

## **BRITISH CANOEING GOVERNANCE POLICY**

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### **1. Introduction**

**1.1** Good governance within British Canoeing requires there to be; a comprehensive and appropriate set of rules which define how and where decisions are taken, real clarity in roles and responsibilities and the proper utilisation of distinct skills and processes. This policy is designed to guide the Board (with its changing membership) in these areas and to provide transparency in these areas of governance for others within British Canoeing.

**1.2** This Governance Policy sets out the relationship between the Board, as the principal governing body within British Canoeing and the other key constituents within the corporate organisation.

**1.3** This Governance Policy is designed to complement the Articles of British Canoeing and include further detail which may sometimes be included in Standing Orders or Rules of the Board.

**1.4** In interpreting and applying this Policy there are some factors to be noted, which influence the activities of the Board and the operations of British Canoeing;

- i. British Canoeing is the recognised National Governing Body for paddlesports in the UK (Great Britain and Northern Ireland). In that capacity it receives funds not only from the members of canoe clubs or associations as defined in the Articles by way of affiliation fees, but also from UK Sport and Sport England and commercial partners to assist it to advance its Objects (established in its Articles) . This Policy is designed to meet best practice for the Board of such an organisation.
- ii. British Canoeing is a company limited by guarantee. It has no subscribed share capital and must maintain adequate reserves to enable it to be confident at all times of being a going concern in accordance with the requirements of Company law.
- iii. British Canoeing has limited resources to fulfil its Purpose and must utilise where appropriate a network of volunteers to assist in its activities in addition to an executive management led by the Chief Executive Officer (CEO).
- iv. The Board will ensure that British Canoeing 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** The Members of British Canoeing are the Full Members of the organisation, who have been admitted to that status by the Board under the Articles. They may attend and vote at the General Meetings and Annual General Meeting of British Canoeing .

**2.2** The purpose of the Annual General Meeting is for the Members to receive a formal report from the Board on its governance of British Canoeing over the previous year, to approve the appointment of members of the Board and other office holders and to attend to any other matters required to be considered by the Members under the Company law and the Articles.

### **3. Role and powers of the Board**

**3.1** *“Every company should be headed by an effective board which is collectively responsible for the success of the organisation.” – The UK Corporate Governance Code, September 2012.*

**3.2** The responsibility for governing British Canoeing has been delegated to the Board under the Articles of British Canoeing . The Board will carry out this task in a manner that will enable British Canoeing to achieve the Purpose in a structured and planned manner and is accountable to the Members for its performance in this respect.

**3.3** The Board has the responsibility to set the Company’s strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance. The Board must provide leadership for the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board should also set the Company’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 British Canoeing on behalf of all of the Members of the Company (as defined in the Articles) and is accountable for all aspects of British Canoeing's activities including the allocation of resources to and the operation and servicing of the Committees established under the Articles. The Committees create a structured link for the involvement of volunteers in the operations for defined functions set out in the Articles.

### **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. Role of the Chief Executive Officer**

**5.1** The CEO is appointed by the Board to lead an Executive team and the non-executive committee structure and to manage the operations of British Canoeing in accordance with this Policy.

### **6. The Board: Authority and Delegation to the CEO**

**6.1** The role of the Board is part-time, non-executive and volunteer in nature. The Directors have limited time and necessarily must focus on those tasks that are required of them and that they are best equipped as a group, to carry out. It is therefore appropriate that this Policy should state in a structured manner those tasks that the Board reserve to themselves and those that they delegate to the CEO. This Policy also defines the Board’s processes for monitoring and controlling that delegation.

**6.2** The delegation from the Board to the CEO is based upon the Values, the medium term strategy (the Strategy), the annual plan (the Annual Plan), the policies and procedures required of good governance and the risk management plan. The Strategy and Annual Plans shall incorporate the 4 year and annual plans for the work of the Committees and the 4 year and Annual budgets.

**6.3** The CEO will review on an 4 yearly basis with the Governance and Risk Committee a Values statement (the British Canoeing Values Statement) setting out the principles upon which the operations of British Canoeing will be conducted by all persons involved in the organisation's activities, whether as a volunteer or an employee. This will be presented to the Board for approval.

**6.4** The Strategy will provide a framework for the development of the organisation on a rolling four year basis. The CEO will each year propose and the Board will approve the Strategy and the Annual Plan. The Annual Plan for the next year will be approved towards the end of the previous accounting year.

**6.5** The Strategy, the Annual Plan and the Values Statement will be actively promulgated throughout the organisation by the CEO and Executive team.

**6.6** The CEO is authorised to establish any policy, make any decision, enter into any obligation, take any action and develop any activity to implement or advance the Strategy and the Annual Plan and which:

- Is not within the powers that the Articles has specified may only be exercised by the Members or the Board or that the Board has reserved to itself
- Is within a reasonable interpretation of the Executive Limitations and the British Canoeing Values Statement.

**6.7** The CEO is accountable to the Board for the exercise of any authority delegated to the CEO and the Board will monitor directly or through the Board Committees all aspects of the CEO's use of such authority. In carrying out its monitoring work, the Board will satisfy itself directly or by report from the relevant Board Committee that:

- There are in operation throughout the organisation, the rules, codes, policies, and procedures specified in the Articles or required within a code of good governance
- The material risks to the success of the British Canoeing's operations and its reputation are being identified and understood and that systems of risk management, compliance and control are in place for their mitigation.

**6.8** The Board may at any time change the authority of the CEO or of the Board Committees and in particular, may change the Purpose, the Reserved Powers and the Executive Limitations. However, so long as any particular delegation of authority is in place, the Board will respect and support the decisions and judgement of its delegate within the proper exercise of such authority.

## **7. The Board: Limits on Executive Action and Delegation**

**7.1** The Board places, through these Executive Limitations, the limits on the practices, methods, conduct and other means by which the CEO may carry out the authority delegated within this Governance Policy. All CEO actions and decisions will be carried out in accordance with commonly accepted business practice and professional ethics and within these Executive Limitations.

### **7.2 General Limitations**

The CEO will not engage in or cause or permit any practice, activity or decision to be taken;

- (a) Without having regard to:
- The interests of the Members;
  - British Canoeing's relationships with Sport England and UK Sport; canoeing bodies nationally and internationally and with sponsors, suppliers, and customers;
  - The Values Statement;
  - The effect on the reputation of 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 British Canoeing 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 the Strategy and/or the Annual Plan; and
- (c) Without ensuring that a system of control is in place for the prevention of conduct which is dishonest or illegal.

### **7.3 Risk and Internal Control**

The CEO will not cause or permit British Canoeing to operate without a comprehensive system of internal financial and operating controls to protect British Canoeing's tangible and intangible assets and reputation and to monitor the application of British Canoeing's resources in a manner which meets the standards of external auditors.

### **7.4 Financial Limitations**

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

**7.5** The CEO will not cause or permit British Canoeing to operate in a manner which would or would be likely, to result in the Company becoming financially distressed and in particular, the CEO will not cause or permit:

- a. British Canoeing 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 British Canoeing unless within the limits of the Financial Policies ; or
- c. The assets of British Canoeing 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 CEO 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 British Canoeing and its performance including:

- a. Progress on the development and implementation of the Strategy and the Annual Plan;
- b. The operating and financial performance of British Canoeing including any material under-performance and proposals to remedy the situation;
- c. Any failure to observe the Executive 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 the Business Plan or the Annual Plan;
- f. Any action or project (otherwise than permitted by the Annual Plan) that will involve capital investment or revenue commitments exceeding the period of the Strategy or which is not within the Strategy;
- g. The identification of any material risks to British Canoeing 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 or its development;
- i. Any material developments or issues concerning the skills and capability of the British Canoeing operations;
- j. Anything which may have a material adverse impact on the reputation of British Canoeing or paddlesport more generally.

## **9. The Board's Own Processes**

### **9.1 Members**

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

### **9.2 Board Meetings**

**9.3** 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.

**9.4** The agenda for Board Meetings will be set by the Chair in consultation with the CEO. A similar process will be used for meetings of Board Committees. Any Director may request the addition of an item to the agenda.

**9.5** Minutes of record (but not of discussion) of the matters considered at all Board Meetings and the outcome will be published for the information of Members 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.

## **10. Role and Conduct of Directors**

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

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

**10.3** Directors will ensure that they carry out their duties in accordance with their Role Description, Directors' Code of Conduct and the Independence Policy for Directors, established by British Canoeing.

**10.4** Each Director 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, his or her own interest, or any other interest, in priority to the interests of British Canoeing.

**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. The CEO as an Executive Director will bring to Board debate and discussion their unique knowledge, experience and perspective on British Canoeing activities.

**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 [and CEO] 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 and Vice Chair**

**12.1** The Board shall appoint from within their number a Vice Chair who shall not be an employed executive of British Canoeing. In the absence of the Chair, the Vice Chair will act as Chair of the Board. For the purposes of compliance with the Governance Code for Sports of UK Sport and Sport England, the Vice Chair will also be recognised as the Senior Independent Director.

**12.2** The Chair will:

- a. Provide leadership to the Board and will 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 and will engage with the CEO on behalf of the Board as required. The Chair will report no later than the next meeting of the Board on any material or sensitive exercise of this authority.

### **13. Board member selection**

**13.1** The Board composition will be as determined by the Articles but shall consist of elected and appointed Independent Directors. In accordance with the Sports Governance Code, British Canoeing has adopted a target of and will take steps to encourage a minimum 70/30% split of each gender 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. They may also reduce equity imbalances which may exist within the composition of the Board. For the avoidance of doubt a Director nominated by a National Council shall not be considered as an Independent Director.

**13.3** The recruitment of the Chair and 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.

**13.4** National Council's shall have the unfettered discretion to nominate 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.

**13.5** The appointment of all Directors, including Independent Directors is subject to them passing a Fit and Proper Persons test and to AGM approval.

**13.6** The recruitment of all Directors will usually be completed in the quarter of the year prior to the AGM each year.

**13.7** The CEO will be a member of the Board on an ex-officio basis for as long as he/she holds the position of CEO.

### **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 canoeing participation, performance, coaching and clubs, sports and company governance and risk management, strategic planning, financial planning and management, marketing and communications, commercial and event management, legal and human resource management.

**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.



## **15. Board Evaluation**

**15.1** The primary measure of the effectiveness of the Board is the satisfactory and progressive attainment of the Purpose and the successful execution of its strategic and annual plans.

**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 CEO.

**15.3** For the avoidance of doubt these systems will ensure the proper performance review of the CEO which will include a “closed door” discussion at the end of each Board Meeting with immediate feedback being given to the CEO around executive performance and that at least once a year, the Chair will formally review the performance of the CEO.

**15.4** The Chair will also manage a review meeting with each individual Director once a year.

**15.5** Annually the Board will also provide feedback to the Chair, through the Vice Chair who shall meet with the Chair to provide the performance feedback from other Directors.

**15.6** 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 HR, Remuneration and 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 three Non-Executive 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, Legal and HR.

**17.6** The CEO and up to one other member of the Senior Management Team will attend each meeting of each Committee. If the CEO is unable to attend he may delegate attendance to another member of the Executive team, 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 shall be approved by the Board.

**17.8** 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 Strategy and Annual Plans of British Canoeing.

## **18. The Finance and Audit Committee**

**18.1** The Finance and Audit Committee shall comprise no less than two non-executive directors who are appointed each year and one other member who may be either;

- a) a non-executive director appointed by the Board; or
- b) an independent person with relevant financial experience who is co-opted by the Finance and Audit Committee for such term as is required.

**18.2** The Finance and Audit Committee shall carry out the responsibilities within its Terms of Reference 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 British Canoeing.

## **19. The Governance and Risk Committee**

**19.1** The Governance and Risk Committee shall comprise no less than three Non-Executive Directors who are appointed each year.

**19.2** The Governance and Risk Committee shall carry out the responsibilities within its Terms of Reference 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 British Canoeing .

## **20. The Human Resources (HR) and Remunerations Committee**

**20.1** The HR and Remunerations Committee shall comprise no less than three non-executive directors who are appointed each year.

**20.2** The HR and Remunerations, Committee shall carry out the responsibilities within its Terms of Reference and such other tasks as shall be referred to it by the Board.

## **21. The Nominations Committee**

**21.1** The Nominations Committee shall comprise five members who are appointed each year: Chair of the BC Board who shall be the Chair of the Nominations Committee; the Vice Chair of the BC Board and three non-executive BC Board members. A majority of the members on the Nominations Committee shall be Independent Directors.

21.2 The Nominations Committee shall carry out the responsibilities within its Terms of Reference and such other tasks as shall be referred to it by the Board.

## **22.Role of other British Canoeing Committees**

**22.1** The Board shall determine the Committee Structure within British Canoeing. This shall be proposed annually by the CEO to the Board.

**22.2** The plans of all committees shall be fully aligned with the 4 year Strategy and Annual Plan of British Canoeing. All Committees within British Canoeing will be accountable to the Board through the CEO.

**22.3** The other Committees of British Canoeing including such as, but not limited to; the Discipline Committees, English Council, Coaching Strategy Group are responsible for carrying out the duties defined by their terms of reference.

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

**End. September 2017**

## Appendix 1

This formal schedule of matters establishes matters specifically reserved for the Board's decision.

Certain matters are capable of delegation to Board committees for either recommendation back to the Board or for their own decision and certain matters are delegated to management.

For items marked \* final decision making is required to be taken by the Board as a whole.

- i. \*The appointment of the CEO, who shall be a member of the Board
- ii. The confirmation of all other senior management appointments reporting directly to the CEO
- iii. The approval of:
  - The Values of the organisation
  - The 4 year Strategy, and the Annual Plan
  - The 4 year and annual operating and capital expenditure budgets and any material changes thereto
  - All major policies and procedures
  - Any formal partnership arrangement with another body or individual; and
  - All reports and formal documentation required by statute or the Articles of British Canoeing or by this policy, to be issued on behalf of the Board to the Members
  - The Committee structure of British Canoeing including Terms of Reference of Committees
  - \*Undertaking of a formal and rigorous review, on an annual basis, of its own performance, and that of its Committees and individual directors, including the Chair.
- ii. \*Assessment of which Directors are Independent.
- iii. \*Receiving reports from Board Committees on their activities.
- iv. This Governance Policy including Appendix 1 - matters reserved for the board to be reviewed at least every four years.
- v. \*Items of expenditure which fall outside British Canoeing financial regulations.
- vi. \*Approval of the Annual Report & Accounts.
- vii. Ensuring maintenance of a sound system of internal control and risk management
- viii. \*Appointment, reappointment or removal of the external auditor. (Once approved by the Board a resolution will be put before the members in annual general meeting).
- ix. \*Appointments to the Board including appointment of the Chair and Vice Chair following open recruitment (Once approved by the Board a resolution will be put before the members in annual general meeting).