



**Te Tēnehi o Aotearoa**

**TENNIS NEW ZEALAND**

**Board Governance**

**GOVERNANCE POLICY Nr 2**

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*This policy forms part of Tennis New Zealand's governance framework.*

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## 2. Board Governance

### 2.1 Code of Ethics

The board is committed to the adoption of ethical conduct in all areas of its responsibilities and authority.

#### (1) Board Members shall:

- (a) Act honestly and in good faith and honesty at all times in the best interests of Tennis NZ as a whole.
- (b) Declare all interests that could result in a conflict between personal and organisational priorities.
- (c) Exercise diligence and care in fulfilling the functions of office.
- (d) Make reasonable enquiries to ensure that Tennis NZ is operating efficiently, effectively, legally and ethically in the pursuit of its planned outcomes and strategies.
- (e) Maintain sufficient knowledge of Tennis NZ's business and performance to make informed decisions.
- (f) Not agree to Tennis NZ incurring obligations unless they believe that such obligations can be met as and when they fall due.
- (g) Attend board meetings and devote sufficient time to preparation for board meetings to allow for full and appropriate participation in the board's decision making.
- (h) Ensure scrupulous avoidance of deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuit of Tennis NZ's business.
- (i) Not disclose to any other person confidential information other than as agreed by the board or as required under law.
- (j) Act in accordance with their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and moral duties of the role.
- (k) Abide by board decisions once reached notwithstanding a director's right to pursue a review or reversal of a board decision.
- (l) Not to make, comment, issue, authorise, offer or endorse any public criticism or statement having or designed to have an effect prejudicial to the best interests of Tennis NZ. (Refer also to 2.11 Media Statements)
- (m) Demonstrate respectful behaviour towards both colleagues, management and those they come into contact with, in the course of enacting board business.

#### (2) The board shall:

- (a) Make every reasonable effort to ensure that Tennis NZ does not raise community, supplier or stakeholder expectations that cannot be fulfilled.
- (b) Meet its responsibility to ensure that all staff employed by Tennis NZ are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined in relevant workplace legislation.
- (c) Carry out its meetings in such a manner as to ensure fair and full participation of all Board Members.

## 2.2 Strategic Direction and Planning

An essential element in the board's leadership role is its responsibility to establish a Strategic Plan for Tennis NZ. Accompanying this is an ongoing responsibility to identify organisational priorities, monitor progress towards the achievement of the stated outcomes and approve the annual budget. Accordingly, the board will annually:

- (a) In partnership with management, establish and review Tennis NZ's Purpose, Values, Key Results and governance-level strategies.
- (b) Review annual business plans to ensure alignment with the Strategic Plan, priorities and strategies.
- (c) Schedule a programme of strategic dialogue at board meetings that reflects the priorities as defined by the board and creates opportunities for the board and management to think strategically about future issues relevant to Tennis NZ's wellbeing and success.

## 2.3 Financial Governance

The board has a core duty to ensure the financial integrity and viability of Tennis NZ. This entails oversight of all financial processes and systems, regular review of financial results and, annually, approving Tennis NZ's financial plan and budget and financial announcements. Accordingly, the board will:

- (a) Develop, review and monitor the implementation of governance-level financial policies.
- (b) Provide guidance on budget parameters and priorities and approve the annual budget and financial plan including capital expenditure.
- (c) Provide guidance on longer-term financial planning including approval of a long-term plan
- (d) Approve expenditure outside budget parameters that the board determines to be material.
- (e) Review and approve the full-year financial statements, reports and outcomes.
- (f) Receive and approve the Audit and Risk Committee's annual plan and scheduled reports.
- (g) Review and approve regularly scheduled financial statements and reports, i.e. for each board meeting or at the board's request.

## 2.4 Conflict of Interest

The board places great importance on making clear any existing or potential conflicts of interest for Board Members.

- (a) Any business or personal matter which could lead to a conflict of interest of a material nature involving a director and his/role and relationship with Tennis NZ, must be declared and registered in the Register of Interest.
- (b) All such entries in the Register shall be presented to the board and minuted at the first board meeting following entry in the records.
- (c) All conflicts of interest must be declared by the Board Member concerned at the earliest time after the conflict is identified. Normally there will be the opportunity at the commencement of each board meeting for conflicts of interest to be declared.
- (d) The board shall determine whether or not the conflict is of a material nature and shall advise the individual accordingly.

- (e) Where a conflict of interest is identified and/or registered, and the board has declared that it is of material benefit to the individual or material significance to the organisation, the director concerned shall not vote on any resolution relating to that conflict or issue.
- (f) The board member shall only remain in the room during any related discussion with board approval.
- (g) The board will determine what records and other documentation relating to the matter will be available to the board member.
- (h) All such occurrences will be minuted.
- (i) Individual Board Members, aware of a real or potential conflict of interest of another board member, have a responsibility to bring this to the notice of the board.

## 2.5 Welfare of Sport and Recreation Participants

There is an imperative that all Board Members understand the obligations of the organisation under legislation specific to sport and recreation and the welfare of participants within it. This includes, but is not limited to, the Sports Anti-Doping Act 2006, and match fixing as addressed in the Section 240A of the Crimes Act 1961 together with legalisation that ensures the safe participation of players and volunteers.

Accordingly, the board will:

- (a) Develop and initiate operational policies to support relevant legislation, and regularly review that these are understood and adhered to.
- (b) Receive regular reports relating to participant welfare and related matters as part of its planned cycle of legislative and policy compliance.

## 2.6 Health and Safety at Work

The board has a core duty to ensure that all relevant elements in the Health and Safety at Work 2015 Act are met. Accordingly, the board will:

- (a) Ensure that all Board Members understand and discharge their duties and responsibilities under the Act.
- (b) Ensure that robust systems are designed so that the board will receive regular information in the form of written and verbal reports necessary to exercise its duties under the Act.
- (c) Verify that records are maintained in a timely and accurate fashion enabling tracking of events, trends and responses/actions.
- (d) Understand the hazards and risks that employees and volunteers are, or might be, exposed to in carrying out their duties.
- (e) Design a system that ensures that all Board Members have the opportunity of personal exposure to workplace processes where there is exposure to risk.
- (f) Annually undertake a formal assessment of compliance with Board Members' duties and responsibilities under the Act.
- (g) Ensure that budget planning takes account of all requirements under the Act.

## 2.7 Risk Management

The board will identify and evaluate the principal risks faced by Tennis NZ and ensure that appropriate systems are in place to avoid or mitigate these risks including the protection of intellectual capital.

Accordingly, the board will:

- (a) Engage actively in characterising and monitoring risks associated with the achievement of its overall objectives.
- (b) Ensure that robust risk management policies and processes are developed and monitored addressing all areas of organisational risk and that the board is kept abreast of all key corporate risks areas and strategies in a timely manner.
- (c) Develop a 'risk aware' culture in which both Board Members and staff are encouraged to identify risks and respond to them quickly and effectively.
- (d) Make clear the processes required to enable it to keep abreast of all organisation risk areas.
- (e) Ensure that suitable internal controls are in place and are enacted and monitored to ensure effective and efficient operation and management of the organisation's resources.
- (f) Ensure that the organisation is governed and managed in accordance with its constitution and policies.
- (g) Ensure that proper accounting records are kept.
- (h) Ensure prompt investigation of any material shortfalls or breaches in compliance or risk management standards.
- (i) Receive and approve the Audit and Risk Committee's annual plan and scheduled reports

## 2.8 Board Committees and Working Parties

- (1) The board will establish committees and working parties to support it in its governance work. The work of committees and working parties should not conflict with the Chief Executive's delegated responsibilities.
- (2) Committees and working parties shall have Terms of Reference defining their role, life span, composition, procedures and functions, and the boundaries of their authority, reviewed annually at the first Board meeting following the AGM.
- (3) Committees and working parties may co-opt outside members from time-to-time in order to bring additional skills, experience or networks.
- (4) Committees and working parties shall not exercise authority over staff nor shall they delegate tasks to any staff unless the Chief Executive has specifically agreed to such delegations.
- (5) Unless explicitly empowered by the board, committees or working parties cannot make binding board decisions or speak for the board. For the most part the function of committees and working parties, in fulfilling their role, is to make recommendations to the board.
- (6) Committees and working parties will not mirror operational divisions, departments or staff functions.

## 2.9 Board Meetings

The majority of board business will be conducted in board meetings. In order to ensure effective meetings, the following principles apply:

- (a) The board will make 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 Chief Executive.
- (b) The board will develop an annual work plan that (1) ensures the board regularly reviews progress towards the achievement of the strategic direction/strategic plan and relevant strategic issues (2) provides assurance that all relevant compliance requirements are addressed, and (3) improves board performance through education and continuous focus on its governance effectiveness.
- (c) The Chairperson will, in consultation with the Chief Executive, establish the agenda for each board meeting although each Board Member is free to suggest the inclusion of item(s) on the agenda. The focus of the meeting will be a topic(s) drawn from the work plan. All Board Members have the opportunity to contribute to the agenda.
- (d) The board will normally meet in person at least six times per year; however, board meetings may be scheduled at other times or at other frequencies as determined by the board. Video or phone conferencing may also be used as a way to conduct board meetings.
- (e) Board meetings will be conducted in an open and constructive manner, recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions.
- (f) Board Members will receive their board papers at least five working days prior to the meeting.
- (g) Others (e.g. staff) may participate in board meetings at the board's discretion. Such attendees will respect the boards' integrity and accountability and will thus accept any constraints imposed by the board or the Chairperson on their participation and presence.
- (h) The board may hold 'board only' sessions at its discretion. Such sessions which will usually be scheduled prior to or at the commencement of the meeting should not exclude the Chief Executive from deliberations on matters to which his/her role as the board's chief adviser would be compromised.
- (i) Board Members will ideally receive minutes of Board meetings within 10 working days following the meeting.

## 2.10 Monitoring Operational Performance

The board has a duty to oversee and monitor the performance of the operational organisation.

- (a) The Chief Executive will report to the board on the performance of Tennis NZ at a frequency and to a standard specified by the board.
- (b) All such reporting should be targeted at the board's interests and duties rather than a description of management actions.

## 2.11 Media statements

- (1) Interaction with the media, radio, press TV and other media outlets, shall at all times be designed to present an accurate and positive expression of Tennis NZ related matters. It shall be consistent with Tennis NZ policy and board decisions and free from personal opinions and interpretations.
- (2) The Chairperson shall be the spokesperson for governance-related matters and all other matters that the board determines are best presented by the Chairperson.
- (3) The Chief Executive shall be the spokesperson for all operational matters and all other matters that the board deems are best presented by the Chief Executive.
- (4) The Chief Executive may authorise specified staff to act on their behalf but remains accountable for such delegation.

## 2.12 Director Induction

- (1) The board will provide all newly appointed Board Members with a thorough induction into the affairs of both the board and Tennis NZ at large.
- (2) All Board candidates should receive a copy of the Board Service Commitment Letter prior to the AGM.
- (3) All new Board Members are required to sign the Board Service Commitment Letter (refer Appendix A).
- (4) All new Board Members will be provided with all relevant information (induction checklist to be completed – refer Appendix B).
- (5) Upon appointment/election and prior to attendance at their first board meeting, new Board Members will:
  - (a) Receive a copy of (or access to) the Board Manual including Governance policies, Constitution and other relevant legal governance documentation, annual report, current and recent meeting papers, an organisational chart, contact details for other Board Members and key staff, a glossary of key terms, definitions and acronyms, the current year's meeting schedule and the annual agenda.
  - (b) Meet with the Chairperson for a governance familiarisation. This meeting may be held as a group session or with individuals.
  - (c) Meet with the Chief Executive for an operational familiarisation.



## 2.13 Board Performance Assessment and Professional Development

- (1) The board's value-adding role requires that the board as a whole and all Board Members regularly review their performance and have access to professional development relevant to the role and duties of directorship.
- (2) The board will undertake an annual structured assessment of its performance and a biennial assessment of the performance of individual Board Members.
  - (a) The criteria for assessing the board's performance will be drawn from the documented policies of the board together with any further criteria agreed by the board from time-to-time. The outcomes of the assessment will establish the upcoming requirements for the effective governance and board leadership of the organisation.
  - (b) A suitably qualified independent specialist may be used to assist the board in this process.
  - (c) The assessment process shall culminate in a report presented to the board analysing the data and providing recommendations for improvements as required.
  - (d) A Peer and Self-assessment process may be included in the process, the criteria based on a set of competencies agreed by the board.
- (3) An annual board Cost of Governance budget may be established that provides for both board and individual board member performance assessment and professional development together with other governance associated costs.
- (4) All Board Members will be encouraged to undertake relevant professional development.
- (5) All costs associated with governance effectiveness will be designed to ensure the development of the highest standard of governance including; meeting costs associated with effective communication with key stakeholders, surveys and associated analysis, focus groups, the costs associated with external audit and other independent third-party reviews or consulting input.

## 2.14 Chairperson Role

- (1) The Chairperson provides leadership to the board, ensuring that the board's processes and actions are consistent with its policies. As appropriate, the Chairperson represents the board and the organisation to outside parties. It is expected that the Chairperson will promote a culture of stewardship, collaboration and co-operation, modelling and promulgating behaviours that define sound directorship.
- (2) The Chairperson will chair board meetings ensuring that:
  - (a) Meeting discussion content is confined to governance matters as defined in the board's policies.
  - (b) All Board Members are treated even-handedly and fairly.
  - (c) All Board Members are encouraged and enabled to make a contribution to the board's deliberations.
- (3) The Chairperson has no authority to unilaterally change board policy.
- (4) The Chairperson will ensure that board meetings are properly planned including the development and distribution of board papers in a timely manner and that the minutes accurately reflect the deliberations and decisions of the board.
- (5) The Chairperson is responsible for ensuring that board meetings are focused on the right matters and that time is allocated to apply sufficient attention to those.

- (6) The Chairperson will ensure that all board decisions are understood by Board Members and accurately recorded.
- (7) With the approval of the board the Chairperson may establish a regular communication arrangement with the Chief Executive in which there is an exchange of information. This might also provide an opportunity for the Chief Executive to use such sessions as a sounding board for proposed actions or to check interpretations of board policy. However;
  - (a) The Chairperson will recognise that such sessions are not used to 'personally' supervise or direct the Chief Executive.
  - (b) The Chairperson will maintain an appropriate professional distance from the Chief Executive to ensure objectivity and attention to governance matters and concerns.
  - (c) The Chairperson will not inhibit the free flow of information to the board necessary for sound governance. Therefore, the Chairperson will never come between the board and its formal links with the Chief Executive.
- (8) The Chairperson may delegate aspects of the authority accompanying the position but remains accountable for the overall role.

#### **2.15 Indemnities and Insurance**

Tennis NZ will provide Board Members with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Board Members.

#### **2.16 Reimbursement of Board Members' expenses**

Tennis NZ will reimburse all reasonable expenses incurred by Board Members in the carrying out of their role.