



SOUTH AFICAN NATIONAL BOXING ORGANZATION

CORPORATE GOVERNANCE STRATEGY

Restoring SANABO's Image

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1/11/2014

This document provides the guidelines as to how the SANABO can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the organization and is also beneficial for all stakeholders in the long term.

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Mission Statement

The South African National Boxing Organization (SANABO) is the national governing body for Open Boxing and is responsible for the administration, development and promotion of amateur boxing throughout the country. SANABO continually strives to develop the sport through effective governance and strong leadership ensuring that ALL members can personally develop through the sport. At the heart of the SANABO's business and operations lies the principle of treating everyone fairly and ethically, and ensuring that Open Boxing is a sport for all.

Vision

To be the Continental and World leader in the sport of Open Boxing, enabling South Africa to excel with medal winning success at Olympic Games. To encourage sustained membership through the development of a high quality experience, nurturing the sport with increased capacity and participation.

Values

An effective organization should ensure its members are:

- consulted and involved in the development of the sport's strategic plan
- supportive of, and actively involved in, achieving the outcomes of the national plan
- well-informed and actively participating at its general meetings
- regularly provided with timely and accurate disclosures on all material matters regarding the governance and performance of the organization.

Introduction

All National Federations in receipt of funding are expected to operate in a democratic and transparent manner and display all elements of good corporate governance. Effective governance places greater demands upon directors and executives, but it does so with the aim of improving the operations of the organization as a whole, helping it obtain its goals and meet the needs of stakeholders

The term governance, describes the process of running SANABO, making decisions and ensuring that it is properly accountable; whereas SANABO's management is concerned with organizing the day-to-day activities of the organization. To be an effective and accountable organization, SANABO needs to ensure that it has good governance arrangements in place.

The SASCOC's strategic objectives include the development of National Federations (NFs). Developing good governance practices in NFs is a key part of that process.

The basic principles of Governance in SANABO context include:

- Accountability
- Openness
- Integrity
- Appropriate set of communications between SANABO Management, executive and stakeholders

These values should underpin all activities of the SANABO.

SANABO's Internal Control System

SANABO's Internal Control System includes all the policies, procedures processes and checks (internal controls) adopted to assist in achieving its objective of ensuring, as far as practicable, the orderly and efficient conduct of activities.

This includes adherence to internal policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Furthermore, SANABO has a responsibility to ensure compliance with statutory and governing document requirements such as The Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999):

The key objectives of the Act may be summarized as being to:

- Modernize the system of financial management in the public sector;
- Enable public sector managers to manage, but at the same time be held more accountable;
- Ensure the timely provision of quality information; and
- Eliminate the waste and corruption in the use of public assets.

The President and all Executive members have a responsibility for ensuring that an adequate and appropriate internal control system operates within the SANABO.

SANABO's Control Environment'

SANABO's Control Environment means the overall attitude, awareness and actions of the Executive, management and staff regarding internal controls and their importance in the organization. The control environment encompasses the management style and organization culture and values shared by all. It provides the background against which the various other controls are operated.

Factors reflected in the control environment include the philosophy and operating style of the President, Executive and any other staff and the structure and methods of assigning authority and responsibility which should be clearly defined in a scheme of delegation.

Strategic Intent

Overview

As the Internationally recognized National body; SANABO is responsible for the stewardship of a modern sport that demands great commitment from highly disciplined and talented athletes.

SANABO acts as a resource for the Provincial Boxing Organizations. One of the main priorities of the SANABO is to strengthen and develop capabilities of the 9 Provinces of South Africa and Associate Members.

SANABO's responsibilities include:

- **Management**
 - For SANABO & Affiliated Provinces to have a corporate management structure that facilitates the achievement of the vision
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- **Marketing & Services.**

- To establish an efficient & practical information system to enhance communication to all stakeholders.
 - To provide services that enhances the safety of all participants.
- **Sport Development.**
- Nationally driven education program to develop quality coaches/trainers, Referees & Judges, Administrators and Life Skills for Boxers at all levels
- **High Performance.**
- To develop a National High Performance Program ensuring that our talented athletes have the best possible opportunity to achieve success at a world standard & which effectively services all stakeholders.
 - To participate in nationally established High Performance Systems to expose Coaches, Referees & Judges, Administrators and Boxers.
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- **Women in Sport Initiative**
- To increase women's participation in sport.
 - To promote the positive aspects of sport and health benefits and encourage women to take up volunteer positions

Risk Management

Risk management is a central part of SANABO's strategic framework. The Orange Book (HM Treasury Guidance on Risk management) defines risk as 'this uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. SANABO has assessed risks in respect of the combination of the likelihood of something happening and the impact which arises if it does actually happen. Risk management refers to any activity both short term and long term and includes 'identifying and assessing risks and then responding to them.' In SANABO should risk management should be managed and integrated at a strategic and operational level and should be led from the top but embedded throughout the organization at all levels.

Potential benefits and opportunities for implementing effective risk management procedures in SANABO are:

- better sporting or participation outcomes
- improved safety for boxers, officials, the executive and volunteers

- lower costs and increased budget certainty
- more effective management of assets, events, programs and activities
- more effective & efficient compliance with the law, regulations and other formal requirements e.g conditions of grant or standards of best practice
- enhanced image and reputation.

Risks facing SANABO

Some general risks that could apply to SANABO include:

- inadequate or inappropriate insurance
- the organization lacks fitness for purpose structures
- lack of financial policies and safeguards
- unsafe equipment and facilities
- no emergency medical plan

Risk Analysis

Risks can be analyzed as follows:

Strategic Risk

- The risk that the SANABO would take a strategic direction or engage in activity at variance with its mission statement or fundamental organizational objectives.

Operational Risk

- The risk that the SANABO's policies, procedures or activities would fail to make progress towards achieving its organizational objectives.

Financial Risk

- The risk of failing to safeguard organization assets, financial impropriety, financial misreporting or failure to achieve value for money.

Reputational

- The risk that SANABO or personnel would engage in activities or be perceived to engage in activities that would threaten its good name brand and public image.

Managing Risks

- When identifying risks SANABO will identify the symptoms of risk. However, to enable risks to be effectively managed, the underlying reason for the risk exposure (its cause) will have to be identified.

Responsibility for risk management rests ultimately with the SANABO's Executive who should retain responsibility for the major risks facing the organization. However, all levels of SANABO members should be responsible for the management of risk in their particular areas.

Risk Review

A monitoring process provides reasonable assurance to the Executive that there are appropriate control procedures in place for SANABO's significant business activities and that these procedures are being followed (e.g. consideration by the Executive of reports from management, from external auditors or from independent accountants and advisors). There should be formal procedures to identify changes and weaknesses in the business, SANABO's policies and procedures and its environment, which will require changes to the system of internal control.

A full review of the risks that SANABO faces should be undertaken periodically as informed by the nature of the risk. Where necessary, further action should be agreed to deal with unacceptable outstanding risk and a report should be sent to the Executive on the results of this risk review process.

At all stages and in all aspects of risk review, where an action is required, the appropriate people/staff/level of management should be identified and ownership formally allocated.

Insurance

In the ever-increasing world of litigation, the requirement for sport and recreation organizations to have appropriate insurance has become an essential part of survival. It is vital SANABO protects its key assets including its reputation with adequate insurance as insurance is a means to transfer risk.

Other risk management strategies should be adopted in order to reduce the risk from occurring in the first place.

Examples of legal claims/risks SANABO is exposed to:

- negligence claims - e.g. personal injury or decisions made
- criminal liability - including claims for sexual offences and discrimination
- occupier's liability
- occupational health and safety
- employment liability - e.g. unfair dismissals.

Types of insurance

SANABO's risk assessment process will identify the type of risks the organization is subject to. This will help determine whether insurance is available and appropriate.

Some policies that may be applicable to SANABO:

- Public liability insurance
- Professional indemnity insurance
- Associations liability insurance
- Personal accident insurance
- Occupational health and safety cover
- Workers compensation
- Property contents insurance
- Building insurance
- Travel insurance

Developing and Documenting Policies

Policies are a statement of the ethos and values of SANABO. They define a boundary within which things are acceptable. They also clarify roles, relationships and responsibilities and they can serve as a basis for decision-making. Policies inform members what to do in any given situation; procedures tell them how to do it. Clearly documented policies and procedures can militate against risk.

Who is responsible?

The responsibility for setting up SANABO's policies lies with the Executive. Once the policy has been ratified at Executive level, all members must be educated about its relevance and importance. A written policy is of little use unless the people it affects understand its place in the organization. It should be kept clear and concise in order to be manageable and accessible.

What should be in the policy?

There is certain information that should be contained in any policy. It must be clear to all exactly to whom the policy relates, when the policy is to take effect, what penalties exist for breaching it and how an appeal can be brought about.

Below is a guide as to what should be included in any policy:

- An introductory statement declaring the SANABO's commitment to the policy
- A statement explaining which members and what situations are covered by the policy
- An explanation of any relevant laws pertaining to the policy
- Examples of what will or will not be tolerated under the policy (if appropriate)
- An outline of responsibilities of all participants in SANABO in relation to the policy
- An explanation of options available and processes to be followed when a breach of policy occurs
- A statement of the consequences or penalties that will be imposed when the policy is breached
- Information on where individuals can get help, advice or make a complaint
- Information on an appeals process (if appropriate)
- Review Date
- Ownership Responsibility
- Any protection afforded under the policy

Step by step guide to writing your own policy:

- Assurances of confidentiality in the matter (if appropriate)
- Agree a common format for all policies
- Appoint someone with the responsibility for coordinating the drafting of the policy
- Collect all the data and information you need
- Consult with those affected by the policy to get their input
- Prepare a draft document - sometimes it is easier to find an existing policy and modify it for your circumstances
- Obtain comment on the draft and amend accordingly
- The policy is adopted formally by SANABO
- The policy is published, promoted and distributed to all affected parties
- Compliance and monitoring of the policy
- Review and update policy on a periodic basis as informed by the nature of the policy.

SANABO financial policies and procedures

The following are typical financial policies that SANABO should adopt:

- Financial
- Child Protection
- IT & Internet
- Health & Safety
- Data Protection
- Document Retention & Archiving
- Disciplinary Procedure
- Grievance Procedure
- Confidentiality Procedure
- Conflicts of Interest policy
- Travel and Subsistence

Expenditure Control

Executive Level Controls

Budgeting is the process of taking SANABO's objectives and converting these objectives into short-term goals with a monetary value. Activities are converted into financial targets as most can be expressed in monetary terms. Overall budgeting can be seen as a central feature of the strategic planning process that links planning to control and ensures that objectives are operationalized.

The three key aspects of this process are:

- Planning
- Budgeting
- Control

Planning - The design of a desired future and of effective ways of bringing it about. As an organization; SANABO needs to plan for the resources under its control. The budget is a financial expression of that plan. It considers the desired position and how it can be achieved with the resources available. The long-term plan of SANABO is analyzed and those elements that SANABO wishes to achieve in the next 12 months or 4 years are extracted and become the budget. It is important to note that the function of the budget is to integrate the long-term plan into the day-to-day operations of SANABO. This will ultimately lead to the targets of the long-term plan being achieved.

Budgeting - The process of planning for the future which involves the quantification in monetary terms of proposed activity levels.

Control - The process of looking back over past performance to make sure that what was meant to happen did happen, and where it did not, make the necessary changes to make sure that it does in the future.

To control the activity of SANABO a comparison must be made between the desired activity expressed in financial terms (the budget) on the one hand and the actual outcome on the other. This is usually called variance analysis. It is important that the system that provides control information, whether manual or computer based, provides quick and reliable information if full benefit is to be gained from such a system.

Planning cannot foretell exactly how the market will evolve; therefore budgets need to be frequently revisited to enable SANABO to adjust to the current business climate and to also take into consideration funding allocations.

Operational controls

While Planning, Budgeting and Control are high level controls, SANABO must also consider and implement everyday operational and finance controls. Therefore, within the financial policy the following areas could be covered:

- Procurement
- Authorizations
- Petty cash
- Access to safe
- Purchase orders

- Cash handling
- Lodgments
- Reconciliations
- Debt management

The following are additional operational control areas:

- Health & Safety checks
- Scheme of delegation
- Mail opening and verification

Induction for Executive Members

It is crucial that every organization has a full, formal and tailored induction process for its directors and the Chairman of the organization should ensure that each new Executive Member has been formally inducted. Even with full due diligence, new directors will need to acquire a deep understanding of the culture of the organization they are becoming part of.

The induction might include:

- Officer role description
- SANABO history, overview & structure
- Mission, vision & values
- Code of Conduct
- Matters reserved for the Executive
- Conflict of Interest Policy
- Declaration of Interest
- Strategic Plan
- Latest financial accounts
- Copy of Memorandum & Articles of Association / Constitution
- Executive Minutes
- Policy on obtaining independent professional advice
- Health & Safety policy
- Sub Committee terms of reference

It is generally the responsibility of the Secretary as the chief administrative officer to facilitate executive members' inductions and assist with their ongoing development as Executive Members.

The objective of induction is to inform the executive member such that he or she can become as effective as possible in their new role as soon as possible.

Review of Executive Performance

Just because the Executive contains talented, committed and skilled individuals doesn't automatically mean it will be effective. The right mix of skills, organization and leadership from the chair is crucial, as well as having clear guidelines and measures of performance. Measure should be at council, executive and individual member level, and include non-financial and financial measures in the approach.

Before evaluating, SANABO will need to decide:

- who will do the evaluation - the executive itself or external consultants
- who is being evaluated - executive alone or the committees too
- what is to be covered - operational and/or strategy
- how is it to be done - with interviews or questionnaires, or a mixed approach, and
- what is done with the information collected - for public disclosure or to remain confidential?

Best Practice Suggests:

The use of sub-committees as they give added attention and specialist focused review that might not be otherwise available at Executive. (See template at appendices)

Individual evaluation of executive members should consider their individual contributions and time commitment to the role. The President should consider the strengths and weaknesses of the executive using the results of the evaluations.

And non-executive members (additional) should be responsible for the evaluating the President and the executive members. The Executive members should state in the annual report how they undertake the process of evaluating the performance of the committees/commissions and that of members' performance.

Others measures could be:

- are results/performance comparable with competitors?
- are executive decisions regularly reviewed to measure the impact of decisions taken?
- do all members contribute effectively?
- is there effective leadership from the chair?
- evaluation should be rigorous and not just a 'tick box' exercise, and should take place annually.

Evaluation of Additional Members:

Like the Executive in general, additional members should expect their performance to be evaluated on a regular basis. Criteria used to evaluate performance include:

- preparation and attendance at executive meetings
- time spent understanding the SANABO's business outside of the Executive room
- quality and value of Executive room contributions
- contributions to risk assessment and strategic development
- readiness to challenge and probe any assumptions
- are areas of concern followed up
- behavior and performance gain Executive respect
- current awareness and keeping up to date and
- the expressing of views and listening to others.

Skills & Training

All executive members should regularly update and refresh their skills and knowledge. A training programme should be appropriate to executive members ' current skills and experience

and the requirements of the executive position held. Regular skills audits are an established means of establishing whether the executive has the requisite skills and experience. Such an audit should also review what resources SANABO has made available to train its executive members. If nothing is in place, or provision is inadequate, then this should be of concern to both prospective and current executive members.

Overseeing the implementation of a proper training programme is a responsibility that could be properly assigned to an experienced additional member. Once needs are established, a rolling programme should be devised for each member, which may include external seminars, internal training, and recommended reading of specific articles or publications. The programme should be reviewed at regular intervals in tandem with skills audits, to ensure the changing needs are met.

Where a significant skills gap exists the Executive may consider co-option and/or appointment of a specialist advisor to address collective gaps.

Meetings

Executive Meetings

Executive meetings form a legal and constitutional requirement for SANABO. Regular meetings ensure that the organization is successfully planning, communicating, monitoring and reviewing progress. It's particularly important to distinguish the strategic and governance role of the main executive /committee from the operational and management roles of the various officers, task groups and sub-committees.

Without a clear distinction, the main executive or committee becomes overwhelmed in the management of the day-to-day details. Equally, a risk could exist that unfounded assumptions could be made regarding the discharge of all capabilities.

Running Effective Executive Meetings

An Executive meeting is fundamentally like any other type of meeting, so the basic principles of running effective meetings apply. The Executive meeting needs:

- An agenda - comprising a mix of long-term strategy and short-term performance issues.
- Relevant papers - concise, and well-written, salient points highlighted and distributed in good time (no less than 48 hours before the meeting), using the most appropriate method of communication - email or hard copy.
- Appropriate information - financial and non-financial reports should be available.

- To be held regularly - Convening of meetings must meet with the requirements of the constitution.
- To be well attended - attendance should be expected
- Attendees who are prepared - papers circulated have been read and considered, and attendees arrive ready to contribute.
- Leadership - the chair introduces items and facilitates discussions, encouraging contributions from all.
- Financial and human resources - the Executive must ensure that these are available to meet the long term strategies and short term performance issues.
- And values and standards - the Executive should set these to ensure every member of the Executive knows the main objective and that the interests of the organization are considered at all times.
- Consistency

Minutes of the Executive meetings should be kept, especially recording any concerns which cannot be resolved. Minutes should also clearly identify any actions required and who responsibility has been assigned to on each action. Subsequent minutes should feed back on progress. All previous minutes must be readily accessible.

The Annual General Meeting

SANABO should have an Annual General Meeting (AGM), where the members and management committee come together. The AGM should be referred to in the Constitution.

The main reasons for holding an AGM are:

- To consider and/or present the SANABO's annual report
- To elect officers and management committee members (after 4 years)
- To discuss and vote on amendments to the constitution or AIBA/SANABO rules
- To produce the annual accounts
- To produce the President's annual report/address and any other reports.

It is important to make sure that the AGM is well publicized and welcoming to ALL members entitled to attend. The members need to be involved in the AGM to ensure that SANABO's decision making process is fair and representative of the organization and inclusive. It is also an opportunity to recruit 'new blood' onto the committee.

The secretary is normally responsible for making all of the arrangements for the meeting. The members should be notified and invited to make nominations for the election of officers.

The AGM Agenda

The following is an example of the standard Agenda for an AGM. SANABO may wish to change it if needed, but this is how a typical AGM Agenda appears.

- Apologies for absences
- Minutes of the last AGM
- Matters arising
- Presentation of the annual report
- Presentation of the annual accounts
- Election of the new committee / Rotation of the Executive
- Proposed motions (if any)
- Election / Re-election of auditors
- Guest speakers

Election of Officers

The election of officers can occur in two ways. You can either decide to ask at the AGM or you can send out written nominations and voting papers in advance. Individuals are nominated for the position of officer by other members. It may be useful to request that nominations are submitted to the secretary no later than 24 hours before the AGM is due to be convened.

The Annual Report

As mentioned earlier, one of the main purposes of the AGM is to consider or present (depending on the status of its completion) the annual report. The annual report is a review of the SANABO's activities throughout the year including a financial report.

The annual report can be used for internal purposes (e.g. informing members, users and funders what has happened in the last year), for public relations purposes (e.g. encourage and impress funders or potential funders) or for legal requirements.

The actual content of the annual report is up to SANABO, but below are a few things that a typical annual report might include:

- Who your organization is
- What your organization does

- What you have achieved over the last year (including sporting achievements)
- Who is on the committee
- Financial report from the Treasurer
- Acknowledgement of funders and funding
- Acknowledgement of people who gave their time and premises
- SANABO should be mindful of any legal disclosure requirements.

Special General Meetings are called upon if not less than one tenth of total voting rights (or some other proportion specified in the constitution) wish to amend a rule, amend the constitution or discuss any other important, urgent matters which cannot wait until the AGM. SGMs can be convened at shorter notice than AGMs.

Role of the Organization Secretary

The Secretary is the chief administrative officer of the organization. The Secretary is elected by the Council and his/her duties are delegated by the Executive.

Duties can include:

- Maintenance of statutory registers & minute book
- Completion and filing of statutory forms with the Registrar of Companies
- Organize and administer Executive meetings
- Liaise with President/Chairman in drafting of agenda and ensure agenda is accompanied by relevant documents
- Take minutes
- Facilitate Executive induction and training

As an officer of the organization, the Organization Secretary can be liable to be penalized as an 'officer' of the organization. While ultimate responsibility for compliance rests with the Executive, the Organization Secretary owes the organization the same duties of skill, care and diligence in carrying out his/her role, as if a director.

Governance Systems

Governance systems

The Executive is ultimately responsible for the success of the organization it governs. Each Executive should clearly define its role in discharging this responsibility. An effective organization should have the following systems:

- a strategic planning framework identifying core organizational values, goals and performance management indicators
- clearly documented Executive/management interaction, including appropriate delegations and authority of all parties
- a thorough process for identifying and monitoring legal, compliance and risk management requirements
- a thorough system of audit, including internal and external processes
- a performance management system to provide evidence and ensure monitoring of legal compliance and performance against plans.

Executive Reporting

Executive reporting and performance

Each organization should have a comprehensive reporting and performance management system in place to ensure organizational effectiveness and efficiency. It is essential that directors are provided with timely and accurate financial accounts to ensure effective decision making can occur.

In addition, the Executive should review the directors' individual and collective performance, including the effectiveness of the chair, to ensure they are discharging their responsibilities against that of the stated objectives. Ensure a Executive and individual director development program is in place, including mechanisms to respond to non-performing directors.

An effective system of reporting and performance management should include:

- comprehensive and complete financial accounts
- review and consideration of the accounts by an audit committee
- ensuring the independence of the organization's external auditors
- directors and Executive committee members being knowledgeable, well-briefed and informed having access to the appropriate information or advice when required, and being provided with the opportunity for continuous improvement and education
- a Executive and director performance evaluation system
- an alignment between key performance indicators and the strategic objectives as outlined in the organization's strategic and operational plans.

Member Relationships

Member relationship and reporting

The Executive should ensure it exercises leadership, integrity and good judgment, always acting in the best interests of the organization as a whole, demonstrating transparency, accountability and responsibility to its members.

An effective organization should ensure its members are:

- consulted and involved in the development of the sport's strategic plan
- supportive of, and actively involved in, achieving the outcomes of the national plan
- well-informed and actively participating at its general meetings
- regularly provided with timely and accurate disclosures on all material matters regarding the governance and performance of the organization.

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