



# Water Polo

WESTERN AUSTRALIA

## Governance Policy

**VISION:** To be WA's most enjoyable team sport

**PURPOSE:** Advance water polo in WA

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1.0	15/01/13	18/04/2013	Introduction of policy	Dale Ballantyne, CEO
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## **INTRODUCTION**

### **Governance**

Is the system by which organisations are directed and managed.

1. It influences how the objectives of the organisation are set and achieved. Spells out the rules and procedures for making organisational decisions.
2. Determines the means of optimising and monitoring performance, including how risk is monitored and assessed.
3. Monitors the financial and non-financial performance of the organisation and ensures that risks are appropriately managed.

Effective governance requires leadership, integrity and good judgement and will ensure:

1. More effective decision making with organisations demonstrating transparency, accountability and responsibility in the activities undertaken and the resources expended.

It is commonly accepted that governance structures have a significant impact on the performance of sporting organisations

Governance concerns three issues:

1. How an organisation develops strategic goals and direction
2. How the Board of an organisation monitors the performance of the organisation to ensure it achieves its strategic goals, has effective systems in place and complies with its legal and regulatory obligations
3. Ensuring that a Board acts in the best interests of the Members

**The structure of this document is based on the Australian Sports Commission best practice governance principles listed below and provided in detail at Appendix 1.**

- 1. Board composition, roles and power**
- 2. Board Processes**
- 3. Governances Systems**
- 4. Board Reporting and Performance**
- 5. Stakeholder relationship and reporting**
- 6. Ethical and responsible decision-making**

## **Policy**

*“WPWAI has adopted the Australian Sports Commission recommendations on best practice governance principals and measures itself at least annually for compliance with these principles.”*

## Appendix 1

### Principle 1: Board composition, roles and power

Governance structure to be clearly documented with a clear delineation of the roles, responsibilities and powers of the board, management and each body involved. There should be no overlap in the powers of any two bodies or individuals in a governance structure.

- 1.1 That management powers be formalized, disclosed and placed in a board which has the power to exercise all the powers of the organisation, except those powers that the Act or Constitution requires to be exercised in general meetings.
- 1.2 The State Sporting Organisation is incorporated as a company limited by guarantee under the Corporations Act (State).
- 1.3 That the incorporated body has a constitution, which embodies the key sections of interpretation, members, the board, accounts, auditors, indemnity and insurance of directors and winding up.
- 1.4 The members of an organisation should elect the majority of the board of directors. In addition, any issue on which a vote is taken, whether at a board or general meeting, should require a majority of votes for any proposal to be passed.
- 1.5 That the governance structure should feature a clear separation of powers and responsibilities between the board and chief executive officer and their staff.
- 1.6 That the chairman/president should be selected by the board.
- 1.7 That the board should confirm the broad strategic directions of the organisation, appoint, dismiss, direct, support professional development for, evaluate the performance and determine the remuneration of the chief executive officer, approve, monitor and be accountable for the financial and non-financial performance of the organisation, including setting fees, ensure an effective system of internal controls exists and is operating as expected and that policies on key issues are in place and appropriate and that these can be applied effectively and legally to those participants or persons for whom they are intended, develop a clearly articulated and effective grievance procedure, ensure financial and non-financial risks are appropriately identified and managed, ensure the organisation complies with all relevant laws, codes of conduct and appropriate standards of behaviour, provide an avenue for key stakeholder input into the strategic direction of the organisation and ensure director, board and chairman performance evaluation and professional development occurs regularly.

- 1.8 The board should be structured to reflect the complex operating environment facing the modern sporting organisation. It is envisaged that a board will comprise between five and nine directors, have a sufficient blend of expertise, skills and diversity necessary to effectively carry out its role, have all directors being independent, regardless of whether they are elected or appointed, have the ability to make a limited number of external appointments to the board to fill skills gaps, institute a staggered rotation system for board members with a maximum term in office to encourage board renewal while retaining corporate memory, be broadly reflective of the organisation's key stakeholders, but not at the expense of the board's skills mix and the organisation's objectives.
- 1.9 The State sporting organisation and their member bodies have aligned objects and purpose to ensure effective and efficient achievement of state sport outcomes.
- 1.10 That where two or more bodies are amalgamating, an interim board arrangement occurs in order for all parties to be confident about the future direction and priorities of the amalgamated body.
- 1.11 That the board outlines the role of individual directors/board members, including the fiduciary duty of directors to act in the interests of the members as a whole and not to represent individual constituents. Once elected, the board should have the ability to operate independently in the interests of the organisation as a whole, free from undue influence, the legal duties of individual directors, a code of conduct or policy specifying the behaviour expected of directors, a conflict of interest provision, maintaining a register of related party transactions and the responsibilities of directors for completing an induction program.
- 1.12 That the roles of key positions in the governance system are documented and understood.
- 1.13 That the Chief Executive Officer will not normally be a director of the board.

## **Principle 2: Board Processes**

The board should agree to and document a clear set of governance policies and processes to facilitate effective governance. These processes should reflect best practice and be subject to regular review.

2.1. The Board should document its meeting process shall be set out in the Constitution of WPWAI. This will include:

- Legal requirements Decision-making approach (consensus versus voting) and voting rights of attendees;
- Protocol(s) for meeting conduct and director behaviour.
- Logistical details such as meeting frequency, meeting location, timing of meetings, attendees.

2.2 The board should prepare an agenda for each meeting. In addition, the board should agree how the agenda will be developed and the items for regular inclusion.

2.3 Board meetings shall have appropriate documentation. This means that papers submitted with and relevant to the agenda will be in an agreed form and be circulated sufficiently in advance of the meeting. The Board shall also maintain a clear record of decisions made through an agreed minuting process.

2.4 The board should be provided with all relevant information on an issue to enable proper execution of directors' duties. The board, or any individual board member, should also have the right to request, through the Chief Executive Officer, any additional information from management if required (refer Principle 4).

2.5 The board should plan its key annual activities and develop a corresponding board calendar/work plan.

2.6 The board and each committee established by the board should have terms of reference or a charter. The terms of reference or charter should include, at a minimum:

- board/committee purpose.
- Authority delegated to the board/committee.
- Board/committee composition, including the appointment of a chair.
- Reporting requirements including research information and recommendations.
- Delineation of the role of the sub-committee, the role of management and the interaction expected between them.
- Timelines for action.
- Any limitations, (including budgetary constraints).

### **Principle 3: Governance systems**

The board is ultimately responsible for the success of the organisation it governs. Each board should clearly define its role in discharging this responsibility.

- 3.1 The board should determine the process by which it oversees and develops the strategic direction, key objectives and performance measures as well as core values and ethical framework for the organisation.
- 3.2 The board shall develop a protocol to outlining expectations for board -management interactions. This will include:
  - Expectations regarding the use of a board member's networks/contacts.
  - Expectations regarding provision of advice to the Chief Executive Officer and WPWAI staff.
  - The rights of individual Board Members to obtain all information required for decision-making and control (refer Principle 4).
- 3.3 The board should have in place an effective and efficient monitoring and evaluation system. This will include financial and non-financial monitoring. In particular, each board should monitor outcomes of the implementation of the strategies as the basis for the evaluation of overall performance and reporting to members (refer Principle 5).
- 3.4 The Board shall establish and document an effective risk management strategy and process. The Board will undertake to identify and work through key risks facing WPWAI and ensure that risk management strategies are developed and actioned. The risk management system will comply with the Australian Risk Management Standards, Australian Sports Commission, Water Polo Australia Limited, FINA and stakeholders.
- 3.5 The Board shall implement an effective compliance system consistent with Australian Standard AS3806-2006 and require, as a minimum, that:
  - The Board is aware of and complies with all relevant statutes, regulations and other requirements placed on it by external bodies;
  - The Board fully understands its fiduciary duty to Members;
  - Effective internal controls exist that ensure full and accurate reporting to the Board in all areas of compliance;
  - WPWAI is financially secure and able to meet all its financial obligations as and when they fall due, in the normal course of business.

- 3.6 The Board shall develop and document annual regular (annual/six monthly) performance review process for the Chief Executive Officer.
- 3.7 The Board shall ensure that an effective audit process is in place, including full financial details of WPWAI as a going concern. The audit will involve internal audit through monthly statements prepared by WPWAI staff and checked by the Director of Finance, together with regular financial reports presented to the Board. Annually, an independent external audit will be commissioned and presented to Members at the AGM in accordance with the Constitution.
- 3.8 That since ultimate decision-making power rests with the board, the board should clearly document all delegations of authority to the Chief Executive Officer and other individuals, committees or groups. This document, or delegations register, should be regularly reviewed and updated. It should be the subject of formal board resolution.

#### **Principle 4: Board reporting and performance**

WPWAI will have a comprehensive reporting and performance management system in place to ensure organizational effectiveness and efficiency. Directors to be provided with timely and accurate financial accounts to ensure effective decision-making can occur.

The Board should review the directors' individual and collective performance, including the effectiveness of the chair, to ensure they are discharging their responsibilities against that of the stated objectives.

Ensure a board and individual director development program is in place, including mechanisms to respond to non-performing directors.

- 4.1 The board to ensure its officers and directors have appropriate insurance cover.
- 4.2 The board shall ensure that all new Directors undergo an appropriate induction process.
- 4.3 The board should ensure that a director can access independent professional advice if required and that this is appropriately protected with a deed of access of similar.
- 4.4 The board should receive timely reports that are presented regularly (preferably monthly), including;
  - Accurate financial statements, that comprise:
    - Profit and loss statement
    - Balance sheet
    - Cash flow statement

- Written report regarding material variances from budget
  - Budget versus actual report on a month and year-to-date basis as well as identifying the full-year budget
  - Listing of all major outstanding debtors and creditors
  - Performance reporting against the organisation's strategic objectives
- 4.5 The full board of directors should annually meet and be debriefed by the external auditor on the state of the financial position and systems within the organisation and any issues identified throughout the audit process.
- 4.6 The board should regularly review and assess its own performance and the performance of individual directors, including that of the chair and its committees.

### **Principle 5: Stakeholder relationship and reporting**

The Board shall exercise leadership, enterprise, integrity and good judgment in its activities and decision-making and will act in the best interests of the stakeholders as a whole, demonstrating transparency, accountability and responsibility to its members and stakeholders.

- 5.1 The Board shall strive to ascertain the interests, aspirations and requirements of Members and create responses to these in the form of a strategic plan with alignment between this and member plans.
- 5.2 Members shall retain the right to remove Board Members (or a Board as a whole) and to alter the Constitution.
- 5.3 Board directors should have no voting rights at general meetings..
- 5.4 The board should provide members and key stakeholders with a comprehensive annual report outlining how they fulfilled the governance roles, achieved strategic objectives and aspirations of the organisation and sufficient financial information so that members can make a judgement as to how effectively the board is fulfilling its role.

## **Principle 6: Ethical and responsible decision-making**

The Board should ensure and actively promote ethical behaviour and decision-making within the organisation. Good corporate governance ultimately requires people with integrity and leadership to ensure that the reputation of the organisation is managed, protected and enhanced.

- 6.1 The Board establishes a Code of Conduct to guide directors, the CEO and other senior management as to:
- the practises necessary to maintain confidence in the organisation's integrity
  - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
- 6.2 The board ensures key decisions and actions are based on thorough review of all available information and are assessed against the organisation's risk management framework and strategic objectives and that these are documented.
- 6.3 That the Board ensure a business case is developed for each major project or significant event/activity prior to the organisation committing resources and that the worst-case scenario has been evaluated and can be mitigated/managed by the organisation