



GOVERNANCE REVIEW



FINAL REPORT

Prepared by Positive Solutions
November 2019



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Cover Images: Pairs Carriage Driving; Erica Taylor & Crown Law at Seoul Olympics, 1988; Three Girls Walking Together at the National Jumping Championship; Kate Crawford, Youth Development Jumping Scholarship Winner.

Appendices Cover Images: Rebecca Vandeppear, Vaulting YD Winner 2015; Ruth Schneeberger, Dressage National Championships; Michael Haese with Longines Jump; Pony pairs driving; XC fence building with Wayne Copping; Atlanta Olympic Gold Medal Team; 2014 SA Interschool Team; XC Starter; Volunteers at Adelaide in action.





Gill Rolton, Barcelona XC

ABBREVIATIONS

The following abbreviations apply:

ABBREVIATION	DEFINITION
ACNC	Australian Charities and Not for-profits Commission
AGM	Annual General Meeting
CEO	Chief Executive Officer
EA	Equestrian Australia
EO	Executive Officer. Note - the role was re-titled to State Manager prior to finalisation of the governance review process
ESA	Equestrian South Australia
MOU	Memorandum of Understanding
ORSR	Office for Recreation, Sport and Racing
PCA	Pony Club Australia
PD	Position Description
TOR	Terms of Reference



1. KEY RECOMMENDATIONS

Positive Solutions was engaged to conduct an independent review of Equestrian SA (ESA) and provide recommendations to the ESA board to guide it in taking the organisation forward. The review is to examine the efficacy, fitness-for-purpose and sustainability of the Association’s current governance framework.

This Report provides the consultant’s findings, recommendations and a guide to actions on the part of the Board, Discipline Committees and Executive Officer..¹

The priority recommendations of the Review are presented below, with notes on scheduling and action planning. Upon adoption of the recommendations by the board of ESA, this table can be supplemented with allocation of lead responsibility for implementation of each action and, where necessary, clarification of any resourcing needs. The full recommendations are presented in the section following.

KEY RECOMMENDATION	COMPLETION BY MONTH	IMPLEMENTATION STEPS
A. Adopt Constitutional amendments to increase the Board’s ability to shape its composition appropriate to ESA’s changing circumstances, including the power to co-opt three of ESA’s nine Board members	5	<ul style="list-style-type: none"> Engage legal adviser Board confirm amendments to the Constitution Communicate rationale and proposed changes to membership Call Special Meeting of the membership to adopt revised Constitution
B. Prepare a Strategic Plan, with EA National and other stakeholders consulted, and clear communications with members during development of the Plan	4	<ul style="list-style-type: none"> Prepare a ‘plan for the plan’ to confirm process and timing Engage consulting assistance if needed Schedule key workshops/discussions Consult members and key external stakeholders Issue draft Plan for comment Adopt final Plan
C. Prepare an Annual Operational Plan	4	<ul style="list-style-type: none"> EO and Chair to draft, based on approved Strategic Plan Issue to Board for discussion and adoption
D. Review meeting agenda and papers to focus time spent on strategy, performance enhancement, communications and growing the sport – and less time on reporting on operational activity	2	<ul style="list-style-type: none"> Board discussion, with Facilitator if needed, to confirm amendments to agenda, and form of future board papers Prepare annual board calendar Clarify future processes and requirements with EO
E. Draft and adopt a full job description for Board members	2	<ul style="list-style-type: none"> Review available models and templates Consider draft at a board meeting Adopt
F. Appoint an independent Chair (under Rule 15.4) to steer through a transition period of two years, following which appointment of the Chair will revert to existing arrangements under Rule 15.2 (c). ²	3	<ul style="list-style-type: none"> Clarify role of incumbent Chair during the transition Draft candidate specification for the independent Chair. Clarify if any remuneration will be made available (potentially with ORSR support) In consultation with ORSR draft a list of potential candidates

¹ Prior to conclusion of the review process the board amended the title of Executive Officer to State Manager. Executive Officer (EO) has been retained in this Report

² This temporary Chair will need to be enrolled as an ESA member in order to be co-opted to fill a casual vacancy on the Board



KEY RECOMMENDATION	COMPLETION BY MONTH	IMPLEMENTATION STEPS
		<ul style="list-style-type: none"> Approach, or arrange for ORSR to approach shortlisted prospects Engage and induct independent Chair Communicate rationale and appointment
G. Establish a structured induction process for Board members, and subsequent periodic professional development	3	<ul style="list-style-type: none"> Prepare induction material, and induction checklist and roles Incorporate policy familiarisation within induction Identify training needs and potential solutions Schedule annual training support
H. Prioritise some of the evident policy gaps, and schedule a program of drafting and adopting	6	<ul style="list-style-type: none"> Review priority policy list and schedule a program of drafting Engage consulting support if needed to facilitate drafting Formally adopt all approved policies
I. Maintain regular communication between the Board and Discipline Committees	Ongoing	<ul style="list-style-type: none"> Allocate individual board responsibilities for communication and interaction with Discipline Committees Confirm a communication plan and schedule Confirm issues resolution process
J. Redraft of EO position description	4	<ul style="list-style-type: none"> Review templates for CEO/EO position descriptions Chair and EO initial discussion of desirable changes Board discussion Draft position description Agreement with EO and adoption
K. Draft an EO employment agreement which includes an up-to-date position description and details about the process of reviewing the performance of the EO	4	<ul style="list-style-type: none"> Review templates for employment agreements Generate initial draft Legal adviser to review Second draft Agreement with EO and adoption
L. Review and augment delegations policy, and code of conduct	4	<ul style="list-style-type: none"> Review templates for delegations and code of conduct Board discussion of intended changes Chair and EO discussion of proposed changes Draft for board and EO consideration Adoption
M. Establish Protocols for communications between individual Board members and staff	5	<ul style="list-style-type: none"> Board and Board/EO discussion on principles and scenarios Draft protocol for Board and EO consideration, based on available models/ templates Discussion and adoption





Denise Rofe Handling Foal

2. RECOMMENDATIONS

2.1 GOVERNANCE AND BOARD DOCUMENTATION

- 2.1.1 Adopt Constitutional amendments to increase the Board's ability to shape its composition appropriate to ESA's changing circumstances, including the power to co-opt three of ESA's nine Board members
- 2.1.2 Review meeting agenda and papers to focus time spent on strategy, performance enhancement, communications and growing the sport – and less time on reporting on operational activity
- 2.1.3 Review format of minutes, add action table
- 2.1.4 Draft a Board Charter
- 2.1.5 Establish and maintain currency of a register of Board members' interests
- 2.1.6 Report on risks at least twice-yearly to the Board
- 2.1.7 Establish a biennial risk audit
- 2.1.8 Develop and implement a compliance checklist
- 2.1.9 Undertake a periodic compliance review
- 2.1.10 Issue the SA Government's *Governance Principles for South Australian Sport Organisations* to all new Board members of ESA as part of their induction

2.2 BOARD ROLES

- 2.2.1 Draft and adopt a full job description for Board members
- 2.2.2 Draft and adopt a Chair's job description, expectations with regard to EO liaison, line management and communications
- 2.2.3 Appoint an independent Chair (under Rule 15.4) to steer through a transition period of two years, following which appointment of the Chair will revert to existing arrangements under Rule 15.2 (c)³
- 2.2.4 Draft an EO employment agreement which includes an up-to-date position description and details about the process for reviewing the performance of the EO
- 2.2.5 Undertake a skills audit of the Board, and implement Board recruitment based on the findings
- 2.2.6 Consider Board roles and skills, if sponsorship is to be a greater part of ESA's future revenue mix
- 2.2.7 Establish a structured induction process for Board members, and subsequent periodic professional development including attendance at AICD or similar 'refreshers'
- 2.2.8 Develop and adopt an internal communications protocol
- 2.2.9 Maintain confidentiality of Board discussions, but transparency of Board decisions

³ This temporary Chair will need to be enrolled as an ESA member in order to be co-opted to fill a casual vacancy on the Board



2.3 POLICIES

- 2.3.1 Provide a consistent structure for each ESA policy, and a clear indication of date of approval, monitoring process, date for review, and any linkage to other relevant policies or procedures
- 2.3.2 Align ESA and EA policy wording
- 2.3.3 Prioritise some of the evident policy gaps, and schedule a program of drafting and adopting. Gaps include:
 - > Board Confidentiality
 - > Board Member Recruitment
 - > Board Member Induction and Development
 - > Board Role Description
 - > Board Charter
 - > Board Conflict of Interest Policy
 - > Budgeting and Financial Planning
 - > CEO Succession Plan
 - > Code of conduct
 - > Communications protocol between the Board and Discipline Committees
 - > Compliance Policy and Checklist
 - > Delegations policy
 - > Dispute Resolution Policy
 - > Sponsorship policy
 - > Risk management policy
 - > Statement of Matters Reserved to the Board
 - > Terms of reference and guiding principles for Discipline Committees
 - > Transparency and Accountability Policy
 - > Workforce Development
- 2.3.4 Establish a calendar of policy reviews and integrate with the Board calendar
- 2.3.5 Include policy familiarisation in Board induction procedures

2.4 PLANNING

- 2.4.1 Prepare a Strategic Plan, with EA National and other stakeholders consulted, and clear communications with members during development of the Plan
- 2.4.2 Integrate relevant key performance measures
- 2.4.3 Post a summary version of the Plan on ESA's website
- 2.4.4 Prepare an Annual Operational Plan
- 2.4.5 Prepare a short Marketing and Communications Plan

2.5 DISCIPLINE COMMITTEE MANAGEMENT

- 2.5.1 Consider reducing the number of Discipline Committees through amalgamations where this improves efficiency
- 2.5.2 Review Terms of Reference for Discipline Committees
- 2.5.3 Formalise acceptance of the Terms of Reference, PD and Code of Conduct by Discipline Committee members
- 2.5.4 Maintain regular communication between the Board and Discipline Committees
- 2.5.5 Establish a quarterly consolidated meeting of the Discipline Committee Chairs to encourage communication, sharing of resources and joint problem-solving
- 2.5.6 Nominate an individual Board member to attend Discipline Committee meetings as a non-voting member
- 2.5.7 Preclude Discipline Committee members from Board membership
- 2.5.8 Improve financial reporting to Discipline Committees, and formalise the arrangements for the Committees to manage their own budgets



- 2.5.9 Minimise the Discipline Committees' written reporting to ESA Board, and mandate a format, word length and range of topics
- 2.5.10 Establish a written protocol for communication and issues resolution between the Board and Discipline Committees

2.6 ROLE OF THE EO

- 2.6.1 Redraft of EO position description and candidate specification
- 2.6.2 Clarify key performance needs of the EO, linked to the Strategic Plan
- 2.6.3 Review and augment delegations policy, and code of conduct
- 2.6.4 Develop and adopt an internal communications protocol
- 2.6.5 Develop Chair position description, to include expectations with regard to EO liaison, line management and communications
- 2.6.6 Draft an EO employment agreement which includes an up-to-date position description and details about the process of reviewing the performance of the EO

2.7 BOARD OPERATIONS AND PERFORMANCE

- 2.7.1 Implementation of actions confirmed from the Board survey
- 2.7.2 Undertake periodic board professional development activities
- 2.7.3 Undertake regular board reviews, in keeping with the State Government's *Governance Principles*

2.8 MEMBER COMMUNICATIONS AND ACCOUNTABILITY

- 2.8.1 Issue a bulletin to the membership confirming the recommendations of the Review, the Board's response to these, and a timetable for implementation
- 2.8.2 Issue periodic updates on progress in implementing the recommendations adopted from this Review
- 2.8.3 Maintain periodic communication with the membership, including progress reporting against ESA's Strategic Plan
- 2.8.4 Ensure timely attention to grievances and complaints
- 2.8.5 Maintain transparency over ESA and Committee finances





Megan Jones, Dressage at Beijing Olympics

3. INTRODUCTION

3.1 GOVERNANCE

The term 'governance' indicates the structures and systems by which an organisation is given direction and held accountable. It includes corporate structure, leadership, Board composition and processes, strategic direction, policy settings, performance measurement and management, and reporting and accountability procedures. It is the overall framework within which an organisation directs its business, extending beyond the issue of legal compliance and documentation.

Governance standards in the non-profit sector are mandated, at a high level, by the Australian Charities and Not for-profits Commission (ACNC). There are numerous other guidelines describing expectations and best practice in Board performance, and in governance more broadly. These include the Mandatory Sports Governance Principles of the Australian Institute of Sport, and the Governance Principles for South Australian State Sports Organisations (2015) produced by the Office of Recreation, Sport and Racing (ORSR). Both of these documents provide valuable guidance which complements the recommendations of this Review. The ORSR's Governance Principles should be issued to all new Board members of ESA as part of their induction.

3.2 BACKGROUND TO THE REVIEW

Equestrian SA (ESA) received support from the ORSR to undertake an independent review of ESA Governance and provide recommendations to guide ESA in taking their organisation forward. Positive Solutions was engaged to undertake the review.

ESA operates within a Federated structure and is an Incorporated Association under the Associations Incorporation Act 1985 of South Australia. ESA is affiliated with Equestrian Australia Limited, the National governing body which is, in turn, affiliated with the International Federation for Equestrian Sports (FEI), the global governing body.

Within South Australia, ESA is the peak body for the administration of equestrian sports including: Dressage, Eventing, Jumping, Show Horse, Carriage Driving, Vaulting, and Interschool sports. ESA also includes Members from other disciplines; including Para-Equestrian, Reining and Endurance.

3.3 TERMS OF REFERENCE

The Terms of Reference of the project are to conduct an independent review of Equestrian SA and provide recommendations to guide Equestrian SA in taking the organisation forward. The review is to examine the efficacy, fitness-for-purpose and sustainability of the Association's current governance framework in order to understand whether the elements best position the Association to:

- > Provide strategic direction;
- > Provide mechanisms to ascertain the collective interests, aspirations and requirements of members to inform the Association's Strategic Plan;
- > Ensure strategic objectives are achieved;
- > Manage risks; and
- > Use resources responsibly and with accountability to the membership and relevant stakeholders.

The objective is to enhance the governance standards, systems and processes of the organisation in order to best meet the current and future needs of its membership.

The full Terms of Reference are included at [Appendix 1](#).

3.4 THE REVIEW PROCESS

The Review process has included:

- > Group discussions with ESA Board members, Discipline Chairs and members of the Governance Review Committee
- > A facilitated self-assessment process for the ESA Board
- > Individual interviews with a selection of members, former members, ESA Board members, the EA National CEO, and a small number of other stakeholders
- > A review of relevant documentation provided by ESA, the ORSR and EA National. Documents reviewed are listed at [Appendix 2](#)
- > A survey of members, recent members and others.

The Report reviews current industry contexts, highlights issues raised during the interviews and group discussions, and provides commentary on the governance documentation provided. A separate report based on a performance self-assessment by ESA's Board has been submitted to the Board. Key findings from that report are summarised below.

Selected benchmarking has taken place within the equestrian field and in a small number of other sports. A survey of members, recent members and other interested parties has been undertaken.





Interschool State Champions

4. CONTEXT

4.1 INDUSTRY CONTEXTS

Alongside EA National and Equestrian State bodies the Pony Club of Australia (PCA) also operates as a peak agency, which includes a national body, State bodies and local pony clubs. PCA predominantly serves younger riders, providing an entry point into equestrian activities and good horsemanship. By contrast, Equestrian Australia was originally established to provide a framework and pathway to participation in Olympic-level riding. It still has a stronger focus on the elite level of performance, but is also engaged in encouraging entrants and young riders – an area of partial competition with PCA.

Beyond EA and PCA there are specialist and commercial players in the equestrian 'market'. This raises the question of how ESA should define the parameters of its services, and how it should articulate its competitive point of difference through periodic strategic planning processes.

A number of industry or other environmental factors have been borne in mind during the Review:

- > The trend to professionalisation of Boards and governance processes across the not-for-profit sector as a whole, encouraged by the Australian Charities Non-Profit Commission and by Sports Australia, amongst others. This translates, in part, to a move away from elected, representative Boards to more targeted recruitment based on skills and capabilities; to more robust frameworks of policy and procedure; and to the adoption of well-considered strategic plans.
- > The evident risk of injury, and recent fatalities, have brought additional pressure to bear upon the organisers of the sport. Insurance, recently tightened medical checking procedures, and broader safety concerns add to the costs of competition and the risks of litigation.
- > There have been charges of bullying in the sector and notable sensitivity over 'fairness' in competition.
- > Encouragement by Sport Australia to achieve economies, potentially through sharing financial or other functions. More broadly, there is a need to generate increased and new revenue streams in order to maintain affordability and sustainability.
- > The organisational and governance challenges which have been experienced by EA National, in parallel with ESA's recent experiences. Though triggered by different issues, this has added to an unstable environment for ESA.
- > An expectation that State Equestrian bodies will align their strategic planning with EA National, confirmed in a (2013) MOU between EA and ESA.
- > State bodies to contribute a proportion of their membership fees to EA National. In return the sport has the benefit of a national voice, and individual members receive insurance cover, access to coaching and officiating training, and are provided with competition pathways, including up to international level.
- > The EA National CEO is holding monthly phone hook-ups with the State bodies. Following take-up of their post, the new ESA CEO will participate in these meetings.
- > There has been a growing trend to skills-based Boards, and away from Boards designed to fulfil only representational purposes. However, any Board needs to have a good understanding of the business it is running and the 'industry' within which it operates.
- > Regardless of the increasing level of sophistication required of Board members and their processes, nearly all non-profit organisations' Board members remain unpaid.



4.2 EQUESTRIAN SA CONTEXTS

Amongst ESA's principal objectives are:

- > To create a uniform entity through and by which Equestrian in South Australia can be encouraged, conducted, promoted and administered and to be the governing body of Equestrian in South Australia
- > To promote and encourage Equestrian within South Australia and the conduct of Equestrian as an affiliated member of Equestrian Australia

ESA has a Board of nine responsible for overall governance of the organisation. The Board is elected by the membership, and select a chair from amongst their number. Board members serve a three-year term, renewable up to a maximum of nine years, after which a break of 12 months is required before possible re-joining of the Board.

Four of the seven current board members have been on the ESA board for a year or less, two for three years and one for six years. For three board members, this is their first experience on a board, while other members have served on multiple boards. The mean age of board members is 55-60. There are four men and three women on the board, noting that the SA Government has adopted a 40:40:20 policy initiative for funded bodies, which stipulates that 40% of board members should be women, 40% men and 20% discretionary.

There are approximately 1,100 ESA members, although the number fluctuates, including within each year. Anecdotally, there has been a reduction in the number of competitors, and possibly difficulty in retaining judges. The longitudinal evidence for either of these perceptions is unclear.

There are seven Discipline Committees responsible for the operational delivery of activities related to their field, each of which is required to provide written reports to every ESA Board meeting. In participation levels the popularity of the Disciplines varies, and with this their financial robustness. The finances of each Discipline are tracked separately, with funds held centrally by ESA. Whether any proportion of surpluses generated from Discipline activities is intended to contribute to ESA core costs, or to support less popular Disciplines, is not clearly expressed.

Normally, the daily operations of ESA are delegated by the Board to an Executive Officer (EO). However, this post is currently vacant, following a breakdown in the working relationship between the Board and the most recent post-holder, a breakdown which has led to litigation by the departed EO. A further EO appointment was subsequently made, but a perceived conflict in the process of recruitment led to the resignation of this EO, and of a Board member who was alleged to have been conflicted. The current absence of an EO has also resulted in the Board becoming a more hands-on, operational group. Without an EO, recent Board papers have also necessarily been less complete.

The management and communication style of the recent EO caused concern and disruption. However, there have been tensions evident within ESA at least as far back as 2015-16, with the then Chair's reference to member disquiet within her Annual Report.

An undercurrent of negativity within the membership has often taken the Board's focus away from growth and service to the membership . . . It has often been distracted by non-strategic issues instead of being focused on its real purpose of providing an excellent sporting organisation.

Recent tensions appear to be focused in part on fair distribution of the financial resources within ESA, and the Board's transparency over financial performance of the organisation. There have been calls for separate bank accounts to be set up for each Discipline.

Comment on specific aspects of ESA's current governance and Board performance is provided below. It is worth noting that the current Board has been making efforts to address a number of the issues and concerns of members. The observations relate to the recent history of ESA rather than being focused only on the actions of the current Board.

Partly as a result of the conflicts and organisational disruptions of recent years the Board has become very absorbed in operational matters and in reactive 'damage control'. This has also been a result of the Board and organisation not fully evolving processes and priorities to reflect the complex and demanding nature of the operating environment – noting that there has been a partial transition to a skills-based Board.



An underpinning principle of this Review is that the Board needs to move, as quickly as possible, to a more strategic role. This will be achieved through a well-considered strategic plan, the appointment and empowerment of an appropriate EO (who is sensitive to the membership's needs and perceptions), the evolution of a more complete policy suite, and the avoidance of an over-emphasis on operational detail in Board meetings.

4.3 STAKEHOLDERS' VIEWS

To inform the current Review an online survey was circulated to current and former members, accessible also to other interested stakeholders. 281 responses were received, with 138 completing the survey fully. A full analysis of survey responses has been provided in a separate report.

Key messages from the survey responses include that:

- > The most common motive for membership of ESA is to secure insurance, along with access to competition
- > Perceived ESA strengths include its role as a central governing body, its online presence and communication, and the competence and effort of its volunteers
- > Lower membership costs and increased access to rider clinics are priorities for many respondents
- > Improved judge accreditation and training for officials would be welcomed
- > There are concerns regarding:
 - Transparency, accountability, honesty and integrity in governance
 - The visibility of budgeting and financial reporting
 - Conflicts of interest and allegations of bullying
- > There is a perceived need to diversify communication streams across the website, social media platforms, emails and/or newsletters. A minority of respondents indicated they do not use online communication or social media and would benefit from postal communication.

There is a lack of clarity regarding ESA's strategic direction and priorities:

Direction not clear; no big picture progress; has a strategic plan been published in the last few years?

69% of respondents felt that ESA is not good value for money. They were unsure what their membership fees are being used for, and felt they received few services in return.

In comparison to the Eastern states we don't get great value for money. Recreational membership should be cheaper to encourage more people to join.

The current umbrella membership rate for all members irrespective of the degree of risk associated with their sport [discipline] compared to the risk of other equestrian sports requires attention.

Affordable, fair and equitable membership fees with a user pays focus will attract members back to the sport and new members accordingly.

There was a recognition from a few survey respondents that the Board of ESA is endeavouring to steady the ship after a turbulent period, and a wide-ranging desire to avoid further conflict within the organisation.

In addition to survey respondents, views were solicited from ESA Board members, Discipline Chairs and 16 individual interviewees. Three written submissions were also received.

A small number of responses and submissions suggested alteration to the overall structure of equestrian sports with, for example, some Disciplines should be removed from State-level administration and managed only at the National level; or suggested that specific Disciplines should be managed separately from ESA. While there may be a case for a wider review of the structure of the sector this is considered beyond the scope of this Review, as it would require action across all the State bodies, and would need to take into account potential impacts at the international competitive level.





5. CURRENT GOVERNANCE PRACTICE

The Governance of ESA is expressed through several domains:

- > The governing framework, including Constitution, organisational structure and systems, policies and procedures
- > The degree to which this framework is effectively implemented
- > Compliance with relevant legislation
- > The clarity of future strategy
- > Risk management processes
- > The culture of ESA, as expressed through relationships and behaviours within the organisation, and between ESA and other organisations and individuals

5.1 GOVERNANCE AND BOARD DOCUMENTATION

5.1.1 CONSTITUTION

As a member-derived and controlled organisation, Incorporated Association status is appropriate for ESA – the main alternative being a company limited by guarantee. The three-year term and limited number of renewals is consistent with good practice across the non-profit sector, as is the power of the Board to choose their own Chair. However, given the stated intention to build and sustain a skills-based Board the appointment of Board members solely through election by the membership gives the Board little or no control over how perceived skills gaps will be addressed. This could be addressed by altering the Constitution to reserve a proportion of Board places to co-opt by the remaining Board members.

If the Constitution is to be amended in this way, it will also be prudent to undertake a wider review of the Constitution to ensure it is consistent with current best practice – having most recently been updated in 2012 – and that it supports compliance with the State Government’s Governance Principles.

Recommended actions

- > Adopt Constitutional amendments to increase the Board’s ability to shape its composition appropriate to ESA’s changing circumstances, including the power to co-opt three of ESA’s nine Board members

5.1.2 POLICIES

An organisation’s policy suite helps it to set standards and establish consistent approaches to operations, and to minimise risks to the organisation. Policies help to guide the actions of Board, Committees, staff, volunteers and members. The ESA policies which have been reviewed include:

- > Child Protection Policy
- > Conflict of Interest Policy
- > Delegation of Authority Policy
- > Discipline Committee Bylaws
- > Social Media Policy



Other procedural documents reviewed included:

- > Complaints Process
- > Expense Reimbursement Procedure
- > Lighting Safety Protocol
- > Governance Document Management Framework
- > Honorary Membership Criteria

The policies do not all clearly state:

- > Whether and when they have been adopted by the Board
- > Whose responsibility it is to monitor implementation of the policy or how this will occur
- > When they are due for review, and when they have been reviewed
- > Whether there are other relevant policies that they link with

The Conflict of Interest Policy is specific to the operations of the Discipline Committees. It is not drafted in such a way as to be applicable to the Board. This should be amended, and should be completed by an up-to-date register of Board members' interests i.e. directorships and shareholdings in other companies or associations.

The ESA policies are complemented by a further suite of policies at EA National level. While EA does not have authority over ESA, a (2013) MOU between ESA and EA describes the policy framing for both and for aligning strategic direction.

A scan of the policy suites of other sporting peak bodies, and other non-profit organisations, suggests further policies which it may be prudent for ESA to adopt:⁴

- > Board Member Induction
- > Board Member Code of Conduct
- > Board Development
- > Board Charter
- > Board Role Description
- > Board Confidentiality Policy
- > Budgeting and Financial Planning Policy
- > Dispute Resolution Policy
- > Risk Management Policy (see below)
- > Transparency and Accountability Policy
- > Workforce Development

There is a document which is described as a Role Description and Confidentiality Agreement for the Board, but it does not serve the function of role description, being primarily focused on Board obligations with regard to confidentiality. It is proposed that separate documents be drafted – a Role (or Position) Description and a Confidentiality Policy.

A range of EA National policies are attached to the ESA website – but in some cases the version on the EA website differs from that attached to the ESA website – for example, the Codes of Conduct differ. These inconsistencies can be addressed in the process of ESA updating its policy suite.

The structure and currency of ESA policies varies. Some start with a statement of purpose and conclude with a target review date – but most do not. A consistent structure would provide more effective quality control as future Boards and EOs develop new policies – as well as making it easier for Board members, ESA members, staff and volunteers to familiarise themselves with the scope and requirements of each policy.

Current ESA policies appear to have been drafted from 2012 to 2018, and probably on a reactive basis as the need for an individual policy has emerged.

Good practice in policy development is to establish a rolling program of policy reviews – for example a triennial review of each policy (unless new legislation or other circumstances require a more urgent review), with this

⁴ A full comparison is provided at [Appendix 3](#)



being monitored through a Board calendar (see below) to ensure that the policy is brought to the Board's attention at the appropriate review point.

As part of their induction all new Board members and staff should be provided with the current suite of policies – or a clear link to them – and have the opportunity to discuss them with an experienced Board member and/or the EO.

Recommended Actions:

- > Provide a consistent structure for each ESA policy, and a clear indication of date of approval, monitoring process, date for review, and any linkage to other relevant policies or procedures
- > Amend the Conflict of Interest Policy so that it is applicable to Board members as well as Discipline Committee members; and supplement with a Board members' Register of Interests
- > Align ESA and EA policy wording as far as practical
- > Prioritise some of the evident policy gaps, and schedule a program of drafting and adopting. Gaps include:
 - Board Confidentiality
 - Board Member Recruitment
 - Board Member Induction and Development
 - Board Member Conflict of Interest Policy
 - Budgeting and Financial Planning
 - CEO Succession Plan
 - Code of Conduct
 - Delegations policy
 - Dispute Resolution Policy
 - Risk management policy
 - Transparency and Accountability Policy
 - Workforce Development
- > Establish a calendar of policy reviews and integrate with Board calendar
- > Draft an overall Board Charter to guide the operations of the Board
- > Issue OSRS's Governance Principals to all new Board members of ESA as part of their induction
- > Include policy familiarisation in Board induction procedures

5.1.3 STRATEGIC PLAN

There is a 'one-page plan' on the ESA website, for 2017-20. While this is modelled on the format of EA's most recent strategic plan it is not a strategic document. During the last 12 – 24 months the Board has held some strategy sessions but these have not concluded with the adoption of a current Plan, and it seems the organisation has been operating without one for several years.

Without a clear statement of vision and direction it is not possible to motivate and guide staff and volunteers, focus resources on what is most important, or engage the wider membership in supporting the development of ESA. It is noted from a member survey conducted as part of the Review (below) that members' understanding of the strategic direction of ESA is limited, and that this is a source of concern for some members, albeit most are more concerned with day-to-day service and value for money for their membership fees.

Regardless of the timing of EA National's current strategy development process ESA should make the development of a Strategic Plan for 2020-2023 a priority, consulting EA as necessary during the process of development.

Based on the consultation to date, key themes that would appear relevant for defining Goals for the next 3 – 5 years might include:

- > Safe, inclusive sport
- > A growing community
- > Encouraging excellence
- > Effective communications
- > Financial sustainability
- > Respected and effective governance



These, and others, would need to be converted to Objectives, Strategies, Milestones and KPIs, as is normal practice in strategic planning.

The development and service provision of other providers and representative bodies in the equestrian world may have implications for the scope of ESA's services in the future. It is also noted that several consultees felt there should be closer cooperation and alignment between ESA and PCA. PCA itself expressed a wish to see greater cooperation, but felt that ESA had not been amenable to this.

Recommended Actions:

- > Prepare a strategic plan with EA National and other stakeholders consulted, and clear communications with members during development of the Plan
- > Integrate relevant key performance measures
- > Post a summary version of the Plan on ESA's website
- > Prepare an Annual Operational Plan
- > Prepare a short Marketing and Communications Plan

5.1.4 RISK MANAGEMENT

Although safety, and animal and competitor/participant welfare, are clearly top of mind at both National and State level, a formalised risk management policy and risk register have not yet been sighted.

A risk register would identify risks across a range of domains, such as physical hazards – including accidents and injuries – as well as financial, reputational, financing, HR and other matters. Each identified risk would be weighted for its likelihood and potential negative impact. This generates a ranking of the most significant risks. The risk management policy would articulate the Board's approach to accepting or avoiding risk, and insuring against selected risks where this is appropriate. It would also describe the processes for mitigating the key risks, through staff and volunteer training, through policy and procedure development, and in other ways.

A 'risk audit' is advisable on an annual or biennial basis, to be undertaken by a small task force comprising one or two Board members, the EO and selected Discipline Chairs.

Recommended Actions:

- > Develop a risk management policy for ESA, and prepare a Risk Register
- > Report on risks at least twice-yearly to the Board
- > Establish a biennial risk audit

5.1.5 COMPLIANCE MANAGEMENT

Boards are required to ensure that their organisation complies with legislation. While all Australian laws have to be complied with, a periodic 'compliance review' can be undertaken to identify the legislation of greatest significance for the specific organisation, in terms of the consequences of non-compliance, and to determine whether there are any current compliance problems or breaches, and put in place strategies to mitigate against the risks of non-compliance. The process is very similar to a risk management assessment.

While no compliance breaches are believed to have occurred recently, specific ESA compliance procedures have not yet been sighted. It should be noted that this is common across the non-profit sector. However, formalising protection against breaches of compliance is also becoming more common. One simple technique – in addition to the periodic review described – is to develop a compliance 'checklist' of tasks which need to be completed routinely to meet the organisation's statutory obligations e.g. submission of BAS returns and annual reports; renewal of insurances; payment of superannuation contributions. This checklist can be updated and circulated with Board papers to give the Board reassurance that no significant items have slipped through the net.

Compliance also relates to the organisation meeting its contractual obligations – through contracts (including funding agreements), leases or other legal instruments.

Recommended Actions:

- > Undertake a periodic compliance review
- > Develop and implement a compliance checklist
- > Establish and maintain currency of a register of Board members' interests
- > Report on risk at least twice-yearly to the Board
- > Establish a biennial risk audit



5.2 ORGANISATIONAL STRUCTURE

5.2.1 THE ROLE AND COMPOSITION OF THE BOARD

While the Board is no longer composed automatically of Discipline Chairs it does not yet have a clear, alternative approach to support skills-based selection. Some Constitutions specify types of skills needed on the Board. In most cases where an active skills-based approach is pursued, policies are adopted to guide the identification and selection of future board members, supported by use of a skills matrix to focus on assessing current skills, and identifying future needs. Potentially, board members can then be invited directly to join the Board (sometimes ratified at the members' AGM).

PCA's Chair reported the PCA Board to be skills-based – with a mix of finance, marketing, commercial skills, for example. The Board has been selected to focus on governance and strategy.

ESA consultees suggested that marketing, communications and finance skills will need to be strengthened on the Board.

There does not appear to be a formalised induction or professional development process for Board members. An increasing proportion of non-profit organisations have accepted this as a valuable investment in the effectiveness of the Board. For example, six of EA National's eight Board members have recently attended an AICD-delivered program on sports governance.

Both the current and the previous Board Chairs have used their best efforts to provide the leadership necessary for ESA. In recent years this has been a fairly thankless task, with strong, critical views expressed by aggrieved members, and spurious, sometimes irresponsible, local press coverage. It may serve ESA's interests for the Board to select an independent Chair – an individual who is entirely unconnected with the recent tensions within ESA, and who commands respect through their status in business, politics or otherwise. At the very least that would be advisable for the next period of ESA's development. Such a Chair could be supported by a Deputy who has closer knowledge of the equestrian world.

Recommended Actions:

- > Draft and adopt a full job description for Board members
- > Draft and adopt a job a Chair's job description
- > Develop the Chair position description to include expectations with regard to EO liaison, line management and communications
- > Appoint an independent Chair (under Rule 15.4) to steer through a transition period of two years, following which appointment of the Chair will revert to existing arrangements under Rule 15.2 (c).⁵
- > Undertake a skills audit of the Board, and implement Board recruitment based on the findings
- > Establish a structured induction process for Board members, and subsequent periodic professional development including attendance at AICD or similar 'refreshers'
- > Develop and adopt an internal communications protocol
- > Amend the Constitution to enable the above changes to occur.
- > Maintain confidentiality of Board discussions, but transparency of Board decisions

5.2.2 DISCIPLINE COMMITTEES

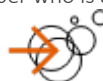
The Discipline Committees are responsible for operational matters within each of their specialisms, and are an essential mechanism to harness the energy of volunteers across ESA and the sport more broadly.

The frequency of meeting and level of activity of the ESA Committees varies, and they operate in a largely autonomous manner – with infrequent contact between the Committees. They provide regular written activity reports to the Board. Several Discipline Committee representatives indicated that the reports they provide to the Board lead to no feedback or interaction. During the period of the Review process two Discipline Committee members were also Board members, but not by virtue of their office⁶.

The popularity and financial position of each of the Disciplines varies. This raises the question of whether there need to be separate administrative structures for each, as currently, or whether some should be clustered

⁵ This temporary Chair will need to be enrolled as an ESA member in order to be co-opted to fill a casual vacancy on the Board

⁶ Subsequent to the Review this has reduced to one Discipline Committee member who is also on the Board



together, reducing the number of Committees. There have been perceptions of unfairness – that Disciplines making a ‘surplus’ are not fully benefiting from their efforts by having control over that surplus.

The autonomy of the Discipline Committees – and the perception by some that there is insufficient interaction with, and financial and information flow from, the Board – is creating some tensions within ESA, including recent calls for separate bank accounts for each Discipline. The consultant believes this would be an unhelpful development for the future operations of ESA and may encourage ‘secessionism’ where specific Disciplines are tempted to leave ESA and organise some of their activities independently. In particular, separate bank accounts may also increase costs, reduce the ability to move resources to where they are most needed, and enhance the possibility of future fraud or embezzlement – a problem which is not unknown in the non-profit sector.

The selection of Committee members by the ESA membership seems appropriate. This is a necessary connection to the grassroots of the sport.

Recommended Actions:

- > Consider reducing the number of Discipline Committees through amalgamations where this improves efficiency
- > Review Terms of Reference for Discipline Committees
- > Formalise acceptance of the Terms of Reference, PD and Code of Conduct by Discipline Committee members
- > Establish a quarterly consolidated meeting of the Discipline Committee Chairs to encourage communication, sharing of resources and joint problem-solving, and make this consolidated meeting a sub-committee of the Board. The Chair and/or Deputy Chair of ESA’s Board should attend these sessions ex officio
- > Nominate an individual Board member to attend Discipline Committee meetings as a non-voting member to improve communications
- > Preclude Discipline Committee members from Board membership.
- > Improve financial reporting to Discipline Committees, and formalise the arrangements for the Committees to manage their own budgets.
- > Minimise the Discipline Committees’ written reporting to ESA Board, and mandate a format, word length and range of topics (e.g. significant achievements, opportunities and challenges, forthcoming activities and future plans, key dates)

5.2.3 THE ROLE OF THE EO

Much emphasis has been placed on the conduct of the most recent EO as a contributor to ESA’s current problems – with disaffected members eventually transferring their concerns to disappointment with the Board. A small number of consultees have also referred to the abusive attitudes which have been displayed by some ESA members towards EO and office staff.

A comprehensive series of policies, delegations and briefings can provide reasonable protection for an organisation, but they cannot fully defend against over-assertive or uncooperative behaviour by an EO, a Chair or ESA member. Good governance can be encouraged through structures and policies, but it can only be guaranteed with the addition of goodwill and mature behaviour.

Without becoming embroiled in the detailed sequence of events, and mindful of the continuing possibility of litigation following the EO’s termination, there appear to be several lessons from this series of incidents:

- > Thorough induction for an incoming EO
- > The need for more detailed delegations for the EO. Increasingly, organisations also adopt a Statement of Matters Reserved to the Board to indicate clearly what decisions can only be taken by the board
- > Adoption of a code of conduct for Board, EO, Discipline Committees and for the broader membership
- > An internal communications protocol, formalising communication processes between Board, Discipline Committees and EO
- > Clear understanding by EO, Board and Discipline Committees that the Board is ultimately ‘in charge’ and must behave accordingly – while respecting an EO’s need to get on with the job on a day-to-day basis
- > The Chair to be active, but respectful, as ‘line manager’ for the EO
- > The importance of regular meetings - probably weekly – between Chair and EO, and ongoing constructive feedback from Board and Chair to the EO
- > Clear Terms of Reference (TOR) and authorities for the Discipline Committees.



Recruitment of an EO is currently in progress. With the assistance of at least part-time support, the EO's work can probably be undertaken on a part-time basis in the foreseeable future. However, the range of stakeholders, the external as well as internal relationships which need to be managed, and the balance between acting under instruction from the Board while also taking initiative and exploring entrepreneurial opportunities calls for a reasonable level of experience, maturity and sophistication. The salary will need to reflect that.

Recommended Actions:

- > Redraft of EO position description and candidate specification
- > Clarify key performance needs of the EO, linked to the Strategic Plan
- > Review and augment delegations policy, and code of conduct
- > Adopt a statement of Matters Reserved to the Board
- > Develop and adopt an internal communications protocol
- > Develop Chair position description, to include expectations with regard to EO liaison, line management and communications
- > Draft an EO employment agreement which includes an up-to-date position description and details about the process of reviewing the performance of the EO
- > Review Terms of Reference for Discipline Committees.

5.3 OPERATIONS OF THE BOARD

5.3.1 BOARD PAPERS

The Board papers over the last 12 – 18 months have been limited in their scope and coverage. This is partly the result of a lack of officer support for Board meetings, but may also be due to the absence of a clear expectation for an effective set of Board papers.

The Minutes are currently detailed records of operational activity, and are not focused on future strategy or business development (or membership development). They also record all correspondence. The latter is typical in a small not-for-profit organisation, or one in its early start-up phase, but is unusual in a larger or more established organisation. Generally, only significant correspondence is considered relevant for a Board's attention.

The finance papers appear to be provided without an accompanying commentary to draw the Board's attention to key messages/issues in the figures. Board time can be economised where the Treasurer, Finance Officer or EO provides some brief covering interpretation – effectively answering questions before they are asked.

The following are some comments on good practice in Board papers:

- > Agenda structure to be varied periodically to reflect key matters for discussion – elevating them to a separate agenda item
- > Agenda to be discussed in advance between Chair and EO
- > Starred (asterisked) agenda to be used to focus discussion only on those items which require discussion, not on items provide for information
- > Board papers to include:
 - EO report – with structure mandated by the Board/discussed with the EO
 - Discussion or decision papers
 - Discipline activity reports – with guide as to structure/topics and word limit
 - Finance report – consolidated into a single document and with brief covering commentary, and including periodic profit and loss statement, balance sheet, and updated cashflow forecast
 - Key correspondence, if relevant.
- > Minutes to be a record of decisions and actions, with key points regarding rationale behind decisions

Recommended Actions:

- > Review meeting agenda and papers to focus time spent on strategy, performance enhancement, communications and growing the sport – and less time on reporting on operational activity
- > Revise Board papers in line with current best practice, as illustrated above
- > Review format of minutes, add action table – with intended deadlines for action



5.3.2 CURRENT BOARD PERFORMANCE

Based on a facilitated self-assessment, a Board Evaluation Report has been provided separately, summarising findings from a Board Self-Evaluation Survey. Overall, the Board's self-assessment presents a positive picture of the mutual respect Board members hold for each other, their confidence in current leadership, and desire to implement strong governance practices and strategic planning to see the organisation and sport thrive. Some of the positive themes which emerged from the survey results included:

- > The Board's clear understanding of their roles and a balanced mix of skill sets
- > The Board's active role in stakeholder engagement
- > Strong communication, commitment, participation and team decision-making
- > Strong leadership from the Chair
- > Well-structured and productive Board meetings
- > The Board understands their financial, compliance and risk obligations
- > The Board actively advocates for the organisation and the sport as a whole.

The Board survey results also indicate areas in which the Board might improve its effectiveness. These include:

- > An up-to-date mission and vision statement for the organisation
- > Approved up-to-date strategic plan
- > Approved annual operational plan which aligns with the strategic plan
- > Monitoring achievement of the strategic plan by periodic reporting, and use of the strategic plan as a drive for organisational activity, and EO (should this be EO or is this another position?) performance
- > Approved marketing and communications plan for the organisation
- > A risk register to formally monitor organisational risks
- > Regular cashflow forecasts
- > Current register of Board members' interests (e.g. directorships and shareholdings in other companies)
- > Succession plan for the EO
- > An employment agreement which includes an up-to-date position description and details about the process for reviewing the performance of the EO
- > Regular appraisals of the EO's performance by the Board
- > Documented appointment procedures for the position of Chair with written position description
- > Protocols in place for communications between individual Board members and staff

Other elements of the review process have raised issues which are relevant to future Board performance – including improved communications with ESA members, revised communications and linkages between the Board and the Discipline Committees, and amendments to the ESA Constitution to support targeted Board recruitment.

Recommended Actions

- > Implementation of actions confirmed from the Board survey
- > Undertake periodic board professional development activities
- > Undertake regular board reviews, in keeping with the State Government's *Governance Principles*

5.3.3 RESOURCING

Sponsorship is not a current source of revenue for ESA. As ESA continues to rebuild its confidence and clarity of direction there will be opportunities to develop new income streams from sponsorship and corporate partnerships. This is a 'governance' matter insofar as the Board has responsibility for protecting the sustainability of the organisation, and new or enhanced income streams form part of a larger picture for sustainability.

Recommended Actions:

- > Develop a sponsorship policy and strategy
- > Consider Board roles and skills, if sponsorship is to be a greater part of ESA's future revenue mix



6. EVOLVING FOR THE FUTURE

The preceding section has described a range of proposed improvements to ESA's Board practices and governance documentation. Subject to the Board adopting the recommendations, the improvements represent a significant schedule of work. They can be prioritised and programmed over a 12-month period. In some cases, their implementation may benefit from external support.

There remain a number of specific issues which the Board, the Discipline Committees, and the wider membership will need to consider in order to minimise the risk of future disruption or fragmentation, and to optimise a sense of purpose and harmony.

6.1 CONFIDENCE-BUILDING AND MEMBER COMMUNICATIONS

All consultees have expressed a desire for unity and peace within the ranks of ESA – including those who have been involved in recent internal conflicts. There appears to be a widespread desire to 'move on', notwithstanding the periodic negative coverage in the Adelaide Advertiser and, in some cases, some residual personal resentments arising from events of the last couple of years.

The level of recent concern and dissatisfaction should not be underestimated. To progress positively will require not only attention to actions outlined above, but also a sense of a clean break – however symbolic this may be – and a new compact with the membership to harness their support and their identification with the cause of ESA – nurturing and growing the sport and the talent within it. Because the internal frictions have occurred over several years they are now, for some people, well-embedded, and will be that much harder to shift. To some degree the Board will have to 'tough this out', incrementally building a constituency of support, and accepting that some may never come on this journey.

As noted, effective governance requires goodwill and mature, respectful behaviour as well as suitable policy frameworks.

Recommended Actions

- > A bulletin to the membership confirming the recommendations of the Review, the Board's response to these, and a timetable for implementation
- > Periodic updates on progress in implementing the recommendations
- > Preparation of a strategic plan, with its development including clearly flagged touch-points for the membership to be involved in its preparation
- > Timely attention to grievances and complaints, within approved EA and ESA Board policies
- > Regular communication and connection with the Discipline Committees and their Chairs
- > Periodic communication with the wider membership – both via email and social media. Members should be invited to indicate their preferred e-communication method at time of membership renewal
- > Greater transparency over ESA and Committee finances, with notification to Discipline Committees of future financial reporting arrangements
- > Confidentiality of Board discussions, but transparency of Board decisions – subject to any commercially-sensitive matters or, for example, HR-sensitive matters
- > An independent Chair, at least to steer through a transition period of two years. If this is pursued it is recommended that the current Chair (or if necessary another Board member) assume a role as Deputy Chair for 6 – 12 months to provide continuity and support.

6.2 ACCOUNTABILITY

Under the terms of ESA's Constitution the Board is accountable to the wider membership. As with other companies and incorporated associations the members have the power to appoint and remove the Board or individual Board members, although this power may be partly curtailed following adoption of the recommendation to appoint some Board members through co-option.

No increased power of control needs to be provided to the membership. However, to avert further friction the Board needs to be more open, and less defensive, in its communications with members, including aggrieved



members. When a Board acts and speaks with solidarity it has strength and moral authority, and generates confidence amongst members and other stakeholders – provided it is seen as fair and respectful.

Accountability applies also to the Disciplinary Committees and to the individual members. In the case of the Discipline Committees, agreement to accept Committee membership should be accompanied by formal acceptance of:

- > The Terms of Reference (TOR) for that Committee
- > A PD for the Committee member
- > The Code of Conduct.

Where there are concerns on the part of Discipline Committee members regarding Board-Committee linkage the Chair of the Committee and Chair of the Board should, in the first instance discuss this. If the matter cannot be resolved informally, a small Working Group – two Board members and two Discipline Committee members – should agree on actions to be endorsed by the Board and the Committee.

Recommended Actions

- > Formalising acceptance of the TOR, PD and Code of Conduct by Discipline Committee members
- > Establishing a written protocol for communication and issues resolution between the Board and Discipline Committee

6.3 ADAPTING TO A CHANGING ENVIRONMENT

Some of the problems of ESA in recent years have been a result of inappropriate conduct, and subsequent personal clashes. Some, however, have resulted from a failure to protect the organisation – and its Board, Committees, staff and volunteers – through the development and implementation of an adequate suite of policies and procedures.

Much of the advice in this report reflects accepted best practice in contemporary non-profit governance. The governance performance expected of even small non-profit organisations is significantly higher now than 10 or 15 years ago. ESA's adoption of the Review recommendations, including the establishment of a more comprehensive policy framework, will represent a commitment to bringing the organisation up to date with regard to these standards.

As sector-wide governance practices evolve in future years ESA can stay abreast of them through a periodic scan of legislative change, ACNC regulations, and State Government requirements for, or advice to, funded organisations. The Board could consider the establishment of a small Working Group – perhaps two Board members and the EO – to undertake this scan on an annual basis. In the first instance, such a Group could be charged with responsibility for monitoring and supporting implementation of the Review recommendations.

Beyond the issue of governance, the world of equestrian will itself evolve and change. The preparation of a Strategic Plan will include an environment scan which should capture some of the key trends and changes occurring, and interpret these in relation to their impact upon ESA and its future priorities. Such a scan will benefit from input from well-informed outsiders, beyond ESA's Board and Committees. These may include representatives from EA or other State equestrian bodies, from ORSR, from PCA, and from corporate sponsors or other organisations. Strategic Planning should not be confined to a three-yearly exercise. An external environment scan should be undertaken on at least an annual basis, and its results brought to the Board for discussion.

ESA's internal environment is equally important to ESA's future health. Enough comment has been made above on member and Committee communications and interactions. Regular and respectful internal communications will help the Board to stay in touch with the changing needs of members, and inform the membership of the Board's directions, intentions and progress.





7. IMPLEMENTATION

7.1 CORPORATE STRUCTURE

Significant corporate restructuring of ESA is not recommended. The current entity forms part of a family of state organisations, most of which are organised along similar discipline-by-discipline lines and all of which are linked to EA nationally. Departing from this well-established structure would not, in itself, enhance standards of governance for ESA.

Within the current corporate structure a range of changes is proposed. Amongst these the Review has recommended:

- > The appointment of an independent Chair for ESA's Board, for a transitional period
- > Altering the Constitution to enable the Board to choose several Board members through co-option rather than all Board members being elected by the membership
- > Adoption of a structured nominations process to identify and recruit board members on a skills and experience basis
- > The amalgamation of some of the Discipline Committees to reduce the overall number. The detail of such amalgamations would take into account the workload of the Committees, the synergies between their work and the financial performance of the various Disciplines
- > A periodic group meeting of the Discipline Committee Chairs
- > Attendance at Discipline Committees by a Board member
- > Exclusion of Discipline Committee members from Board membership.⁷

7.2 KEY PLAYER ACTIONS

7.2.1 BOARD

Key actions arising from the Review for the Board are:

- > Consider and adopt agreed recommendations from the Review, in consultation with Discipline Chairs
- > Confirm an implementation plan and schedule, including allocation of responsibilities
- > Communicate the recommendations and implementation plan to members
- > Complete induction of EO
- > Prepare three-year Strategic Plan, in conjunction with EO, Discipline Committees, and in consultation with members, EA National and other stakeholders
- > Plan and implement communication strategy for members in preparation for Constitutional amendments
- > Hold General Meeting of the members to approve Constitutional amendments
- > Undertake quarterly progress reviews of implementation plan, and communications to members

⁷ This will require Discipline Committee members to relinquish that membership upon appointment to the Board

7.2.2 DISCIPLINE COMMITTEES

Key actions arising from the Review for the Discipline Committees are:

- > Review those recommendations which affect the Discipline Committees, and participate in discussion with the Board on their refinement and implementation
- > Advise the Board on Committee amalgamation issues, and assist with agreed transition
- > Assist with induction of the EO
- > Participate in the three-year Strategic Planning process

7.2.3 EXECUTIVE OFFICER

Key actions arising from the Review for the EO are:

- > Discuss findings and recommendations from the Review with the Chair and Board members
- > Assist in implementation of the recommendations
- > Engage in a thorough induction
- > Agree on Board reporting procedures
- > Support and participate in Strategic Planning process
- > Build positive communications with Board, Discipline Committees, Members



APPENDICES





Kristy Bruhn and Kay Em Bambalou in the World Cup at the Australian International 3 Day Event

APPENDIX 1, REVIEW TERMS OF REFERENCE

GOVERNANCE REVIEW OF EQUESTRIAN SOUTH AUSTRALIA INCORPORATED

INTRODUCTION

Equestrian South Australia (ESA) operates within a Federated structure.

ESA is an Incorporated Association under the Associations Incorporation Act 1985 of South Australia.

Within South Australia, it is the peak body for the administration of equestrian sports which includes the following disciplines:

- > Dressage
- > Eventing
- > Jumping SA
- > Show Horse
- > Carriage Driving
- > Vaulting
- > Interschool

It also includes Members from other disciplines; including Para-Equestrian, Reining and Endurance.

ESA is affiliated with Equestrian Australia Ltd which is the National governing body which is, in turn, affiliated with the International Federation for Equestrian Sports (FEI), the global governing body.

The Board is seeking an independent review of the efficacy, fitness-for-purpose and sustainability of the Association's current governance framework in order to understand whether the elements best position the Association to:

- > Provide strategic direction.
- > Provide mechanisms to ascertain the collective interests, aspirations and requirements of members to inform the Association's Strategic Plan.
- > Ensure strategic objectives are achieved.
- > Manage risks.
- > Use resources responsibly and with accountability to the membership and relevant stakeholders.



OBJECTIVE

To enhance the governance standards, systems and processes of the organisation in order to best meet the current and future needs of its membership.

CONDUCT OF REVIEW

The review will be conducted by an independent consultant with the following qualifications/ capabilities:

Essential:

- > All individuals engaged in the review (i.e. contributing to the deliverables) are free from all actual conflicts of interests within the equestrian sports of themselves, their family members and their associates.
- > All individuals engaged in the review (i.e. contributing to the deliverables) have at least 5 years' experience in the conduct of corporate governance reviews with the ability to provide relevant referees from at least two (2) companies in which previous reviews have been conducted.

Desirable:

- > All individuals engaged in the review (i.e. contributing to the deliverables) are free from all perceived or potential conflicts of interests within the equestrian sports of themselves, their family members and their associates.
- > Relevant Qualification in Corporate Governance (e.g. Directors Course from Australian Institute of Company Directors).

Giving regard to:

- > Relevant standards and/or best practice guidelines for corporate governance; particularly those relating to not-for-profit and/or sporting organisations e.g.
 - o Not-for-Profit Governance Principles (Australian Institute of Company Directors, 2019).
 - o Governance Principles for South Australian State Sporting Organisations (Office for Recreation, Sport and Racing, 2015).
- > Consideration of the adequacy of the methodology recommended by any proposal to engage with the membership.

OPERATING CONDITIONS FOR THE CONSULTANT

ESA Board is required to provide the contractor with full access to information and facilitate contact with current and previous personnel (including access to staff, members, affiliated Associations and clubs and Board members). The ESA Board will negotiate the support and input of Equestrian SA.

SCOPE

Research , consult and examine the degree to which:

- > The organisation has a clear purpose and a strategy which aligns its activities to its purpose.
- > There is clarity about the roles, responsibilities and relationships of the Board, Committees and senior management.
- > The Board's (and its Committees') structure and composition enable it to fulfil its role effectively.
- > The Board (and its Committees) are run effectively and their performance is periodically evaluated.
- > Board and senior management decision making is informed by an understanding of risk and how it is managed.
- > The organisation uses its resources appropriately and evaluates its performance.
- > The Board and senior management demonstrate accountability by providing information to members and others stakeholders about the organisation and its performance.
- > There is meaningful engagement of members and other stakeholders and their interests are understood and considered by the Board and senior management.
- > The expectations of behaviour for the people involved in the organisation are clear and understood and that appropriate grievance processes are in place and those processes are implemented consistently (without reviewing the merits of any grievance or decision).
- > The Board and senior management work to instil (and model) a culture that supports the organisation's purpose and strategy.



- > Practices are benchmarked against best practice governance principles.
- > The Board and Senior Management have systems and processes in place to manage compliance with State and Commonwealth legislation and the Associations constitution and relevant policies.

The Scope of this Review specifically excludes investigations into the merits and outcomes of allegations or complaints (including bullying and harassment), but may examine consistency and compliance with approved process.

RISKS AND ISSUES MANAGEMENT

- > Stakeholder engagement in the Review may highlight issues/matters outside of the scope of this Governance Review.
- > There could be difficulties in accessing the information to inform the review.
- > Members' and Stakeholders' acceptance may be low for some proposed changes.
- > Members' and Stakeholders' acceptance of the recommendations may be compromised by actual or perceived conflicts of interests of the consultant.
- > Members' expectations of the review fall outside of the scope of a Governance Review.
- > The recommendations of the Governance Review may be outside the resourcing capability of the organisation or reasonably expected timeframes of a largely volunteer organisation.

DELIVERABLES

- > An Executive Summary of the review findings and key recommendations in priority order.
- > Report on findings and recommendations to improve organisational governance; including all research summarised, analysed and documented.
- > An evaluation on the overall 'organisational health status' based on the review, research and consultation, including how each recommendation was derived.
- > A detailed change management strategy for ESA to implement recommendations; including required resources and timelines. The strategy should include identification of any/all external influences outside of the control of Equestrian SA that may impact on the capacity of Equestrian SA to effectively meet and implement any of these recommendations.
- > The report should cite all reference material (including all literature and relevant research) relied upon.



APPENDIX 2, DOCUMENTATION REVIEWED

The following documentation provided by ESA, the ORSR and EA National was reviewed to provide commentary.

AUTHOR	DOCUMENT
AIS	Mandatory Sports Governance Principles
Australian Institute of Company Directors	Not-for-Profit Governance Principles
BoardConnect	Budgeting and Financial Planning
	Board Development
	Board Member Induction
	Code of Conduct for Board members
	Confidentiality Policy
	Dispute Resolution Policy
	Transparency and Accountability Policy
	Delegations
	Risk Management Policy
	Complaints and grievances policy
	Workforce Development
	Equestrian Australia
EA Appointment Procedures for National Positions HP	
EA Awarding Wearing Australian Flag Policy	
EA Child Safety Commitment Statement	
EA Disciplinary tribunal procedure and protocol	
EA Equine Anti-Doping and Controlled Medication Regulations	
EA Event Sanctioning Policy	
EA Hot Weather Policy	
EA Medication Control Policy	
EA Stallion Safe Practice Policy	
EA Veterinary Regulations - Administration of Altrenogest	
Equestrian Australia Anti-Match Fixing Policy	
Equestrian Australia Appeal bylaws	
Equestrian Australia Code of Conduct	
Equestrian Australia Committee Bylaws	
Equestrian Australia Conflict of Interest Policy	
Equestrian Australia Disciplinary by laws	
Equestrian Australia General Regulations	
Equestrian Australia Member Protection Policy	
Equestrian Australia Membership Bylaws	
Equestrian Australia Privacy Policy	
Equestrian Australia Responding to Sexual Misconduct Policy	
Equestrian Australia Social Media Policy	
International Horse Owner Licence Bylaw	
Memorandum of Understanding - EA & State Branches	
National Discipline Committee Appointment & Procedures	
Equestrian NSW	
Equestrian SA	Accounts Payable Controls
	Annual Report 2015-16
	Annual Report 2016-17
	Annual Report 2017-18
	Board of Management Position Description and Confidentiality Agreement
	Child Protection Risk Management Policy
Claim for Reimbursement of Expenses	



AUTHOR	DOCUMENT
	Conflict of Interest Policy
	Constitution
	Criteria for bestowing Honorary Life Membership Awards
	Delegation of Authority Policy
	Discipline Committees Confidentiality Agreement
	Employment Contract
	ESA Discipline Committee By-Laws
	Executive Officer Position Description
	Expense Reimbursement Procedure
	Finance, Audit & Risk Management Committee – Terms of Reference
	Governance Document Management Framework
	Honorary Membership Criteria
	Lightning Safety Protocol
	Membership Data 2016-2019
	National Levies for Membership from
	Social Media Policy
	Strategic Deliverables
Government of South Australia	Governance Principles for South Australian State Sport Organisations
	Return to Work Act 2014
Paddle Australia	Anti-Doping Policy
	Anti-Match Fixing Bylaw
	Athlete Categorisation Guidelines
	Athletes Commission
	Audit & Risk Committee
	Board 'For Decision' Papers Policy
	Board Member & Staff Relations Policy
	Board Role, Function & Conduct Policy
	Code of Behaviour Policy
	Competition Committee
	Competitions Policy
	Competitions, Teams and Disciplines Naming Policy
	Concussion Guidelines
	Delegations Policy & Financial Delegations Schedule
	Disciplinary Bylaw
	Ethics & Integrity Committee
	Extreme Heat Recommendations
	Honours Award Policy
	Matters Reserved for the Board Policy
	Medical and Medication Policy
	Member Protection Bylaw
	Photography Policy
	Privacy Policy
	Remotely Piloted Aircraft Policy
	Risk Management Policy
	Safety Guidelines
	Selection Procedures Bylaw
	Social Media Policy
	Supplement Policy
	Team Members Bylaw
	Team Officials Bylaw
	User Pays Bylaw



APPENDIX 3, POLICY COMPARISONS

Scanning the policy suites of other sporting peak bodies, and other non-profit organisations, there are further policies which may be considered prudent for ESA to adapt and adopt. The following table presents the existing ESA policies (as sighted), EA National policies and – for comparison – policies from another sporting peak body, Paddle Australia. The right-hand column suggests some further policies which might be considered by ESA. The table is not suggesting that all the policies are essential.

POLICY	ESA (CURR.)	EA NATIONAL	PADDLE AUSTRALIA	POSSIBLE NEW
Accounts Payable Controls	✓			
Anti-Doping Policy		✓	✓	
Anti-Match Fixing Policy/Bylaw		✓	✓	
Appeal bylaws		✓		
Appointment Procedures for National Positions HP		✓		
Athlete Categorisation Guidelines			✓	
Athletes Commission			✓	
Audit & Risk Committee			✓	
Awarding Wearing Australian Flag Policy		✓		
Board 'For Decision' Papers Policy			✓	
Board Development				✓
Board Member & Staff Relations Policy			✓	
Board Member Induction				✓
Board of Management Position Description and Confidentiality Agreement	✓			
Board Role, Function & Conduct Policy			✓	
Budgeting and Financial Planning				✓
Child Protection Risk Management Policy	✓			
Child Safety Commitment Statement		✓		
Claim for Reimbursement of Expenses	✓			
Code of Behaviour Policy			✓	
Code of Conduct		✓		
Code of Conduct for Board members				✓
Committee Bylaws		✓		
Competition Committee			✓	
Competitions Policy			✓	
Competitions, Teams and Disciplines Naming Policy			✓	
Complaints and grievances policy				✓
Concussion Guidelines			✓	
Confidentiality Policy				
Conflict of Interest Policy	✓	✓		
Criteria for bestowing Honorary Life Membership Awards	✓			



Delegation of Authority Policy	✓		✓	
Financial Delegations Schedule			✓	
Disciplinary Bylaw		✓	✓	
Disciplinary tribunal procedure and protocol		✓		
Discipline Committee By-Laws	✓			
Discipline Committees Confidentiality Agreement	✓			
Dispute Resolution Policy				✓
Ethics & Integrity Committee			✓	
Event Sanctioning Policy		✓		
Expense Reimbursement Procedure	✓			
Finance, Audit & Risk Management Committee – Terms of Reference	✓			
General Regulations		✓		
Governance Document Management Framework	✓			
Honorary Membership Criteria	✓			
Honours Award Policy			✓	
Hot Weather/ Extreme Heat Policy & Recommendations		✓	✓	
International Horse Owner Licence Bylaw		✓		
Lightning Safety Protocol	✓			
Matters Reserved for the Board Policy			✓	
Medication Control Policy		✓	✓	
Member Protection Policy/Bylaw		✓	✓	
Membership Bylaws		✓		
Memorandum of Understanding - EA & State Branches	✓	✓		
National Discipline Committee Appointment & Procedures		✓		
Photography Policy			✓	
Privacy Policy		✓	✓	
Responding to Sexual Misconduct Policy		✓		
Risk Management Policy			✓	
Safety Guidelines			✓	
Selection Procedures Bylaw			✓	
Social Media Policy	✓	✓	✓	
Stallion Safe Practice Policy		✓		
Supplement Policy			✓	
Team Members Bylaw			✓	
Team Officials Bylaw			✓	
Transparency and Accountability Policy				✓
User Pays Bylaw			✓	
Veterinary Regulations - Administration of Altrenogest		✓		
Workforce Development				✓



APPENDIX 4, OUT-OF-SCOPE ISSUES RAISED

During the course of the Review some individual members provided details of incidents and communications which had led to their alienation from the board or organisation. Commentary on or judgment related to such incidents were beyond the scope of the Review, but provided the consultant with important contextual information regarding ESA's current situation.

Several consultees suggested the need for structural changes to the organisation of equestrian sports nationally, such as removing some activities from organisation at state level to national-only level. These were considered as beyond the scope of the Review, but may merit further consideration by the board of ESA at a later stage.

Reference was made by board members of ESA and others to the resource-hungry interschool activities, which were felt not to be core business for ESA. Altering ESA's commitment in this area would be a matter of strategy for the board of ESA rather than a matter for the Governance Review.





Kristy Kate Kyros, Show Horse Showing

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PO Box 765
New Farm
Queensland
4005
Australia

+61 7 3891 3872
info@positive-solutions.com.au
www.positive-solutions.com.au
ABN 21 085 992 301