

# Canoeing Ireland

## An analysis by Mark Clinton

### **Current Situation.**

At a meeting of the board of Canoeing Ireland on the 12th of December the members had the task of ratifying the General Manager in his position after a nine month probationary period. As is the norm with such periods of probation they are put in place to ensure the employer is protected and that the probationer is assessed for suitability to the required job specification.

At that meeting the Secretary reluctantly recommended that the General Manager should not be confirmed in his position because she felt he was unsuitable for the role intended by the job spec. Due to employment law restrictions she was restrained from elaborating on how she came to that conclusion and despite rigorous questioning from the board she maintained that position. The Secretary was immediately supported by the President and the Treasurer all of who had worked very closely with the General Manager designate over the preceding nine months. The remaining two executive members concurred with the President, Secretary and Treasurers conclusions. Despite repeated requests the Executive had to stick to the line that it was their opinion after extensive experience working with the General Manager that they felt he was unsuitable. The Executives view was that the General Manager had not measured up to the expectations of the post and therefore his contract should not be ratified.

A vote was then taken and the Board voted by a small majority to confirm the General Manager in his position. As the President felt that the decision of the board not to accept his and the Executives recommendation was incorrect, he felt he had no alternative but to interpret the vote as a vote of no confidence in him as President and the executive as a whole. He then resigned followed by the Secretary Yvonne Glynn, the Treasurer Kevin Horan and the two remaining Executive members.

The resigning members then left the meeting. I believe those remaining board members then proceeded to appoint a temporary chairman Conor Murray the only remaining ADM elected member. They also elected Brendan O'Brien as acting Secretary and both Brendan and Eamon Fleming volunteered to become Directors of Irish Canoe Union Ltd.

A board meeting was scheduled on the 17<sup>th</sup> December to agree a course of action and to release a statement of fact to the members, including a date for an ADM/ EDM. Conor Murray the person appointed to the role as temporary chairman at that meeting apparently felt he was not getting the level of co-operation and information he required to make informed decisions he resigned from the board on 22<sup>nd</sup> of December. I believe he felt that commitments made at the board meeting on Dec 17<sup>th</sup> with regard to an agreed statement had not been followed through by the General Manager and that the requested legal opinion had not been furnished in full to the board. When Conor requested the original CI Solicitors document and it was not forthcoming from the GM, Conor felt he had no option but to resign. The remaining dissenting member was asked to resign because he disagreed with the majority view on the way forward and refused to sign the board statement. After a lot of soul searching Kevin O' Callaghan of the TDU resigned on Sat

22<sup>nd</sup> December. A board statement was published on the web site on 24<sup>th</sup> December. In this statement no mention was made of the fact that the temporary chairman from Dec 12<sup>th</sup> Board Meeting had resigned and no mention was made as to who the temporary secretary was or who the directors of the company are.

It is disturbing that people of such high caliber and integrity felt that they had no alternative but to resign. There is obviously something fundamentally wrong with the corporate governance of Canoeing Ireland.

### **Current Structure.**

The Board of Canoeing Ireland is made up of the President, the Secretary and Treasurer along with two executive members. The remainder of the Board consists of the chairs from the technical disciplines, a clubs representative and the chair of the TDU. This means there is a total of 14 people on the Board. The President appoints the Directors, the Secretary and Treasurer and that team is ratified by the Board.

Typically the Executive serve for a minimum period of two years with the President in almost cases serving for at least two periods of two years. The eight members of the board elected by the various technical committees are appointed to the Board by their respective committees and are ratified at each ADM, they normally serve for a period of one year unless their chairmanship of their technical committee is shorter or longer than that period. The one remaining member is elected by an ADM as Clubs representative on the Board. There are two remaining positions available that of Children's Officer and Access Officer. These have been filled by other serving officers in the past but are still available to be filled.

It is my opinion that this structure is not fit for purpose because it fails to enshrine any personal sense of responsibility among the appointed members. The composition of the board is at variance to best practice as outlined in Principle 1.7 and 4.1 of the Irish Sports Council NGB Support Kit. Technical committee members are appointed for a period of one year by AGM's which in some cases can be attended by very few members. Sometimes the new chair has taken on the roll reluctantly after repeated attempts to fill the position, this even in exceptional circumstances is hardly the basis of good governance. Whilst the President and the appointed officers such as the Secretary, Treasurer and company Directors are legally and operationally responsible for the day to day running of the organisation and obviously feel directly responsible for what they do or fail to do, there is no mechanism to ensure that the other board members act and feel the same. The appointed members of the board are constantly in transition only serving one year with no personal legal or operational responsibility or consequence to their actions or lack of actions, it is up to each appointed member to interpret and decide the extent of their board involvement. This in my view is a fatal flaw but one which can be fixed. A practice where a board member from a technical committee can appoint a proxy to attend a meeting in their place when they are unavailable has been adopted in recent years and can lead to difficulties where sensitive matters are being discussed. This in my view demonstrates a lack of good corporate governance.

### **The Solution.**

As canoeing in Ireland is very diverse organisation I believe we should look for a uniting factor, something that binds the organisation together. By making the organisation a union or federation of canoe clubs I believe will point the way to a more harmonious and efficient organisation.

The board structure of such an organisation should come from the membership and club structure. It should be representative of membership nationally and should also reflect the prominent role played by high performance sport as well as recreational canoeing. Each board member should serve for a minimum term of two years and a maximum of four years. All board members should be company directors, all members should be assigned an area of responsibility to be determined by the board under the guidance of the President, Secretary & Treasurer. The corporate governance represented by the Memo and Articles of Association must take into account the guidelines issued by the Irish Sports Council.

I would recommend that the board of Canoeing Ireland might look something like this. The President should be elected as is current practice; The remaining members should all be directly elected at the ADM \ EDM ideally they should be broadly representative of canoeing throughout the country with a member being elected from Dublin, Munster, Connaught \ Ulster and Leinster. The high performance director should have a seat as should a representative of non Olympic disciplines. Recreational canoe sport should be represented by a nominee proposed by the TDU. The final three positions should be voted in on the recommendation of their technical committees at the appropriate ADM. This would mean a ten member board all registered directors of the company and all serving for a minimum term of two years. An additional possibility could be the appointment of one or more external members to cover areas such as PR, Marketing and IT. By attracting external professionals in this way we can revitalise our external image to the benefit of the organisation as a whole.

The Irish Sports Council has a very comprehensive corporate governance document which outlines best practice in constituting a NGB Board. I would recommend all interested parties to read this document in particular pages 4 to 53 which deal with corporate governance.

***"Principle 1.4:*** *That the members of an organisation should elect the majority of the board of directors. In addition, any issue on which a member vote is taken should require a majority of member votes for any proposal to be passed."*

***"Commentary and guidance:*** *Each sporting organisation should detail how people and/or organisations may become the members of them. The constitution of the incorporated body will state the voting power of each member in this regard. The ASC advocates that a 'one state one vote' voting system be applied to federal sporting structures. While a proportional voting system is an option, it is not recommended. Large member bodies should never be able to dominate the direction of an organisation. Where a board is made up of appointed and elected directors, it is recommended that at least a majority of the board membership is elected by the members.*

*In addition, it is also advocated that votes taken at board or general meetings should be passed by a majority of directors/members and not be subject to a casting vote. This principle is based on the premise that if a majority cannot agree on an issue then the issue should be forfeited."*

**"Principle 1.7:** *That each board should be structured to reflect the knowledge of the sport and sports industry and the complex operating environment facing the modern sporting organisation.*

*Normally, it is envisaged that a board will: Comprise between five and nine directors*

- *Have a sufficient blend of expertise and skills necessary to effectively carry out its role*
- *Have all directors being independent, regardless of whether they are elected or appointed*
- *Have the ability to make a limited number of external appointments to the board to fill skills gaps*
- *Institute a staggered rotation system for board members with a maximum term in office to encourage*
- *board renewal while retaining corporate memory Be broadly reflective of the organisations key stakeholders, but not at the expense of the board's skills mix.*

**Commentary and guidance:**

*The number of directors on a board should reflect the size and level of activity of the organisation. As such, the ASC advocates a board with the necessary skills to carry out its governance role rather than a representative board. Independent directors are those that are not appointed to represent any constituent body, are not employed by or have a significant business relationship with the organisation, do not hold any other material office within the organisational structure and have no material conflict of interest as a result of being appointed director. In relation to traditional federal sporting structures, the holding of state-level positions would be seen to be a material conflict of interest if held at the same time as national level positions. In unitary sporting structures, where there is only one organisational entity with a direct relationship to individual members and/or their clubs, club-level positions may create a similar level of conflict to that of the state level in the federal structure. Similarly, sporting organisations whose operations are predominantly of a business-owner nature should avoid situations where the owners of those businesses are also the key decision makers of the organisation, where those decisions will have a material effect on the outcomes of those businesses, perceived or actual. Examples of material conflicts are: presidents of member bodies, representatives of select groups (for example, umpires) and chief executive officers or senior staff. When directors do represent a constituency, they are bound by their legal responsibility to represent the organisation as a whole. External appointments (appointed directors) are appointments to the board that have not been elected by the constitutional members and are at the discretion of the existing board. An effective board has a proper understanding of, and competence to deal with, the current and emerging issues of the business and can effectively review and challenge the performance of management and exercise independent judgment."*

[http://www.irishsportsCouncil.ie/Governing\\_Bodies/NGB\\_Support\\_Kit/](http://www.irishsportsCouncil.ie/Governing_Bodies/NGB_Support_Kit/)

## **Where do we go from here?**

An EDM or ADM should be convened without further delay.

1. A motion replacing the existing board structure with the one outlined above should be proposed to the meeting. (see appendix 1.)

The meeting would then proceed to the election of officers as contained in the motion about board structure.

The Sports Council would then be informed of the changes and the new board would take control of the organisation and its assets.

A priority should then be set by the new board to re-write the Memo & Articles of Association to reflect the new changes. The Corporate Governance document would then be updated and brought into line with the Irish Sports Council guidelines.

### **The alternative view.**

Certain members of the remaining board will of course contend that the President was against the General Manager from the start and that he never really got a fair chance. That he was possibly put under undue pressure by the president and other members of the executive.

They may say that because the former President originally recommended against his recruitment, that he was from the outset determined to ensure that General Manager was never confirmed in the position. Some of the remaining board members will contend that in the absence of clear reasons as to why the President and the Executive came to the conclusion that the General Manager did not measure up to the job specification they had no alternative but to vote against the motion. These views in my opinion whilst understandable are misguided. Having taken legal advice the President and Secretary could only state that in their opinion and having worked with the General Manager designate for nine months they felt he was not suitable for the position and should not be ratified. The President and Secretary were supported in this view by the Treasurer and the remaining two members of the executive.

Since March 2012 the President as line manager had extensive dealings with the General Manager. He was responsible with the assistance of the Secretary & Treasurer for overseeing the operation of Canoeing Ireland through the General Manager and the office staff. This involved dealing with normal routine administration and several major issues of importance to the organisation. The President and officers of the executive performed their role in an honest and conscientious manner giving the General Manager and the office staff every opportunity to perform to the best of their ability.

On his appointment the General Manager was required to resign as Secretary. He was replaced by fellow WWKC member Yvonne Glynn who after a period on the board as WW Officer ran successfully for an executive position in Nov 2011. Yvonne a solicitor by profession was appointed by the President as Secretary, an action some interpreted as an obvious act of reconciliation as she would generally have been regarded as supportive of

the new General Manager. It is significant that having worked for nine months with the new General Manager the Secretary came to the reluctant conclusion that he did not measure up to the job. This decision did not come easily to such a professional person from the same club as the General Manager. I respect her courage and honesty of opinion in coming to the conclusion she did. She was strongly supported in this view by the President and the Treasurer Kevin Horan a senior executive with the Irish Medicines Board. When people of this stature come to such a conclusion those of us such as Conor O' Geran and I with less day to day contact with the General Manager must take heed. The two remaining members of the executive fully supported the views of the President, Secretary & Treasurer on this matter.

### **Where are we today.**

A situation now exists where the control of Canoeing Ireland rests with the General Manager who apparently was still a company director in early January despite a request by the former president that he should resign several months ago. He has been joined as a company director by Brendan O'Brien Chair of the Marathon Committee and Eamon Fleming Chair of the Sprint Committee, Chairman of Celbridge Paddlers Canoe Club and who is currently also a member of the Marathon Committee. All ADM elected members have at this stage resigned followed by the Chair of the Training & Development Unit.

As I write this brief I notice that web blogs are buzzing with speculation as to what is going on. My feeling is that it is just a matter of time before the basic facts arrive on the blogs with all sorts of distortions. The remaining board members have had several options.

Re-constitute the Executive from within using the "casual vacancy clause" and carry on as normal. In this scenario they would more than likely look to experienced former board members who they feel would gel with the existing remaining members.

The board could opt to do nothing and ride out the storm appointing temporary members to fill key positions such as Chairman, Secretary and Treasurer with a view to completing a corporate governance and strategic review before the next AGM which would be required 12 to 18 months from the last ADM.

The final option and the one which is now proposed would be to have an EDM at the first opportunity to elect a new executive. In my opinion this is the correct course of action and if chosen the board may try and have a one item agenda to vote in a new executive. They may resist any attempt to consider other motions which might complicate the process and may use any legal option available to them to ensure this happens, thus maintaining the status quo. If this happens and there is no reform a valuable opportunity will be lost with the danger of another major incident occurring down the line.

## **APPENDIX 1**

*Motion 1.*

*That the membership resolves to replace paragraph 48 of the Memo & Articles of the Irish Canoe Union with the following paragraph with immediate effect.*

**Unless otherwise determined by ordinary resolution at an Annual Delegate Meeting , the union's board of management shall consist of the Executive and the following elected members.**

**Dublin Rep**

**Leinster Rep**

**Munster Rep**

**Connaught \ Ulster Rep**

**Olympic High Performance Rep**

**Non-Olympic High Performance Rep**

**Recreational Sport Rep.**

**It further resolves that hereafter all board members will serve for a period of two years and that each member will become a director of the company. The board will nominate from within its members a Child Protection Officer and an Access & Environment Officer.**

### **NOTE:**

The President at the first meeting of the board will appoint a Secretary, Treasurer Child Protection Officer and Access & Environment Officer the remaining elected officers would then be allocated specific roles such as Corporate Governance reform, Strategic Planning, Club Development. The High Performance Rep could be allocated the task in addition to the Olympic brief the development of competitive sport throughout the club structure. The Recreational Sport Rep could be tasked with coordinating a national canoe trails policy and the No- Olympic High Performance Rep could be tasked with guiding a completely new coaching initiative. All board members will serve a minimum term of two years and be directors of the company. The President will arrange a board rotation system that will eventually arrive at a situation where at least 25% of its membership is changed at every ADM thus ensuring continuity of corporate memory. The principle here is that all board members will have a role on which they can plan and report to the board on. This ensures that the board is completely accountable and focused on building an effective and successful organisation.