



# BOARD CHARTER

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## **1. INTRODUCTION**

University Sport South Africa USSA is considered the official unified national umbrella sports structure for the regulation, organisation and coordination of student sports activities at regional, provincial and national levels in the higher education sector of South Africa.

USSA's founding principles are based on the promotion of unity, accountability, non-racialism, non-sexism and democratic values among all member institutions through the practice of sports tournaments, events and competitions.

USSA is mandated by its members to optimise university student participation in sport without sacrificing academic excellence. Such participation is at individual university, provincial, national and international levels.

It is a not for profit organisation which exists to support, promote and advocate for the on-going development of sport in the Higher Education Sector of South Africa.

## **2. PURPOSE OF THE BOARD CHARTER**

The purpose of this document is to set out the mission, duties and responsibilities of the USSA Board of Directors ("the board"), as well as the requirements for its composition and meeting procedures. It is also required that a summary of the content of this board charter be disclosed in the annual report.

The purpose of this Board Governance Charter is to establish an effective governance framework for USSA to promote a consistent standard of corporate governance practice that promotes sound and prudent management in the interests of all stakeholders. The Charter sets out the responsibilities of the USSA Board as well as the key protocols for the operation of the Board.



USSA has adopted the principles embodied in the King Report on Governance for South Africa 2009 (King III) as reflected in the corporate governance structure, policies and practices of the Association.

### **3. MISSION OF THE BOARD**

The mission of The Board is to provide effective and responsible leadership to the organization in carrying out its mandate and strategy. The Board has an ethical, social, economic and environmental responsibility towards all its members and stakeholders. The Board should always strive to balance the interests of members and other key stakeholders in the best interests of University Sport in South Africa, the Continent and Internationally.

The Board's primary responsibility is to direct the affairs of USSA on behalf of its Members.

Individual Board members represent and serve the interests of Members and collectively oversee and appraise the strategies, major policies and performance of the organisation.

The performance of the organisation is driven by the Strategic Plan developed and implemented by the Chief Executive Officer (CEO) and Management Committee (MANCO). The Board aims to facilitate an independent and objective view to the organisation's decisions, provides guidance to Management with respect to strategy development, and reviews the effectiveness of Management in delivering on the strategies. The Board also ensures that sufficient control and accountability systems are in place to accurately measure and report upon the performance of the organisation.

The Board is ultimately accountable to the members for the performance, conduct and affairs of the Association. The board must contribute to and approve the strategy and budget, and retain full and effective control over the Association. The board is responsible to ensure that the Association complies with all relevant laws, regulations, codes and standards.



#### **4. COMPOSITION OF THE BOARD**

The board shall consist of not more than 12 (including co-opted members) and not less than 8 members, as defined in the USSA Constitution.

The Chief Executive Officer will be an ex-officio member of the board.

Directors are elected, appointed and removed by the membership as defined in the Constitution.

The board shall appoint the Chief Executive Officer, Chief Financial Officer who shall act as the Secretary of the Board, and define their terms of reference and powers.

The Chairperson of the board should not be the Chief Executive Officer. The Chairperson should be the President of USSA and or an independent non-executive director as elected by the members at the AGM.

The board may form committees to assist it to carry out its duties and responsibilities.

#### **5. RESERVATION OF POWERS**

The board has unfettered powers to govern USSA and detailed powers and duties are set out in the Constitution.

The board reserves specific powers to itself and may formally delegate responsibility to board committees, the CEO and management as deemed appropriate.

#### **6. FIDUCIARY RESPONSIBILITY**

The board members must discharge their responsibilities and functions in line with the fiduciary duties of directors.



The delegation of authority to board committees or the CEO does not in any way mitigate the discharge by the board and individual members, of their duties and responsibilities.

## **7. ROLE AND RESPONSIBILITY OF DIRECTORS**

The Board's primary responsibility is to direct the affairs of USSA on behalf of its Members. Individual Board members represent and serve the interests of Members and collectively oversee and appraise the strategies, major policies and performance of the organisation. The role and responsibilities of the board are defined in the Constitution and are aligned to King III as follows:

The Board has to act as the focal point for, and custodian of, corporate governance and as such the board should manage its relationship with management, the members and other key stakeholders of the Association along sound corporate governance principles. The board is ultimately accountable and responsible for ensuring that the Association is managed effectively in pursuing its mission, providing oversight of its strategies, policies, decisions, and monitoring the execution of strategies.

The Board has a responsibility to the members and the key stakeholders to achieve sustainability of the Association. While the board members bring rich and diverse perspectives, they must act in the best interests of the Association as a whole at all times.

The performance of the organisation is driven by the Strategic Plan developed and implemented by the Chief Executive Officer (CEO) and Management Committee (MANCO). The Board aims to facilitate an independent and objective view to the organisation's decisions, provides guidance with respect to strategy development, and reviews the effectiveness of Management in delivering on the strategies. The Board also ensures that sufficient control and accountability systems are in place to accurately measure and report upon the performance of the organisation.



**The specific functions and responsibilities of the Board include:**

**Performance:**

- a) Setting the strategic direction of the organisation in consultation with Management;
- b) Providing input into and final approval of Management's development of corporate strategy and performance objectives and monitoring Management's implementation of that strategy and stated objectives;
- c) Monitoring financial outcomes and the integrity of reporting; in particular approving annual budgets and monitoring material investments, funding activities, capital expenditure, acquisitions and divestments;
- d) Ensuring effective and timely reporting to members;
- e) Approving and monitoring the risk management framework and ensuring that effective and adequate audit, risk management and compliance systems are in place;
- f) Monitoring and assessing performance of the organisation, the Board itself, individual Board members, Management and major projects

**Overall Operations:**

- a) Selection and appointment of the Chief Executive Officer, determining his/her conditions of service and remuneration, and monitoring his/her performance against established objectives;
- b) Appointing such Committees of the Board as may be appropriate to assist in the discharge of its responsibilities and to determine their responsibilities;
- c) Setting specific delegations and limits of authority;
- d) The President, through the board, will appoint and evaluate the performance of the chief executive officer. This to include reviewing performance, on a regular basis, CEO succession planning and development;
- e) Ensuring effective communication and relationships with Members and other stakeholders. The board should appreciate that stakeholder's perceptions affect USSA's reputation. The board should ensure that a



communication strategy is in place for effective internal and external communication.

### **Compliance/Legal Conformance:**

- a) Monitoring compliance with legal and ethical standards;
- b) Setting standards of professional conduct and ensuring these are adhered to;
- c) The board has to ensure that there is an effective risk-based internal audit.
- d) Developing and applying an effective governance framework for the organisation that promotes sound and prudent management in the interests of all stakeholders;

### **Public Policy Compliance**

- a) The board must ensure that the Association is a responsible corporate citizen by having regard to not only the financial aspects of the business, but also the impact that the business operations may have both socially and environmentally. The board should identify, monitor and report at least annually, on the nature and extent of its social, transformation, ethical, safety, health and environmental management policies and practices.
- b) The board should ensure that the Association complies with applicable laws and consider adherence to non-binding rules and standards.
- c) Disclosure of information should be governed by the principles of reliability, relevance, clarity, comparability, timeliness and verifiability.

### **Interest of the Organisation**

The board must act in the best interests of USSA and in fulfilling this responsibility individual director:

- must adhere to legal standards of conduct;
- should be permitted to take independent advice in connection with their duties following an agreed procedure;
- must disclose real or perceived conflicts to the board and deal with them accordingly, and





- deal in securities only in accordance with the policy adopted by the board.

## **8. BOARD MEMBER ORIENTATION AND DEVELOPMENT**

Board members have a responsibility to acquaint themselves with their fiduciary duties and responsibilities, as well as with the issues pertaining to USSA's operations and business environment so that they are able to fulfil their duties.

The Board must establish a formal orientation programme for new directors, which includes background material and meetings with the National Executive and Management Committees. Specialised Sub-Committees and related structures must form part of this orientation programme.

Further development, including but not limited to briefings on relevant new laws and changing risks should be held periodically.

## **9. CONFLICTS OF INTEREST**

Directors may not vote on any matter in which they have an interest. Additionally, they should be recused from any meeting when such matters are discussed.

A director is not disqualified by virtue of his/her office from contracting with the company, however, full disclosure of the nature of a director's interest on any matter before the Board, is required. A register of declarations of interest shall be kept.

The Chairperson may for good reason request directors to leave the boardroom for any part of the Board meeting. This is especially so during deliberations relating to executive performance or remuneration.



## **10. MEETINGS AND PROCEEDINGS**

The frequency of Board meetings shall be determined by the Board, but there shall be a minimum of four meetings per annum. As far as possible, and they should be project/event, not calendar, driven in order to timeously discharge the Board's responsibilities.

Further meetings may be called by the Chairperson of the Board or any Board member, where such meetings are considered necessary.

Meeting agendas and minutes shall be prepared and distributed in advance, together with sufficient background information to enable Board members to appropriately prepare for meetings.

The Chairperson, with the assistance of the CEO, shall establish the agenda for each Board meeting and in doing so may consult with the CEO and other directors. The agenda for each meeting shall provide the opportunity for the Chairperson of specialized sub-committees to report on any matters of importance. The Chairman shall place on the agenda, any item that is proposed in writing by a director.

The Board shall appoint the Chief Financial Officer as the Secretary to the Board, including the USSA Management Assistant in attendance for minute-taking.

Minutes of all meetings shall record the proceedings and decisions taken, the details of which shall remain confidential.

A majority of the directors must be present at a Board meeting before a vote may be called. The Board shall make decisions by consensus and if a vote is required, the majority of votes shall decide. Resolutions may be passed by round robin and the results of the process shall be recorded as per the process defined in the Constitution.



A record should be kept of the attendance of Board members at board meetings.

## **11. BOARD COMMITTEES**

The Board shall appoint the required Board Committees, such as the Constitutional; Disciplinary ; Audit and Risk, Performance and Remuneration; High Performance and to be facilitated in terms of the Constitution, upon such terms as it may consider necessary to give effect to its powers.

The Committees should have at least 3 members and the membership shall consist of a Chairperson who may be a member of the Board and such other members as are deemed necessary. Such committees may take independent professional advice express written confirmation thereof, as and when necessary. These committees should report regularly to the board on their activities. The Board should review the Committee structure, membership and mandates at least annually.

The duties and responsibilities of the members of the Committees are in addition to those as members of the board. The deliberations of the Committees do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

The Chairperson, giving consideration to the desires of individual directors, should annually propose the assignment of members to various Committees. Subject to any requirements for specific skills and experience, the members of the various Committees should be rotated periodically and in line with the term of office of the Board.

A summary of the Terms of Reference of all Board committees shall be disclosed in the annual report, together with the composition of each Committee.



## **12. BOARD EFFECTIVENESS ASSESSMENTS AND EVALUATION**

The evaluation of the Board, including the Chairman and the CEO, and the Committees of the Board must be performed annually. The evaluation process is formal and involves the following:

- a) The Board will assess the performance of the Chairperson annually and provide feedback to the Chairperson;
- b) The performance of the Board as a unit will be assessed annually. The assessment may be conducted internally by the Chairperson or by an external service provider.
- c) The Board should evaluate the performance and effectiveness of the Board Committees on an annual basis, to determine areas in which the functioning of the Committees needs to be improved.
- d) The Chairperson shall meet with individual Board members once a year to evaluate their individual performance.
- e) The President without the Directors, should conduct a formal evaluation of the CEO, for discussion by the Performance and Remuneration Committee and for submission and approval by the MANCO annually.

The evaluation should be based on objective criteria (in line with the CEO role clarity) including performance on the progress and accomplishment of long-term strategic objectives. The Performance and Remuneration Committee should provide a report for deliberation to the full board sitting without executive directors and may modify its findings based on such deliberations.

## **13. SUCCESSION AND LEADERSHIP PLANNING**

Succession planning is ultimately the responsibility of the board, but may be delegated to the Performance and Remuneration Committee. The Board should determine in consultation with the CEO, a succession plan for the CEO, Executive Committee and any specialist skills required to ensure a sustainable and viable organisation.



Acting arrangements for when the CEO is away or indisposed should be pre-planned. Should the CEO be indisposed for an extended period or indefinitely, the Board should agree on acting arrangements, before an acting CEO is appointed.

#### **14. BOARD RELATIONSHIP MEMBERS, STAFF, PARTNERS AND EXTERNAL ADVISORS**

The Chairperson may permit members, staff, partners and outside parties to attend all or part of Board meetings at specific or regular times. The purpose for such attendance is to provide the Board with expert insights to facilitate and support strategic deliberations. The CEO should propose such attendance and should consult the Chairperson before allowing such attendance.

Board members have complete access to consult USSA's senior staff regarding information about the operations of USSA, records, documents and property, which they may require to make competent decisions. Such contact should not be distracting to the business operation and, if in writing, be copied to the CEO and the Chairperson of the Board. Access to the Head Office of USSA by Board members must be approved by the CEO and such visits must be motivated based on meeting required roles and responsibilities.

Board members may collectively or individually consult external professional advisors on any matter related to the business of USSA and after having consulted the CEO and/or Chairperson as appropriate. USSA shall be obliged to bear the costs of these consultation services.

#### **15. CODE OF ETHICS**

The Board should establish the values of USSA in support of its vision, mission, and establish principles and standards of ethical business practice in support of such values. These principles and standards should be communicated to all members and stakeholders, and the Board should assume responsibility and accountability to stakeholders for compliance with these.



## **16. APPROVAL OF THE CHARTER**

This Charter is approved by the Board for ratification at the USSA Council meeting, and is reviewed by the Board on a regular basis.

## **17. INTERPRETATION**

In this Board of Directors Charter, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and equivalent expressions bear corresponding meanings:

- “Constitution” shall mean the USSA Constitution document as amended from time to time;
- “the Board” shall mean the Board of Directors of USSA, represented by the elected National Executive Committee (NEC) and co-opted members;
- “the Corporate Governance Code” shall mean the King Reports on Governance for South Africa, as amended from time to time.

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