on Plagiarism and Academic Misconduct, and submit myself thereto.

<p>Candidate Name and Surname: HM Strydom Signature:</p>	<p>Supervisor/Promoter Name and Surname: Prof GJ De Klerk Signature:</p>
<p>Chair: Research Colloquium: Name and Surname: Signature:</p>	<p>Date: <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="10"/> <input type="text" value="19"/> <input type="text" value="1"/> <input type="text" value="5"/></p> <p>Approved at level:</p> <p style="margin-left: 20px;"> <input type="radio"/> Faculty <input type="radio"/> Institutional (Refer for full review) </p>

4. <http://www.nwu.ac.za/sites/www.nwu.ac.za/files/files/i-research-support/ResearchLinkdocs/EnglishPDFs/PGManual.pdf>

Research Colloquium Panel Members

Name and Surname:

Name and Surname:

Name and Surname:

Name and Surname:

Name and Surname:

Name and Surname:

Name and Surname:

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