



Te Tēnehi o Aotearoa

TENNIS NEW ZEALAND

Chief Executive Delegation Policies

GOVERNANCE POLICY Nr 4

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

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4. Chief Executive Delegation Policies

4.1 Overarching Chief Executive Limitation

As the board's principal officer, the board holds the Chief Executive accountable for ensuring that neither they nor any organisational employees take, allow or approve any action or circumstance in the name of Tennis NZ that is in breach of the law, is imprudent, which contravenes any organisation specific or commonly held business or professional ethic or is in breach of generally accepted accounting principles.

4.2 Financial Management

The Chief Executive is responsible for the day-to-day financial management of the organisation. In carrying out this duty they must take all reasonable steps to ensure that nothing is done, or authorised to be done, that could in any way cause financial harm or threaten the organisation's financial integrity. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

- (a) Organisational funds are committed, contracts entered into or liabilities incurred other than for the implementation of board-approved purposes and priorities.
- (b) Expenditure exceeds the revenue received in the financial year or annual budget or policy parameters unless offset by approved borrowings or board-approved withdrawals from reserves.
- (c) Undisputed invoices from suppliers of goods and services remain unpaid beyond trade credit terms agreed with those suppliers.
- (d) Land and buildings are acquired, encumbered or disposed of.
- (e) Staff have access to credit or other purchasing cards without limitations on expenditure or adequate controls on their use.

4.3 Budgeting and Financial Planning

Budgeting and financial planning for any financial year or the remaining part of any financial year shall be designed to ensure the achievement of the board-determined outcomes with no risk of harm to the organisation. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

- (a) There is too little available information to enable (a) a credible projection of revenues and expenses, (b) separation of capital and operational items, (c) projection of cash flows, and (d) disclosure of planning assumptions.
- (b) Financial risks are created that exceed board-determined parameters.
- (c) Expenditure is incurred within any financial year that could result in default under any of Tennis NZ's financing agreements, or risk insolvency.
- (d) Could result in the achievement of a 'bottom line', materially different from that determined by the board, e.g. a predetermined surplus, acceptable deficit or balanced budget.
- (e) Omits board developmental and other governance related expenditure.

4.4 Financial Fraud – Risks and Controls

- (1) The risk of financial fraud within Tennis New Zealand is considered to be low. However, all steps should be taken by the CEO to ensure systems and controls are in place to minimise the chance of any financial fraud.
- (2) It is a requirement that:
 - (a) All operational expenses, supported by documentation, are approved by Business Unit Managers and the CEO before payment.
 - (b) All payments require two signatories. The procedure is for the CEO and one other Board approved signatory. In an emergency, the third authorised signatory is empowered to act.
 - (c) The use of cash is kept to a minimum and only used where there is not a practical online alternative (for both income and expenditure).
 - (d) Monthly payroll is reviewed and authorised by the CEO
 - (e) Any Payroll changes are authorised by the CEO.

4.5 Financial Delegations

- (1) The following financial delegations are in place:

Position Title	Operating Expenditure (OPEX) and Capital Expenditure (CAPEX)	Supply and Revenue Contracts
Board of Directors / Chairperson of Board	<ul style="list-style-type: none"> - Approve annual OPEX and CAPEX budget - Approve all CAPEX > \$10,000 - Approve OPEX > \$20,000 and outside approved annual Budget - Approve any OPEX or CAPEX > \$5,000 which is subject to obtaining future funding - All overseas travel (Board) 	> \$50,000
CEO	<ul style="list-style-type: none"> - Approve expenditure within Board approved budget - Approve CAPEX of < \$10,000 - Approve OPEX < \$20,000 which is outside Board approved annual budget - Approve OPEX or CAPEX < \$5,000 which is subject to future funding 	Up to \$50,000
Managers	OPEX of < \$25,000 within approved business unit budget	NIL

- (2) The authorities as shown in the table must not be exceeded and if there is any doubt as to application then reference should be made to the CEO or Board Chairperson as appropriate.
- (3) The delegations in the table will be reviewed regularly to take into account structural changes and the prevailing business requirements. The delegations may be varied by the Board on recommendation of the CEO.

4.6 Non-Financial Delegations

The following non-financial delegations are in place:

Position Title	Policy Setting	Strategy and Planning	Media Statements	Supply and Revenue Contracts	Risk Management
Board of Directors	Approve Board Policy	Approve Strategic Plan Approve annual Business Plan and Budget	All matters of a strategic nature or sensitive public disclosures (Chairperson in consultation with CEO)	Agree on adjustments over \$5,000 (Chairman in consultation with CEO)	Approve Risk Management Policy Determine level of risk acceptable on major strategic issues / initiatives
CEO	Approve Department Operational Policy	Prepare Strategic Plan Prepare Business Plan and Budget Approve Annual Plans and Budgets for Departments	Manage all media statements unless specific to senior managers or those requiring Board Chairperson referral	Endorse business case for above Sign strategic Customer contracts	Determine level of acceptable risk on operational and project matters Review performance of direct reports re the management of risk
Managers	Submit Operational Policy	Submit Annual Plans and Budgets	Department wide approval of CEO	Nil	Identify, analyse, evaluate and manage risks in their business Review performance of own department

4.7 Remuneration and Benefits

In managing the setting and review of salaries and benefits (refer to the Remuneration Policy), the Chief Executive must not make or allow decisions or promises that would in any way cause or threaten financial harm to the organisation. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

- (a) There is any change to the Chief Executive's remuneration or benefits other than Board approved.
- (b) Obligations are created that cannot be met over the projected period of an employee's or contractor's term of employment or over a period for which revenues can realistically be projected.
- (c) Unfunded employee/contractor related liabilities occur that in any way commit Tennis NZ to unpredictable future costs that could harm the organisation.
- (d) Promises or offers of guaranteed long-term employment are made under circumstances when such guarantees or promises cannot realistically be honoured.

4.8 Protection of Assets

In managing the protection of Tennis NZ's physical and intellectual assets, the Chief Executive shall take all prudent and reasonable actions necessary to ensure that these are protected against all foreseeable damaging circumstances. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

- (a) Unauthorised persons are permitted to handle cash.
- (b) Organisation funds are processed or dispersed outside of controls acceptable to the organisation's official auditor.
- (c) Assets are insured for less than is necessary for prudent risk-management.
- (d) Board Members and/or staff are unprotected against claims of liability.
- (e) Goods or services are purchased without protection against conflicts of interest.
- (f) There is inadequate protection against theft, improper use or significant damage to intellectual property and organisation information or information systems.
- (g) The organisation's good name and reputation is harmed to the extent that the achievement of its Purpose and Strategic Intent are impeded.
- (h) The organisation lacks a 'best-state-of-preparedness' necessary for the maintenance of effective and efficient operation in the event of conceivable or unanticipated risk.

4.9 Communication & Support to the Board

The board must not be allowed to be uninformed about issues and concerns, an awareness of which is essential to meeting its legal duties, discharging its moral responsibilities and meeting its accountabilities to stakeholders. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

- (a) The board is uninformed about matters critical to its timely and effective governance of the organisation.
- (b) Financial reports lack adequate detail to enable the board to interpret and assess the significance of:
 - (i) significant trends;
 - (ii) data relevant to agreed benchmarks and board-agreed measures; and
 - (iii) data and information relating to all further financial matters as determined by the board from time-to-time.
- (c) The board is placed in the position of being uninformed about significant external environmental trends, breaches of Acts relating to the organisation's performance and the board's duties and responsibilities, significant internal issues, adverse media publicity, achievement of, or progress towards the achievement of, the Organisational Outcomes as stated in the Strategic Plan or changes in the basic assumptions upon which the board's policies are based.
- (d) Board Members are uninformed when, for any reason, there is actual or anticipated non-compliance with a board policy.
- (e) The board is uninformed about health and safety in the workplace matters that fall within the Board Members' duties and responsibilities, or about any related matter the board has made clear it wishes to be informed of, including the results of all internal and external health and safety audits.
- (f) The board is uninformed about sports integrity issues that fall within the Board Members' duties and responsibilities, or about any related matter the board has made clear it wishes to be informed of.
- (g) The board is uninformed of any serious legal conflict or dispute or potential serious legal conflict or dispute that has arisen or might arise in relation to matters affecting Tennis NZ.
- (h) The board is unaware of any occasion, action or decision that results in it being in breach of its Governance Process policies particularly when this relates to the Chief Executive's ability to carry out his/her responsibilities.
- (i) Board members are treated as individuals rather than as part of the board-as-a-single-entity, except when responding to individual requests for information or requests from board committees or working parties.

4.10 Emergency Chief Executive Succession

The board recognises that one of its major risks is the loss of key personnel, particularly its Chief Executive. To this end the Chief Executive must not neglect to ensure that there is an emergency management regime that can operate in the event of unexpected loss of his or her services. There must also be at least one person capable of responding to board concerns and requirements at a level necessary to support effective governance.

4.11 Employment Conditions

In the management of the organisation's staff and volunteers, the Chief Executive must ensure that the workplace environment is conducive to ethical behaviour consistent with Tennis NZ's core values, and sound workplace practices consistent with workplace legislation or its common understanding. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

- (a) Employees work under adverse conditions or are managed in a manner that may invite behaviour contrary to Tennis NZ's values or that might undermine Tennis NZ's trust and reputation with its stakeholders.
- (b) There are no clear guidelines as to employee rights, entitlements and workplace obligations.
- (c) Employees are placed in 'inequitable', 'unsafe', 'undignified' or 'unfair' working conditions or circumstances as defined in relevant workplace legislation.
- (d) Employees and volunteers and others to whom Tennis NZ owes a duty of care, are exposed to, unprotected from, or unprepared-for hazardous and risky situations or circumstances that could result in harm as specified in the Health and Safety at Work Act.
- (e) Staff are denied engagement in planning and review of health and safety policies and procedures.
- (f) Continuous improvement protocols are omitted in the design and execution of health and safety systems and processes.
- (g) Employees are denied the right to an approved and fair internal grievance process.
- (h) Employees are uninformed of their rights under this policy.

4.12 Stakeholder Engagement

In engaging with Tennis NZ's key stakeholders, the CEO must take all reasonable steps to ensure that the relationships created and maintained are in the best interest of both the organisation and the stakeholder. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

- (a) The good name of the organisation is placed at risk as the result of poor quality interpersonal or interorganisational communication.
- (b) Unrealistic expectations are created or implied that could cause hardship to either party, i.e. deviation from organisation policy.
- (c) Tennis NZ is unaware of the expectations, needs and aspirations of key stakeholders as these relate to the organisations' planning and programme delivery systems.
- (d) The board is uninformed of any significant change in relationship status with a key stakeholder, notably in regard to funding.

4.13 Public Affairs

As the board's principal officer, the board holds the Chief Executive accountable for ensuring that neither they nor other organisation personnel undertake, approve or in any way support any action or circumstances that are directly or indirectly demeaning or derogatory or in any way damaging to Tennis NZ