

Equestrian South Australia Inc.

Board Charter

ESA - Board Charter

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1. PURPOSE

The purpose of a board charter is to clearly define the respective roles, responsibilities and authorities of the board members (both individually and collectively) and management in setting the direction, the management and the control of the organisation and adopting the principles and practice of good governance.

2. INTRODUCTION

Equestrian South Australia Incorporated ("ESA") is a not-for-profit organisation incorporated under the Associations Incorporations Act 1985.

This Charter sets out the major principles used by the Board to manage its affairs and enable it to discharge its responsibilities. In carrying out its responsibilities and powers as set out in this charter, the Board will at times recognise its overriding responsibilities to discharge its duties in good faith, with care and act honestly in the best interests of the Organisation.

The Board considers governance to be the system or process by which the Board, exercising accountability to stakeholders, is directed and controlled to achieve sustainable improvement in the organisation's prosperity commensurate with the risks involved.

3. BOARD'S FUNCTIONS & POWERS

- 3.1 The Board's primary role is to provide the strategic direction of ESA, appoint the CEO, and monitor the performance of ESA and to act in the interests of ESA as a whole. The Board will provide strategic direction for ESA and effective oversight of the management of ESA. This is underpinned by effective systems to manage risk and compliance, governance and stakeholder communication.
- 3.2 The Board shall control and govern the management of the business and affairs of ESA and may exercise all such powers and functions as may be exercised by the ESA Board, other than those powers and functions required by the ESA Constitution to be exercised by the members in general meeting. The ESA Board has the power to perform all such acts and things as appear to the Board to be essential for the proper management on the business and affairs of ESA.
- 3.3 Other functions and powers of the Board include:
 - through constructive engagement with senior management and key stakeholders, review, add-value to, approve and monitor ESA's purpose, core values, ethical framework, strategic direction and objectives;
 - make, add to, alter or rescind any ESA rules, regulations and by-laws as it sees fit;
 - manage Board members' interests, conflicts of same and related-party transactions

- delegation of powers and authorities, while understanding the Board remains responsible for all decisions of ESA;
- oversight of compliance with appropriate laws and regulations and major litigation;
- evaluating Board processes and performance of the Board as a whole, as well as contributions by individual Board members, ensuring the Board's effectiveness in delivering good governance, including performance and conformance matters;
- corporate governance matters, including frequency and agendas of Board and Committee meetings; and
- matters pertaining to members including meetings, communications and relations.

3.4 STRATEGIC DIRECTION

- 3.4.1 Confirm strategic direction and provide an avenue for key stakeholder input into strategic direction..
- 3.4.2 In conjunction with the CEO develop 3-5-year strategic plan clearly articulating vision, values, objectives, strategies, actions and Key Performance Indicators (KPIs).

3.5 CEO

- 3.5.1 Appoint, direct, support, monitor/evaluate, determine remuneration for, and if necessary, dismiss the CEO.

3.6 PERFORMANCE

- 3.6.1 Monitor, approve and be accountable for the financial and non-financial performance of the organisation.
- 3.6.2 Develop and monitor clear performance indicators (KPIs) that are measurable and align with strategic objectives.
- 3.6.3 Continually assess where ESA stands on performance, both financially and non-financially, so that performance can be tracked.
- 3.6.4 Performance reporting against strategic objectives/KPIs.
- 3.6.5 Approval of annual budgets for ESA and Discipline Committees.
- 3.6.6 Timely financial reporting including assessment of financial statements, analysis of variances against budget, listing of major outstanding debtors and creditors.
- 3.6.7 Annual audit by independent auditors including a detailed annual briefing on any issues identified through audit process

3.7 RISK AND COMPLIANCE

- 3.7.1 Ensure financial and non-financial risks are appropriately identified and managed.

- 3.7.2 Have in place an effective risk management system which involves the Board setting risk appetite and establishing a formal framework for assessing and managing risk.
- 3.7.3 Ensure that decisions regarding major projects, events and activities are based on approved business cases (if appropriate) and/or budgets and assessed against the organisation's risk management framework.
- 3.7.4 Ensure there are clearly defined delegations of authority and expenditure limits, and procedures for approving major contracts.
- 3.7.5 Ensure suitable internal controls are in place and that they are enacted and monitored.
- 3.7.6 Ensure the organisation is governed and managed in accordance with its constitution and policies.
- 3.7.7 Ensure compliance with relevant laws, codes of conduct and behaviour standards.
- 3.7.8 Develop clearly articulated grievance procedures for Board members, members and employees.

3.8 BOARD GOVERNANCE

Have in place effective Board governance measures including:

- 3.8.1 Code of conduct
- 3.8.2 Annual calendar
- 3.8.3 Meeting procedures and documentation
- 3.8.4 Induction procedures
- 3.8.5 Professional development
- 3.8.6 Performance evaluation process
- 3.8.7 Board member nomination and succession planning procedures

3.9 STAKEHOLDER ENGAGEMENT

- 3.9.1 Ensure the organisation has a clear understanding of the interests, aspirations, requirements and perceptions of members.
- 3.9.2 Ensure timely and accurate disclosure of all material matters affecting the organisation, including strategic plan, major activities and critical issues.

4. BOARD COMPOSITION

- 4.1 The composition of the ESA Board is determined by the ESA Constitution and consists of a minimum of 5 elected individuals and up to nine elected individuals who are elected in accordance with Rule 16 of the ESA Constitution.
- 4.2 All board members, whether they are elected or appointed are on the Board as representatives of the whole of ESA and all members.
- 4.3 The CEO will not be a Board member.
- 4.4 The position of Chair shall be appointed by the Board by vote from amongst its number.
- 4.5 Each Elected Board member holds office, subject to the ESA Constitution, for a term of three years. For each three-year interval, three Board members are elected in the first year, three Board members are elected in the second year and three Board members are elected in the third year.
- 4.6 No Board member may serve for more than three consecutive terms of three years each. However, any Board member is eligible to return to the Board following an absence of not less than 12 months.
- 4.7 The aim is that the ESA Board will be comprised of individuals with a wide range of skills and abilities including but not limited to legal, finance, marketing, human resource, commerce and management and will have varied experience in a range of private, public and not-for-profit organisations including knowledge and understanding of the equestrian industry.
- 4.8 In completing their roles, the Board should ensure and actively promote ethical behaviour and decision making.
- 4.9 Newly elected or appointed Board members will be subject to an induction process including details setting out the basis of their appointment and the powers and duties of a Board member.
- 4.10 The Board collectively and as individuals shall undertake on-going education and training to enhance their performance.

5. INDEPENDENCE

- 5.1 Board members will be independent or must declare any and all conflicts of interest.
- 5.2 The Board shall regularly assess the independence of each Board member in light of the interests disclosed by them.
- 5.3 Each Board member must provide the Board with relevant information to assess their independence.

- 5.4 In assessing independence, the following matters will be considered and a Board member will be regarded as independent if that Board member:
- is a non-executive Board member (i.e. is not a member of Management);
 - is not a director, officer or otherwise officially associated directly with a member or affiliated organisation;
 - has within the last three years not been a principal of a material professional adviser or a material consultant to ESA or an employee materially associated with the service provided;
 - has not been a material supplier of ESA, or an officer of or otherwise associated directly or indirectly with a material supplier;
 - has no material contractual relationship with ESA, other than as a Board member of ESA;
 - has been free from any business relationship which could, or could reasonably be perceived to, interfere materially with the Board member's ability to act in the best interests of ESA.

6. CONFLICTS OF INTEREST

6.1 Board members have a duty to act honestly and in the best interests of the company and not to misuse position or information to gain unfair advantage, and to disclose conflicts of interest.

6.2 Potential conflict of interests of Board members may include:

- a contract with the company (e.g. supply of services);
- related party loans, guarantees and other transactions;
- insider trading (e.g. share trading in other corporations using confidential information sourced from ESA); or
- profiting from an opportunity that rightfully belongs to ESA.

6.3 To manage conflict of interests in accordance with the requirements of the Act, the Board requires the following guidelines to be adhered to by Board members:

- declare existing or potential material conflicts to the CEO when appointed and on an ongoing basis as the need arises to enable the CEO to maintain a register of Board members' interests and potential related party conflicts.
- provide an annual declaration to the CEO for the purpose of updating the register of interests and related party transactions;
- when a conflict of interest arises, leave the Board meeting and not vote on any resolution that relates to the conflicted issue, unless the Board members who do not have a material interest in the matter have passed a resolution that identifies the Board member, the nature and extent of the Board member's interest in the matter and their relationship to the affairs of ESA and states that the interest should not disqualify the Board member from voting on the issue;

- if a Board member has provided notice on a material conflict the CEO will ensure that the Board member does not receive Board papers or other information related to the conflict; and/or
- no financial benefit can be given to a related party of a Board member (including spouse, a de facto spouse, parents, children and certain related corporate entities) unless approved by the Board.

6.4 The CEO shall arrange to provide a standing notice about a conflict of interest.

7. BOARD MEETINGS

7.1 The Board will, as a general rule, meet monthly. However, this may change from time to time due to organisational requirements. At a minimum, the Board will meet at least six times a year.

7.2 The Board will ensure that it makes the best possible use of its meetings by dealing only with matters that have governance-level significance, by focusing primarily on the future and, within a defined policy framework, by delegating as much as possible to the CEO.

7.3 Ensure that reports and proposals for the Board are timely, contain relevant content and are formatted so as to reinforce and support the Board's governance role.

7.4 Board decisions will be reached by vote. Every Board resolution requires a proposer and seconder and any decision will be recorded as a unanimous or majority decision in favour or against the motion, together with any abstentions.

7.5 Any resolution in writing signed or assented to by way of electronic communication, such as email, and passed by 100% of Board members, shall be valid and effectual as if it had been passed at a meeting of the Board duly convened and held.

8. CHAIR'S RESPONSIBILITIES

8.1 The Chair of the Board has a major role as the head of the Board in providing leadership to the Board members and other functions including:

- leading and facilitating the Board;
- setting the Board direction and focus;
- conducting an effective decision-making process and ensuring that the Board is focussed on achieving outcomes;
- ensuring that no one has excessive influence;
- maintaining a professional working relationship with the CEO;
- acting as a spokesperson, where appropriate, in conjunction with the CEO;
- promoting constructive and respectful relations between Board members;
- ensuring that each Board member appropriately contributes to the Board's decision-making process;

- ensuring the Board and individual Board members have a performance evaluation process;
- ensuring that the Board's workload is dealt with effectively;
- setting the agenda for each Board meeting, in conjunction with the CEO and other Board members, and modelling it against the Strategic Plan to ensure appropriate structure and monitoring;
- role-modelling ethical standards and behaviour based on ESA's agreed values;
- communicating and consulting with relevant stakeholders on significant issues, as appropriate; and
- ensuring meetings are effectively conducted and that in conjunction with the CEO that minutes are circulated and acknowledged in a timely manner.

9. BOARD COMMITTEES

- 9.1 There are standing formalised groupings of Board members to achieve specific elements of the governance function. Currently the standing committee of the ESA Board is the Finance, Audit and Risk Management Committee.
- 9.2 The Terms of Reference for this committee have been approved by the ESA Board and will be regularly reviewed.
- 9.3 Other committees may be formed from time to time on an 'as needs' basis. The powers delegated to these committees will be described in the Board resolutions.
- 9.4 Pursuant to the ESA Constitution the Board has established the following sub-committees and has delegated functions, powers and duties to these sub-committees as set out in the Disciplinary Committee By-Laws. The committees are:
- 9.4.1 Dressage South Australia (including the sub-committee Dressage Judges);
 - 9.4.2 Eventing South Australia;
 - 9.4.3 Jumping South Australia;
 - 9.4.4 Show Horse South Australia;
 - 9.4.5 Vaulting South Australia;
 - 9.4.6 Carriage Driving South Australia;
 - 9.4.7 Interschool South Australia; and
 - 9.4.8 Coaching Committee.

The Terms of Reference for these committees are set out in the Disciplinary Committee By-Laws.

10. BOARD CONFIDENTIALITY

- 10.1 Board confidentiality is important. It encourages open and frank discussion at meetings, helps facilitate the development of vision and the implementation of an effective strategy to achieve that vision, and protects information that is confidential, personal, or relates to employment, commercial or legal matters.
- 10.2 Board members must keep confidential all information pertaining to matters dealt with by the Board. This includes board meeting minutes, agendas, reports to the Board and associated documents, and information contained in those documents

10.3 The obligation to maintain confidentiality continues to apply even after a person has left the Board. Maintaining confidentiality as a general rule will also help ensure observance by Board members of the following legal duty:

10.3.1 A person who obtains information because they are, or have been, a member of the Board must not improperly use the information to:

- Gain an advantage for themselves or someone else; or
- Cause detriment to the organisation.

11. ACCESS TO PROFESSIONAL ADVICE

11.1 Board members and Board committees have the right in connection with their duties and responsibilities to seek independent professional advice at ESA's expense, subject to:

- prior approval of the Chair, or the Board which is not unreasonably withheld; and
- information so obtained is shared with all Board members or Committee Members as appropriate.

12. ROLE OF CHIEF EXECUTIVE OFFICER

12.1 The CEO is responsible for the overall day-to-day management and the performance of ESA. The CEO manages ESA in accordance with strategy, delegations, business plans and policies approved by the Board to achieve agreed goals and objectives included therein.

13. REVIEW OF CHARTER

13.1 The Board will review the Board Charter as and when required or at a minimum every three years.

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