

**FIJI RUGBY UNION
SPECIAL ENGAGEMENT
REVIEW OF PLAYER ALLOWANCES
RUGBY WORLD CUP SQUAD 2023**

1 JULY 2023 - 15 OCTOBER 2023

I. NAIVELI & CO

CHARTERED ACCOUNTANTS, TAX AGENT, BUSINESS ADVISORS





8 October 2024

Peter Mazey
Trustee
Fiji Rugby Union
Suva

Dear Sir

Review of Player Allowances - Agreed Upon Procedures

We are pleased to submit our report concerning the review of Player Allowances for the Fiji Rugby Union. This engagement was performed in accordance with the International Standards on Related Services as issued by the International Auditing and Assurance Standards Board (IAASB), specifically under the provisions outlined in the handbook on International Quality Management, Auditing, Review, Other Assurance, and Related Services for Agreed Upon Procedures.

As part of our service, I.Naiveli & Co Chartered Accountants has adhered to the relevant independence requirements under the Fiji Institute of Chartered Accountants, maintaining our impartiality and objectivity throughout the engagement.

The objective of this engagement was solely to report the findings based on the agreed-upon procedures established between our firm and Fiji Rugby Union. Please be advised that this report is restricted to the purposes for which the procedures were agreed upon. It is not intended to provide any assurance beyond those specified in our engagement and should not be relied upon for other purposes.

Thank you for the opportunity to assist with this review.

Yours sincerely,
I.Naiveli & Co

Akisi Rabulimasei Naiveli
Managing Partner

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1. Objectives of the Special Engagement

a) About the independent review

The review of player allowances is a limited assurance engagement primarily to meet the objectives of the terms of reference. In the review of the financial information provided by Fiji Rugby Union, we will disclose our findings in a manner that is designed to enhance the degree of confidence of intended users regarding the information pertaining to the disbursement of player payments in accordance with the Fiji Rugby Union's policies and procedures and the conditions of the fixed term player contracts or other arrangements.

Our review is based on obtaining limited assurance. Our report will include the objective of the review engagement, as context for the readers of the report, to be able to understand the findings. We perform primarily substantiation procedures and inquiry analytical procedures to obtain sufficient appropriate evidence as the basis for a conclusion on this special engagement, expressed in accordance with the requirements of the terms of reference.

Should we become aware of a matter that causes us to believe the financial information provided by Fiji Rugby Union may be materially misstated, we design and perform additional procedures, as we consider necessary in the circumstances, to be able to conclude on the agreed upon procedures in accordance with this special engagement.

To maintain confidentiality, the report makes reference to players by number.



(1) Objectives of the Special Engagement cont'd

b) Agreed Upon Procedures

1. Payment Data Analysis:

- Review and validate the payment records for all contracted Fiji Rugby players (players) between 1st July 2023 and 15th October 2023, being the period when the players were contracted for the preparation and campaign for PNC 2023 and Rugby World Cup 2023
- Cross-check the payments against individual player contracts or any other arrangements
- Ensure that all amounts owing by players, have been correctly deducted as authorized by the players
- Verify and confirm payments with supporting documentation including payment vouchers, bank statements, player confirmations (where possible)

2. Attendance and Performance Data:

- Review reports from team management on player camp attendances and verify that payments are made accordingly

3. Discrepancy Identification:

- Identify any discrepancies between the amounts paid and the amounts that should have been paid according to player contracts
- Highlight any overpayments, underpayments, or delayed payments that need rectification.
- Highlight any early payments

4. Bonus and Incentive Payments:

- Validate that these bonuses were properly calculated and disbursed to players according to the arrangements
- Check when Government reimbursed the bonus payments to Fiji Rugby Union

5. Reimbursements

- Ensure that reimbursements if any, were made in accordance with the entitlements outlined in the contracts or arrangements



(1) Objectives of the Special Engagement cont'd

Source Documents Provided by Fiji Rugby Union for Review

- i. Forty-three (43) player payment schedules disclosing the various payments made to each respective player within the 1 July 2023 – 15 October 2023 period as well as deductions made
- ii. Forty-three (43) player contracts for the Rugby World Cup squad
- iii. Player deduction authority for the pool game tickets and the quarter final tickets
- iv. Documentations supporting reimbursements
- v. Bank statements for Westpac Bank Account FRFU World Cup Grant account
- vi. Bank statements for Westpac Bank Account Flying Fijians Program Account
- vii. Nine (9) batch payments which discloses the following:
 - o Breakdown of all payments to the forty three players and management
 - o Copies of the bank statements to verify the occurrence of the actual payments from the two bank accounts.
 - o Bank batch record showing the list of payments processed for that particular allowance payout
 - o Payment vouchers, TT payments, regulatory approvals and authority sign offs
 - o Correspondences between Fiji Rugby Union Finance Team, the Team Manager and the High Performance Unit (HPU).



(2) Review findings of player payments

Summary of Findings – Key Highlights:

The following is the summary of findings from our independent review:

1. All entitlements under the player contracts were paid out in full and in accordance with the fixed-term player contracts signed by all members of the extended squad and the Rugby World Cup 2023 Flying Fijians team to France.
2. All pay runs were made either on time , in alignment with the contracted payout dates, except for pay runs one and two which were disbursed a day later than the contracted payout date and five pay runs were made between one to five days earlier than the contracted due dates Please refer to Table 1 in the next page.
3. Pay runs three to seven were processed before the contracted due dates with exception to five Players with overseas bank accounts; the provision of erroneous or incomplete bank details and the procedures to attain regulatory approvals contributed the delay. Please refer to Table 1 in the next page.
4. All \$500 per day allowances were processed correctly by the Finance Team at Fiji Rugby Union, based on the attendance sheets provided by the Team Manager.
5. All sign-on fees were paid as per the contracts, with the exception of Player 28, who joined the squad late and was paid accordingly.
6. All government bonuses were paid as per the arrangements.
7. All reimbursements were made in accordance with the entitlements outlined in the contracts or arrangements

The above findings support the conclusion that payments made to all the players were largely in compliance with the terms of the player contracts and other arrangements.



Table 1 - Summary of payment

The following tabulates the respective payment runs with the contracted payment dates against the actual payments made:

Payment Reference	Due date of payment	Actual payment date	Payment per player
One	12 July 2023	13 July 2023	\$7,500
Two	26 July 2023	27 July 2023	\$7,500
Three	16 August 2023	14 August 2023	\$8,000
Four	30 August 2023	25 August 2023	\$8,000
Sign on fee	**	4 September 2023**	\$30,000
Government bonus	*	8 September 2023	\$5,000
Five	14 September 2023	12 September 2023	\$7,500
Six	28 September 2023	25 September 2023	\$7,500
Seven	12 October 2023	11 October 2023	\$7,500
Government bonus	*	13 October 2023	\$5,000
Bonus payout from FRU on behalf of Government	*	23 October 2023	\$20,000

*Bonus was not part of the Players contracts; it was an initiative of the Government with a promise to be paid immediately after the quarter final. It was however paid in advance.

** No specific due date for payment of the sign on fee is in the contract.

Total payment:

1. Two sets of fixed-term player contracts were signed:
 - i. Pre-Rugby World Cup Contracts: These were signed by players selected to join the squad, covering payments from pay runs one to four with a daily allowance of \$500.
 - ii. Rugby World Cup Contracts: A new fixed-term contract was signed by players selected to represent Fiji at the 2023 Rugby World Cup in France, covering payments from pay runs five to seven with a daily allowance of \$500 and a sign-on fee

2. The Players were paid according to the amounts in the contracts and attendance in camp and/or tour. 21 Players received the full gross amount of \$113,500, having completed the time in camp and the tour. The remaining 22 Players were paid for the days spent in camp and/or tour.



3. Government Bonus:

A bonus of \$10,000 was paid in two installments of \$5,000 each by the Government. The first bonus was paid on 8 September 2023 and the second on 13 October 2023. On Friday 13 October 2023 Fiji Time the Players demanded the full bonus to be paid for qualifying for the quarter final and this to be paid before the quarter final game to be held on Monday 16 October 2023 Fiji Time. The Prime Minister then gave a written assurance on Friday 13 October 2023 that the Government was committed to pay the final bonus of \$20,000 as soon as practicable immediately after the quarter final. According to FRU since Government was not in a position to pay the Players immediately because of government processes, we verified that FRU paid the bonuses on behalf of Government from their overdraft facility on the 23 October 2023. Government then reimbursed FRU on 20 November 2023.

Response by Players

A total of 43 confirmations were sent out to the players to confirm total payments received and on which dates. As of the date of this report, we have only received 13 responses, which accounts for 30.2% of the total confirmations.

Where queries were raised, we had responded to the Players and clarified their issues.



(3) Detailed Responses from the Fiji Rugby Union Management

Representatives from I. Naiveli & Co Chartered Accountants met with the representatives of the Board of Trustees and Management to present the findings of their review. The purpose of the meeting was to review the audit outcomes and seek responses from management on the issues noted in the payment processes for the Players.

Management provided their written responses to the exceptions noting in the review on the same day. The table below outlines the issues noted by the review and the corresponding responses from management:

No.	Issue	FRU Management Response
1	Pay run numbers one to five for Player 7 were delayed by one day due to changes by the player with regards to his bank accounts; Player 7 had accounts locally and abroad and was switching between the two accounts during the duration of the tour. Actual correspondence was sighted by us for the change in the bank accounts. The delay was caused because FRU had to seek tax clearance for the payment overseas.	The Team Manager has confirmed that the player changed the details of his bank account mid-tour, switching from receiving payments into a local account to an overseas account. This change was noted and processed accordingly by the finance team at FRU. The one day delay was because FRU had to seek tax clearance.
2	Pay run number one and two for Player 21 had been returned due to incorrect account details; the same player was eventually paid, seven days later for pay run one and five days later for pay run two. The delays were caused by Player 21 providing incorrect and insufficient banking details for both the pay runs. For the first pay run, the bank took 3 working days to inform FRU of the error and returned the funds to FRU. FRU then communicated the same to the Team Manager who subsequently obtained another set of bank account details from the Player. Based on the information	The Team Manager confirmed that incorrect account details were initially provided by the player, resulting in the funds being returned to the FRU's bank account. The delay of seven days accounted for the time taken to process tax clearances and undertake the necessary bank telegraphic transfers (TTs) to facilitate the



	<p>provided, FRU processed the payment again successfully.</p> <p>The same occurred for pay run two.</p>	<p>payment after the funds were returned.</p>
3	<p>Players 39 to 43 had foreign bank accounts and were the only players that had delay intervals between 1-7 days in the processing of their international wire transfers. Initially the delays in processing payments for the overseas players were due to incomplete bank account details, incorrect swift codes, bank names and their residential addresses. As the corrections were made and Blanket tax clearances were obtained from the Fiji Revenue and Customs Services, the release of funds into the players foreign bank accounts improved.</p>	<p>FRU has reinforced to the Team Manager that additional steps must be taken to ensure that the Players provide the correct bank account details and other personal details.</p> <p>FRU has taken further steps to reduce the payment processing times by obtaining blanket tax clearances and notifying the bank earlier.</p>



(4) Conclusion

- All entitlements under the player contracts were paid out in full and in accordance with the fixed-term player contracts signed by all forty three members of the extended squad and the Rugby World Cup 2023 Flying Fijians team to France.
- Overall, the delay in the processing of payments¹ was largely attributed to regulatory procedures with the banks, and the Fiji Revenue and Customs Services and the provision of erroneous or incomplete bank details by the players
- After reviewing the responses from players, attained from the direct confirmations sent to them, we can concur that the issues lay with the misinterpretation of how their payments were processed into their respective bank accounts
- The processing of pay slips, to advice the players of their respective gross payments, details about the payment and deductions for each payment, will address any future misinterpretation on all payments to the players during a tour

---End---

¹ Specifically pay runs one and two and the players who used foreign bank accounts to pay their allowances/bonuses/sign on fees into



