

BRITISH CANOEING EVENTS

GOVERNANCE POLICY

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1. Introduction

- 1.1 Good governance within British Canoeing Events (BCE) requires there to be a comprehensive and appropriate set of rules which define how and where decisions are taken, clarity in roles and responsibilities and the proper utilisation of distinct skills and processes. This policy is designed to guide the Board of BCE (“Board”) and to provide transparency in these areas.
- 1.2 This Governance Policy is designed to complement the Memorandum and Articles of Association of BCE and include further detail which may sometimes be included in Standing Orders or Rules of the Board.
- 1.3 In interpreting and applying this Policy there are some factors to be noted, which influence the activities of the Board and the operations of BCE;
 - i. British Canoeing is the recognised National Governing Body for paddlesports in the UK (Great Britain and Northern Ireland).
 - ii. BCE is a company limited by guarantee. It is a wholly owned subsidiary of British Canoeing. It has one issued share which is held by British Canoeing.
 - iii. The purpose of BCE is to develop and deliver an international events strategy (“International Events Strategy”) in line with the strategic plan of British Canoeing (“Purpose”).
 - iv. BCE does not employ any executives and will contract with British Canoeing to ensure fulfilment of its Purpose.
 - v. BCE must be confident at all times of being a going concern in accordance with the requirements of Company law, but will have an agreement in place with British Canoeing which defines the extent to which British Canoeing will underwrite the activities and the losses of BCE.
 - vi. The Board will ensure that BCE adopts best practice in respect of all of its business processes and embraces the concepts of fairness, transparency, effectiveness, accountability, equality, and diversity.

2. Role and powers of the Members

- 2.1 British Canoeing is the single shareholder and single Member of BCE. The Chair of British Canoeing or their designate will attend and vote at Annual General Meetings and General Meetings of BCE.
- 2.2 The purpose of the Annual General Meeting is for the Member to receive formal reports from the Board on the governance, accounts and the activities of BCE over the previous year, to approve the appointment of members of the Board and to attend to any other matters requested to be considered by the Member under the Company law and the Articles.

3. Role and power of the Board

- 3.1 The UK Corporate Governance Code published in July 2018 says that;

“A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of BCE, generating value for shareholders and contributing to wider society. The board should establish BCE’s purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

- 3.2 The responsibility for governing BCE in line with the UK Corporate Governance Code and UK Code for Sports Governance has been delegated to the Board under the Articles of BCE. The Board will carry out this task in a manner that will enable BCE to achieve the Purpose in a structured and planned manner and is accountable to the Member for its performance in this respect.
- 3.3 The Board has the responsibility to ensure that the necessary financial and human resources are in place for BCE to achieve its Purpose and review the performance of British Canoeing in delivering services to BCE. The Board must provide leadership for BCE within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board should also set BCE's values and standards and ensure that its obligations to its stakeholders and others are understood and met.
- 3.4 The Board is responsible for the direction and oversight of BCE on behalf of the Members of BCE (as defined in the Articles) and is accountable for all aspects of BCE's activities including the allocation of resources.

4. The Reserved Powers of the Board

- 4.1 The Directors reserve to themselves the powers and authority as set out in Appendix 1.
- 4.2 If the Board is called upon to make a decision on any individual matter it will endeavour, so far as is possible, to determine the policy framework relating to that matter prior to making a decision to ensure consistency of approach.

5. Relationship with British Canoeing

- 5.1 BCE will enter into a Service Agreement with British Canoeing which will set out the working relationship between the subsidiary company (BCE) and the parent company British Canoeing.
- 5.2 The limits on the practices, methods, conduct and other means by which British Canoeing may carry out the authorities delegated within this Governance Policy will be set out in the Service Agreement.
- 5.3 The Service Agreement should be read in conjunction with this Governance Policy.

6. General Limitations

- 6.1 BCE will not engage in or cause or permit any practice, activity or decision to be taken;
- (a) Without having regard to:
- The interests of BCE and British Canoeing;
 - BCE and British Canoeing's relationships with Sport England and UK Sport; canoeing bodies nationally and internationally and with sponsors, suppliers, and customers;
 - The effect on the reputation of BCE and British Canoeing;
 - The health, safety, environmental and regulatory consequences;
 - The interests of British Canoeing's employees, volunteers or those of other parties doing work for BCE and, in particular, the need both to endeavour to treat them in an equitable and dignified manner and to maintain a proper and secure working environment.
- (b) Which represents a material deviation from BCE's annual plan and/or its International Events Strategy and/or British Canoeing's Strategic Plan and/or its Annual Plan; and

- (c) Without ensuring that a system of control is in place for the prevention of conduct which is dishonest or illegal.

7. Risk and Internal Control

7.1 BCE will operate with a comprehensive system of internal financial and operating controls to protect BCE's tangible and intangible assets and reputation and to monitor the application of BCE's resources in a manner which meets the standards of external auditors.

7.2 The Board will establish and maintain Financial Policies to set out financial limitations.

7.3 The Board will ensure BCE is not operating in a manner which would or would be likely to result in BCE becoming financially distressed and in particular, will not cause or permit:

- (a) BCE to operate outside the financial limits, authorities or ratios set out in the Financial Policies or otherwise set by the Board from time to time; or
- (b) The allocation of capital and resources of BCE unless within the limits of the Financial Policies ; or
- (c) The assets of BCE to be inadequately maintained, unnecessarily risked or unprotected or unreasonably disposed.

8. Monitoring

8.1 The Board will carry out its diverse monitoring responsibilities through whatever means it considers appropriate, using such internal or external resources as it deems relevant. The Chair of BCE will report to the Board at each meeting of the Board and advise the Board in a timely manner on all material matters currently or prospectively affecting BCE and its performance including:

- (a) Progress on the development and implementation of the International Events Strategy;
- (b) The operating and financial performance of BCE including any material under- performance and proposals to remedy the situation;
- (c) Any failure to observe the agreed Limitations;
- (d) The outcome of any agreed actions or significant developments relating to any material agenda items considered at previous Board meetings;
- (e) Any action or project that represents a material deviation from BCE's International Events Strategy and/or British Canoeing's Strategic Plan and/or its Annual Plan;
- (f) Any action or project that will involve capital investment or revenue commitments exceeding the period of the International Events Strategy or which is not within the International Events Strategy;
- (g) The identification of any material risks to BCE and an assessment of the effectiveness of the controls in place to manage such risks;
- (h) Any material political, economic, social or lifestyle other developments affecting paddlesport events or paddlesports development;
- (i) Any material developments or issues concerning the skills and capability of the BCE operations;
- (j) Anything which may have a material adverse impact on the reputation of BCE or paddlesport more generally.

9. The Board's Own Processes

9.1 Members

The Board will engage appropriately with the Member and the Committees and with investors and businesses engaged with BCE, to ensure it is able to take into account the views of all those with interests in the sport.

9.2 **Board Meetings**

The Board will determine the key items for its consideration for the coming financial year and will plan its meetings to a timetable that will ensure that these are fully addressed in a timely manner.

9.3 The agenda for Board Meetings will be set by the Chair. A similar process will be used for meetings of Board Committees. Any Director may request the addition of an item to the agenda.

9.4 Minutes of record (but not of discussion) of the matters considered at all Board Meetings and the outcome will be published but, in the interests of free and open exchange of views between members of the Board, the minutes of discussion or matters involving the disclosure of business or personal names will be retained in confidence. The Directors will determine the manner and timing of the publication of their decisions but it is anticipated that full disclosure will be made to the Board of the parent company, British Canoeing.

10. **Role and Conduct of Directors**

10.1 BCE will carry out a Fit and Proper Person Test prior confirming the appointment of each Director

10.2 BCE will provide each Director with a Role Description and an induction programme at the start of their term as a Director of BCE.

10.3 Directors will ensure that they carry out their duties in accordance with an approved Role Description, Directors' Code of Conduct and the Independence Policy for Directors.

10.4 Each Director will act in a manner which avoids conflict of interest and will ensure that no decision or action is taken that has the effect of placing, or giving the perception of placing, their own interest, or any other interest, in priority to the interests of BCE.

10.5 Directors will debate issues openly and constructively and be free to question or challenge opinions presented at meetings. Individual Directors will always respect the contributions of other Directors, and strive to understand their perspective and contributions to debate and discussions.

10.6 Directors are expected to utilise their relevant skills, knowledge and experience at meetings.

10.7 Directors will commit to the collective, group decision-making process of the Board.

10.8 Unless the Board has established an agreed position in relation to a topic under discussion, individual board members should not publically declare a personal view. Once the Board has established an agreed position it is the duty of all board members to support that view in public, even if they may have argued differently during the board's discussions. Any declaration of a difference of opinion should only be made with the prior consent of the Board.

10.9 All Directors are expected to attend each meeting of the Board and to inform the Chair in advance if they are unable to do so.

11. Confidential Information

- 11.1 All Directors are expected to exercise the utmost discretion with respect to all aspects of their work.
- 11.2 Directors may not communicate any Confidential Information known to them by reason of their position that has not been made public, except as may be necessary in the course of their duties or under the authority of the Chair and with appropriate legal advice.

12. The Board Chair, Vice Chair and Senior Independent Director

- 12.1 The Board will appoint the Chair from within the group of Independent Members on the Board.
- 12.2 The Chair will:
 - (a) Provide leadership to the Board and act as facilitator for meetings of the Board.
 - (b) Ensure that systems are in place to provide directors with accurate, timely and clear information to enable the Board to consider properly all matters before it.
 - (c) Ensure the integrity and effectiveness of the Board process.
- 12.3 The Chair has authority to act and speak for the Board between meetings. The Chair will report no later than the next meeting of the Board on any material or sensitive exercise of this authority.
- 12.4 The Board shall appoint from within their number a Vice Chair. The Vice Chair shall be appointed from within the group of ex officio Directors.
- 12.5 In the absence of the Chair, the Vice Chair will act as Chair of the Board.
- 12.6 The Board shall appoint from within their Independent Directors, a Senior Independent Director.
- 12.7 The Senior Independent Director shall serve as an advisor to the Chair and an intermediary for other Directors where necessary.

13. Board member selection

- 13.1 The Board composition will be as determined by the Articles but shall consist of ex officio Directors from the parent company, British Canoeing, and appointed Independent Directors. In accordance with the Sports Governance Code, BCE has adopted a target of, and will take steps to encourage, a minimum 70%/30% gender split on its Board.
- 13.2 Independent Directors will be recruited to enhance decision making by providing objective scrutiny and independent perspective drawing on their current and previous experience. A Director nominated by British Canoeing shall not be considered as an Independent Director.
- 13.3 The recruitment of Independent Directors will be open and transparent and all positions will be advertised at least within the Membership of British Canoeing and usually more widely. The recruitment of Independent Directors will be managed by the Nominations Committee of the Board and they will recommend the preferred candidates to the Board for approval. The appointment of these Directors will be ratified by the Member at the next AGM. Where the position of Chair becomes available, the vacancy will be advertised as least within the Membership of British Canoeing and usually more widely.

- 13.4 British Canoeing shall have the unfettered discretion to appoint Directors to the Board in accordance with the Articles and the provisions of this Governance Policy and having regard to the skills and equity requirements of the Board provided always that the majority of Directors are Independent Directors.
- 13.5 The ex-officio members of the Board shall be nominated by the Board of British Canoeing. They shall serve as ex officio members of the Board for as long as they hold their positions within British Canoeing and are nominated to do so by the Board of British Canoeing.
- 13.6 The appointment of all Directors, including Independent Directors is subject to them passing a Fit and Proper Persons test.

14. Board members' skills matrix

- 14.1 The composition of the Board shall be monitored periodically against a skills matrix which shall be determined by the Board in light of current best practice. This may include but not be limited to the following areas; Understanding of; sports event management; company governance and risk management, strategic planning, financial planning and management, marketing and communications, commercial and sponsorship.
- 14.2 The Board will seek to create a Board with a strong skills balance, gender and wider equity balance and seek to ensure that the membership of the Board is representative of the community of British Canoeing and BCE.

15. Board Evaluation

- 15.1 The primary measure of the effectiveness of the Board is the satisfactory and progressive attainment of the Purpose.
- 15.2 The Board will adopt formal systems and processes for the annual evaluation of its own performance, the performance of the Committees and of the Chair.
- 15.3 The Chair will also manage a review meeting with each individual Director once a year.
- 15.4 Annually the Board will also provide feedback to the Chair through the Senior Independent Director who shall meet with the Chair to provide the performance feedback from other Directors.
- 15.5 The Board will also ensure that there is an externally facilitated review of the performance of the Board every 4 years.

16. Board Succession

- 16.1 The Board shall have in place an effective succession and rotation plan so as to reduce risks associated with abrupt changes to the Board and the loss of particular skills and capabilities at Board level.

17. The Committees of the Board

- 17.1 The Board may at any time establish Committees of the Board to assist it in carrying out its responsibilities. Any Committee will be subject to the Board Policies and will speak or act for the Board only when and to the extent so authorised.

- 17.2 The permanent Committees of the Board shall be the Finance and Audit Committee, the Nominations Committee and the Governance and Risk Committee.
- 17.3 Regular meetings of the Committees of the Board will be scheduled, with a minimum of two meetings per Committee annually.
- 17.4 Each Committee of the Board will be comprised of a minimum of two Directors that the Board considers best suited by virtue of qualifications or experience to serve on that Committee.
- 17.5 The Chair of each Committee of the Board shall usually be an Independent Director recruited for their expertise within Finance, Governance and Legal matters.
- 17.6 If the Chair of each Committee is unable to attend, another Director may be delegated to attend where appropriate.
- 17.7 Each Board Committee should establish more detailed processes and procedures for carrying out its responsibilities within its Terms of Reference. These must be consistent with the Board Policies and the Terms of Reference and shall be approved by the Board.
- 17.8 Other than for matters which are reserved for the Board as outlined in Appendix 1, the Committees may approve policies on behalf of the board according to a scheme of delegation which will be approved by the Board. Committees must be mindful to bring to the Board for approval any matters which are related to the matters reserved to the Board.
- 17.9 Matters approved by the Committees of the Board need not be further presented and approved by the Board, although the Committee must make the Board aware at the following meeting of the matters which have been considered and approved by the Committee. These matters will be noted in the minutes of the Board Meeting. Members will have full access to the papers of the Committees of the Board within the confidential and shared folders of the Board.
- 17.10 These Terms of Reference must include the development and execution of an Annual Plan, which shall be drawn from and be in line with the International Events Strategy and Annual Plans of BCE.
- 17.11 The main responsibilities and requirements for each of the Committees of the Board are set out below.

18. The Finance and Audit Committee

- (a) The Finance and Audit Committee shall comprise no less than two Directors who are appointed each year and an independent person with relevant financial experience who is co-opted by the Finance and Audit Committee for such term as is required.
- 18.1 The Finance and Audit Committee shall carry out the following tasks and such other tasks as shall be delegated to it by the Board. In carrying out these tasks the Finance and Audit Committee shall monitor and obtain assurance that the internal control and risk management system relating to financial matters is designed and is being implemented effectively for the protection of BCE.
- 18.2 The Finance and Audit Committee will:
- (a) Review with the Chair the budgets within the 4 Year Strategy and Annual Plan prior to their submission to the Board.

- (b) Monitor and receive assurance that the management or mitigation of financial risks is being appropriately addressed.
- (c) Monitor and receive assurance that the legally required standards of financial reporting and disclosure (including taxation) are being fully and fairly observed.
- (d) Review all financial documents including annual accounts, to be placed before the Member or filed with regulatory bodies and make recommendations to the Board about their adoption and publication.
- (e) Monitor and review the external auditor's independence, objectivity and the effectiveness of the audit process. Recommend to the Board the appointment or re-appointment of the external auditor on an annual basis and approve the remuneration and terms of engagement.
- (f) Ensure BCE Whistle Blowing policy and other practices and systems are in place to enable those who work for or are otherwise engaged by BCE to raise, in confidence, any concerns about possible improprieties in financial reporting or other financial matters and arrange for such matters to be appropriately investigated.
- (g) Monitor and review the effectiveness of the financial management information technology systems and processes and receive assurance that they are appropriately designed and are being effectively utilised and that all data is fully protected.

19. The Governance and Risk Committee

19.1 The Governance and Risk Committee shall comprise no less than two Directors who are appointed each year.

19.2 The Governance and Risk Committee shall carry out the following tasks and such other tasks as shall be delegated to it by the Board. In carrying out these tasks the Governance and Risk Committee shall monitor and obtain assurance that the internal control and risk management system relating to operational matters of a non-financial nature is designed and is being implemented effectively to protect BCE.

19.3 The Governance and Risk Committee will:

- (a) Monitor and obtain assurance that the Chair has established all non-financial rules, codes, policies, and procedures specified in the Articles or otherwise are appropriate for the good management of BCE and its activities. These shall include but not be limited to the following; Codes of Conduct; Disciplinary and Disputes Policy and Procedures, Safeguarding Policy and Procedures, Equity policy; Gender and Transgender Policy, Health and Safety Policy; Anti-Doping Policy, Data Management Policy, Transportation Policy & Contracting Policy. For the avoidance of doubt it will be acceptable, where appropriate, to adopt the policies and procedures of the parent company, British Canoeing;
- (b) Monitor and ensure that the implementation of BCE policies and procedures are appropriate and effective;
- (c) Establish and review the Risk Management policies and procedures and Risk Registers, including monitoring and obtaining assurance that the management or mitigation of risks of a non-financial nature are being appropriately addressed by the Chair;
- (d) Receive reports, consider and advise the Board on all matters involving a material breach of BCE policies and any consequent processes or proceedings;
- (e) Review the systems in place to enable anyone engaged by BCE to raise in confidence, any concerns about possible improprieties in operational matters and arrange for such matters to be appropriately investigated;
- (f) Review and receive assurances regarding any matters and cases being dealt with and in particular any matters where material legal action is risked or being taken;
- (g) Deal with any other matters referred to it by the Board;

- (h) The Committee is authorised by the Board to seek any information it requires from any employee, volunteer, member or committee of British Canoeing or BCE in order to perform its duties.

20. The Nominations Committee

20.1 The Nominations Committee shall comprise the whole Board.

20.2 The Nominations Committee shall carry out the following tasks and such other tasks as shall be referred to it by the Board:

20.2.1 Board Evaluation

- 20.2.1.1 Review, at least annually, the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, compared to its current position and make recommendations to the Board with regard to any changes;
- 20.2.1.2 Maintain and put to the Board annually an up to date matrix detailing the skills and experience required of the Board;
- 20.2.1.3 Lead on an annual evaluation of the performance and effectiveness of the Board and individual directors;
- 20.2.1.4 Lead on any external evaluation of the Board which shall be carried out at least every four years or at the request of UK Sport/Sport England;
- 20.2.1.5 Review annually and report on Board level diversity against the diversity targets and actions set in compliance with the Code for Sports Governance.
- 20.2.1.6 Lead on evaluation every two years of performance and composition of the Committees of the Board.
- 20.2.1.7 Ensure succession plans are in place for orderly appointments to the Board
- 20.2.1.8 Taking considerations for Directors and other senior Executives in the course of its work, so as to maintain an appropriate balance of skills and experience within BCE and on the Board, taking into account the challenges and opportunities facing BCE, and the skills and expertise needed on the Board in the future;

20.2.2 Board Director Recruitment

- 20.2.2.1 To oversee a formal, rigorous and transparent process for the recruitment and appointment of new directors to the Board

- 20.2.2.2 Ensure UK Sport/Sport England is informed of any recruitment for new directors to the Board
- 20.2.2.3 Prepare role description and person specification required for any new Director, including Chair and Vice Chair.
- 20.2.2.4 Manage on behalf of the Board a formal open and transparent process for recruitment of new Board Directors.
- 20.2.2.5 Identify and nominate for the Board's approval, candidates to fill Board vacancies as and when they arise.
- 20.2.2.6 Make recommendations to the Board in relation to re-appointment of any Director after the completion of their terms of office, assuming that they have not already reached the maximum term permitted under the Code for Sports Governance.

20.2.3 Ensure all new Directors complete a fit and proper persons test before appointment.

20.2.4 Ensure all new Directors receive a written statement of their responsibilities and receive a full, formal induction upon joining BC.

20.2.5 Standards and Conduct

- 20.2.5.1 To review every four years the Directors Code of Conduct, Governance Policy and other policies of the Board.
- 20.2.5.2 To manage on behalf of the Board any matters relating to breach of Directors Code of Conduct, Governance Policy and/or any other policies of the Board.
- 20.2.5.3 To manage on behalf of the Board any matters relating to continuation in office of a Director, including suspension or termination.

21. Role of other BCE Committees

21.1 The Board shall determine the Committee Structure within BCE. This shall be proposed annually by the Chair to the Board.

21.2 The Terms of Reference for all committees shall be approved by the Board.

-End-

April 2021

Appendix 1

The Powers reserved to the Board

This formal schedule of matters is reserved for the Board's decision, however certain matters may be delegated by the Board to Committees of the Board for decision.

Items marked * may not be delegated for decision by the Committees of the Board and must remain as matters reserved for the Board.

- I. Appointments to the Board, including the Chair*
- II. The approval of:
 - International Events Strategy*
 - Bidding decisions not anticipated within the International Events Strategy*.
 - Operating and capital expenditure budgets and any material changes thereto*
 - Annual Report & Accounts*
 - Maintenance of risk management plans and procedures*
 - The committee structure of BCE including Terms of Reference of Committees*
 - Acquisitions of greater than £50,000 in value *
 - All major policies and procedures
 - Any significant partnership arrangement with another body or individual
- III. Undertaking annually a rigorous review of the Board's performance, including its Committees and the performance of individual directors, including the Chair*
- IV. Receiving reports from the Committees of the Board*
- V. Maintenance of a sound system of internal controls