



South Australian Badminton Association Code of Governance

Objectives of the Code of Governance

- To assist the board of the South Australian Badminton Association to develop, implement and maintain a robust system of governance that fits the purposes of the sport of badminton within South Australia.
- To provide the appropriate mechanisms for The Association to establish and maintain an ethical culture through commitment to a self-regulatory approach
- To provide the members and stakeholders of The Association with benchmarks against which to gauge The Association's performance.

Section 1 – Board Composition, Roles and Powers

1.1 The management powers of The Association are formalized, disclosed and placed in a board which retains the power to exercise all of the powers of the organization, except those powers that the Constitution requires to be exercised in a general meeting.

1.2 As a nationally recognised sporting association, the South Australian Badminton Association is incorporated as a company limited by guarantee under the Corporations Act 2001.

1.3 The Board of the South Australian Badminton Association will ensure that there is a Constitution in place embodying but not limited to the following key sections.

- interpretation — objects and powers
- members — membership and meetings of members (general meetings)
- the board — powers (including delegations), election and appointment of directors, other roles (chief executive officer and secretary) and meetings of the board
- reporting, recording and execution of company documents
- accounts
- auditors
- indemnity and insurance of directors
- winding up

1.3.1 The Constitution will be presented in a clear, unambiguous and succinct matter and will be easily available for stakeholders and members to reference.

1.3.2 Items expected to be changed or updated will be managed by The Association's by-laws and relevant policies.



- 1.3.3 The Constitution will clearly set out the members powers to elect/dismiss the board, approve/amend the constitution and accept the financial accounts.
- 1.4 The members of The Association will elect the majority of the governing board.
- 1.4.1 Any issue on which a vote is taken, whether at a board or general meeting will require a majority of votes for any proposal to be passed.
- 1.5 The governance structure of The Association shall feature a clear separation of the powers and responsibilities of the board, any of its sub-committees and any association staff.
- 1.5.1 No individual board member may act on behalf of the association by virtue of their position alone. All authority rests with the board which may delegate specific authority to any person or committee.
- 1.6 The chairperson or president of The Association's board shall be elected by the elected board members.
- 1.7 The board will:
- confirm the broad strategic directions of the organisation
 - appoint, dismiss, direct, support professional development for, evaluate the performance and determine the remuneration of The Association's appointed staff and officers
 - 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
 - ensure board member and chairperson/president evaluation and personal development occurs
- 1.8 The board will be structured to reflect the operational environment of The Association. The board shall:
- 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 board shall outline the role of individual board members including:

- the fiduciary duty of board members to act in the interests of the members as a whole and not to represent individual constituents. Thus, 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 board members, including the requirement to:
 - act in good faith and for a proper purpose
 - exercise due care and diligence
 - ensure the organisation does not continue to carry on its business while insolvent
 - meet the requirements of various other federal and state laws that directly impact on the organisation
- a code of conduct or policy specifying the behaviour expected of board members (see Section 6)
- a conflict of interest provision that specifies:
 - a board member must disclose actual/potential conflicts of interest
 - the process for disclosure of real or potential conflicts of interest
 - a process that governs a board member's involvement in any decisions with which they have a conflict of interest
 - the requirement for a register of ongoing interest to provide a record of all potential conflicts
 - a board member should not hold any other official or corresponding administrative position within the organisation at any level that creates a material conflict of interest. This is to ensure no actual or perceived conflicts of interest
- maintaining a register of transactions and business

1.10 The board shall outline the role of individual board members including the chair/president, secretary, treasurer and any appointed staff members of The Association.

Section 2 – Board Processes

2.1 The board shall document its meeting processes including:

- any legal requirements
- decision-making approach (consensus versus voting) and voting rights of attendees
- protocol/s for meeting conduct and board member behaviour
- logistical details such as meeting frequency, meeting location, timing of meetings, attendees

2.2 An agenda shall be prepared for each meeting. The board will agree how the agenda will be developed and the regular items for inclusion.

2.3 Board meetings will have appropriate documentation. This means issues submitted to the board should be in an appropriate and agreed form and be circulated sufficiently in advance of the meeting. The board should similarly maintain a clear record of decisions made through an appropriate and agreed minuting process.



2.4 The board members should be provided with all relevant information on an issue to enable proper execution of their duties. The board, or any individual board member, should also have the right to request any additional information if required.

2.5 The board shall plan its key annual activities and develop and issue a corresponding calendar.

2.6 The board and any committee established by the board shall have terms of reference. These terms of reference shall include:

- board/committee purpose
- authority delegated to the board/committee
- board/committee composition, including the appointment of a chair
- reporting requirements
- delineation of the role of the board/committee and the role of management

Section 3 – Governance Systems

3.1 The board shall determine a process by which is oversees and directs the strategic direction, key objectives and performance indicators of the association along with maintaining its core values and ethical governance.

3.2 The board shall develop a protocol outlining the expectations for board member interaction within The Association.

- expectations regarding the use of a board member's networks/contacts
- expectations regarding provision of advice to the chief executive officer and management
- a protocol for individual directors to acquire all information required for decision-making and control (see Section 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 (see Section 5).

3.4 The board should have in place an effective risk management strategy and process. This will require the board to take actions to identify key risks facing the organisation and ensure that risk management strategies are developed and actioned. The risk management system should comply with the Australian/New Zealand Risk Management Standard AS/NZS ISO 31000:2009.

3.5 The board shall implement an effective compliance system. The system should ensure that:

- the organisation complies with all relevant statutes, regulations and other requirements placed on it by external bodies



- effective internal controls exist and there is full and accurate reporting to the board in all areas of compliance
- the organisation is financially secure and is able to meet all of its financial obligations when they fall due, in the normal process of business.

3.6 The board must ensure that an appropriate and effective audit process is in place. This process may include internal and external systems.

3.7 Since ultimate decision making power rests with the board, the board must document all delegations of authority to individuals and committees.

Section 4 – Board Reporting and Performance

4.1 The board will ensure that its officers and board members have appropriate insurance cover.

4.2 The board will ensure that all new board members undergo an appropriate introduction process. This process should include:

- an appropriate level of knowledge of the industry in which the organisation operates
- a clear understanding of an organisation's business operations
- a clear understanding of the organisation's financial circumstances
- a clear understanding of the organisation's strategy and direction
- a clear understanding of what is expected of the board member in their role, including legal responsibilities
- a high-level knowledge of the business risks that may affect the organisation's success
- access to relevant background information

4.3 The board will ensure that a board member has access to independent professional advice if required.

4.4 The board will receive timely reports (preferably monthly) that are presented 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
 - bank reconciliation (including bank account evidence)
- performance reporting against the organisation's strategic objectives



4.5 The full board should annually meet and be debriefed by an external auditor on the state of the financial position and systems within the organisation and any issues identified via the audit process.

4.6 The board will regularly assess and review its own performance and that of individual directors, the chairperson/president and its committees.

Section 5 – Stakeholder Relationship and Reporting

5.1 The board should 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 of The Association should have the ability to remove board members (or a board as a whole) and change The Constitution, should they see fit, in accordance with applicable legislation and by following the processes outlined within The Constitution.

5.3 Board members shall 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 judgment as to how effectively the board is fulfilling its role.

Section 6 – Responsible and Ethical Decision Making

6.1 The board will establish a code of governance to guide board members, appointed officers and other key association members as to:

- the practices 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 shall ensure that key decisions and actions are based on a thorough review of all available information, that they are assessed against The Association's risk management framework and strategic objectives and that these are documented.

6.3 The board will ensure that 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 Association.