



BOARD MEMBERS SUMMARY - GOOD GOVERNANCE

“This document is the platform of good governance at Royal Johannesburg & Kensington Golf Club, applying the key principals and alignment to the Constitution”

This document has been produced in the best interest of Good Governance at Royal Johannesburg & Kensington Golf Club. There is no ‘one size fits all’ approach to good governance and ethics; each “small/medium” business has its own structures, some unique and business culture that is constantly evolving. Our Good Governance document is customised to suit our facility and business, applicable to The Club and based on themes extracted from the King IV report - section 6.3 “Supplement for non-profit organisations” and reference To Mr. Robert Wesseloo’s Guide to Good Governance in Club/Residential Communities.

The Board’s task is to combine, allocate, coordinate and deploy resources in such a way that the organisations goals are achieved as productive and efficiently as possible. This is done by applying fundamental management principles:

Planning – Strategic, Organising, Leading. The Board are responsible for the overall Strategy and Good Governance of the Club, while senior management are responsible for the operational delivery on a day to day basis.

1. Lead ethically and effectively

Ethical and effective leadership is exemplified by integrity, responsibility, accountability, fairness and transparency.

- ◇ Business ethics is defined as the practice of moral principles, respected by all individuals involved in the organisation
- ◇ Evidence is displayed in the behavior of the management team and the Board
- ◇ The management team and the Board act in the best interest of the members
- ◇ Good business decision making is applied
- ◇ Conflict of interest is declared annually

2. Establishment of an ethical culture

An ethical culture is created by basic behavior requirements, which include mutual respect, honesty and integrity.

- ◇ Evidence is the existence of policies on all major activities of the organisation
- ◇ Tender and quotation policies are defined
- ◇ Contracts are approved by the CEO and FM and made available to the Board
- ◇ The CEO is to be fully transparent as mandated by the Board



3. Practice responsible corporate citizenship

The management and the Board must comply with its internal policies and procedures as well as laws and by-laws.

- ◇ Policies and standard operating procedures for each area of activity are in place and are practically applied.
- ◇ We document all standing operating procedures.

4. The organisations core purpose and ensuring the implementation thereof.

The Board defines the organisations core purpose, sets goals and strategies and ensure the implementation thereof.

- ◇ Mission statement
- ◇ Evidence of goals set in the business (External) and marketing of the Club (Internal)
- ◇ A strategic plan and the execution thereof
- ◇ Financial budget and capital expenditure plan
- ◇ List of specific objectives

5. Provide short, medium- and long-term reports

Good and comprehensive reporting is important as this demonstrates accountability

- ◇ Short Term - (monthly / quarterly):
 - ◇ Monthly Management reports on financial performance
 - ◇ Quarterly Board Meetings and reports that align with the Constitution
 - ◇ Monthly Capital expenditure progress reports
- ◇ Medium Term – (annual)
 - ◇ Annual Financial Statements
 - ◇ Annual Audit report
- ◇ Long Term – (> 1 year)
 - ◇ Long term goals
 - ◇ 5-year planning



6. Serve as the focal point and custodian of good corporate governance.

- ◇ Evidence of monthly reports from the CEO & FM
- ◇ Management and Board Minutes as required

7. The Board must comprise the appropriate balance of knowledge, skills, experience and diversity and independence to function objectively and effectively.

- ◇ The Board will consist of the following:
- ◇ Chairperson
- ◇ Vice Chairperson
- ◇ CEO
- ◇ Treasurer
- ◇ Lady Captain
- ◇ Men's Captain
- ◇ Board Member

8. Delegation of responsibility must promote independent judgment and assist with the balance of power in the organisation.

- ◇ All or any portfolios/workgroups must be agreed and allocated with experienced, skilled Board Members as approved by the members at each AGM
- ◇ Board Members are allowed to act as they deem fit without being influenced by other Board Members in the best interest of the Club.

9. Evaluate the performance of the Board, the chairperson and the individual directors

- ◇ Performance against objectives set on a quarterly basis
- ◇ Areas of concern need to be addressed



10. The appointment of, and delegation to, managers whose role is clearly defined

- ◇ The CEO & Management team has the correct qualifications, experience and skills in the areas that they are responsible for as well as sound job descriptions
- ◇ Key Performance Indicators are set, and performance is measured
- ◇ Delegation/Mandate of authority is to be clear and documented.
- ◇ Conflict of interest is declared annually

11. The risks of the organisation must be managed in a way that supports the strategic objective of the organisation

- ◇ A risk management plan is in place
- ◇ The risk management plan is monitored and reported on quarterly; where required it is revised and updated

12. Technology and Information must be in place to support the organisations strategic goals and to communicate to its members

- ◇ Electronic information is protected and backed up
- ◇ Data protection and data security (Poppy)
- ◇ Selective information is available to the members
- ◇ Transparency to the members must be achieved
- ◇ All information needs to be available to the Board

13. Legal compliance with applicable Laws, rules, codes and standards must be practiced for the organisation to be good corporate citizen

- ◇ A list of all the Acts that the organisation must comply with and the issues of each must be identified and the task must be delegated to a manager or board member.
- ◇ Policies and standard operating procedures for each area of activity are in place and are applied



14. The Board members and management must be remunerated fairly, responsible and transparent in order to achieve the strategic goals of the organisation

- ◇ Board members will have no remuneration other than the CEO
- ◇ The managers remuneration package is benchmarked and approved by the Remuneration Committee.
- ◇ Bonuses are based on performance appraisals and approved by a Remuneration Committee

15. The assurance function must ensure an effective control environment that will result in the integrity of information for good decision making and reliable external reports

- ◇ Report issued by management and the Board are on time and accurate
- ◇ Accurate Minutes are kept
- ◇ Accurate reporting to outside institutions is done timeously

16. The Board needs to ensure that the needs, interest and expectations of the members is being met over a longer term

- ◇ Members of the organisation are given regular feedback and have access to the web site where documents are stored
- ◇ The documents shared with members by the Chairperson at the AGM reflects total openness of the business
- ◇ Functional reports are accurate and give a true reflection of the organisations activities
- ◇ Report back on service excellence



Conclusion

Board members must be supplied or has access to the following information:

- ◇ Founding Documents
- ◇ MOI
- ◇ Mission, vision, goals and objectives of the organisation
- ◇ Code of conduct for Board members and management
- ◇ Risk management plan
- ◇ Responsibilities of functional portfolios
- ◇ Members rules and regulations
- ◇ Organisation policies
- ◇ Delegation of authority
- ◇ Year Planner
- ◇ Annual Budget
- ◇ Capital budget short and long term
- ◇ Management KPI's
- ◇ Contact numbers of management and Board members