

Questions for sports bodies

A Code for Sports Governance – Tier 3

Principle 3 – Communication

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If you have any feedback on the content of these resources, or additional questions that you'd like to discuss, please contact the SGA: **020 7612 7029** | info@sportsgovernanceacademy.org.uk

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Questions for Sports Bodies: A Code for Sports Governance – Tier 3

Introduction

These series of questions are designed to help organisations implement the Tier 3 requirements of the Code for Sports Governance (the Code) and to prompt an assessment of governance arrangements more generally within individual sports bodies.

Each set focuses on one of the five principles around which the Code is built: Structure, People, Communication, Standards and Conduct, and Policies and Processes. They present a number of questions which sports bodies should ask themselves in order to begin an examination and appraisal of their governance structures and practices.

Publicly funded national governing bodies (NGBs) will need to comply with the individual funding agreements put in place with UK Sport and/or Sport England and these should take precedence. However, in answering honestly the questions suggested here, organisations can reflect on how they are run and identify areas for improvement.

Tier 3 represents the most stringent application of mandatory governance requirements in the Code. It encompasses those organisations in which significant investment of public money is being made. An investment will generally be categorised as Tier 3 if:

- the funding is intended to be granted over a period of years;
- the funding is granted for a continuing activity rather than a one-off project; and
- the total amount of funding is greater than £1million.

The Code advises that ‘organisations receiving funding for significant, medium to long term activity should generally expect to be in Tier 3’. However, sports bodies need not be in receipt of public funding at this level in order to consider implementing those elements of good governance practice which are proportionate to their circumstances. The Code is aspirational and organisations should not be afraid to seek to put in place improved governance arrangements where it is appropriate to do so.

The requirements of Tier 3 of the Code will represent a step up for some organisations and may involve a more thorough consideration of governance than has been undertaken previously. Asking these questions – and seeking the answers to them – will help those with governance responsibilities to determine their place on the path to improved governance. This should also initiate a more detailed examination of practices and processes and of the culture and behaviour they underpin.

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The questions suggested invite a combination of open and closed responses, but even those with ‘yes/no’ answers should invite a more critical assessment of the circumstances which have prompted the given response. Further questions relevant to the areas covered here can also be found in separate sections on each of the five principles set out in the Code.

These tools can be used alongside other material in the SGA knowledge base covering specific areas of governance. They should, of course, be read in conjunction with the Code document itself which sets out in detail the principles and outcomes which organisations may aim for in pursuit of improved governance arrangements.

In addition to the requirements of the Code, organisations also have legal obligations under company, employment and/or charity law as well as safeguarding legislation. Board members must ensure that these are satisfied, as are the requirements of respective regulators.

Principle 3 – Communication

Organisations shall be transparent and accountable, engaging effectively with stakeholders and nurturing internal democracy.

A Code for Sports Governance, Principle 3

In common with organisations in other sectors, sports bodies need to have regard to a range of stakeholders. Effective and consistent two-way communication with all those who have an interest in their activities or are affected by their actions – participants, supporters, staff, volunteers, customers, suppliers or the public, to name a few – forms a crucial part of a robust governance framework. Transparency is essential to making an organisation accountable and promotes confidence among stakeholders. Frequent and constructive dialogue can also help the leaders of sports bodies to understand current trends, concerns and experiences and become more adaptable to developments in the sporting and non-sporting landscapes. In ensuring that it is responsive to those who work in or engage with it, an organisation can benefit its strategic direction, long-term health and relationships with those who make it function at all levels.

Effective communication with stakeholders also serves an important purpose in the democratic life of an organisation. This is particularly true in those bodies which maintain a membership structure or where a board operates above a council or other representative forum, but for all organisations timely and ongoing dialogue with those who have a legitimate interest furthers inclusion and can enhance decision making by enabling consideration of a range of views and perspectives.

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While it is important to be as open as possible, it is acknowledged that a balance needs to be struck between providing sufficient information about activities and engaging with stakeholders on the one hand, and on the other ensuring that the burden on organisations, particularly smaller ones, is not disproportionately onerous, nor that the stakeholders are overwhelmed with information.

Though an organisation may seek the opinions of a variety of stakeholders, ultimate responsibility for decisions made lies with the board who must ensure that these reflect what is in the interests of the organisation. As part of the engagement process, the board will need to manage expectations of stakeholders by being frank and open with them and offering a feedback mechanism in order to retain confidence and cooperation even when a decision does not have the outcome which a particular group may have sought.

Organisations should not view increased communication simply as a compliance issue, nor as concerning only governance and financial information. It is also an opportunity for them to share with stakeholders their successes, exciting developments and their vision for the future. The interest of these factors to those who interact with the organisation should not be underestimated.

Governance

Code Requirement 3.1

The natural place for an organisation to provide stakeholders with a summary of its governance is in the annual report. The length and detail of an annual report will vary according to the size, complexity and activities of each organisation, as well as the regulatory requirements to which it is subject. A typical report might include: a financial report and accounts; principal risks facing the organisation and how they are handled; the strategic report, where the organisation has one, detailing how the board members have performed in their duty to promote the success of the organisation; statements from the board chair and the chief executive officer; a report from the board members; and an annual governance statement (see below).

Organisations should also seek to provide as much relevant information as possible on the website. Many interested users will find this more accessible. As a minimum, such information might include:

- constitutional documents – articles of association, bye-laws, etc.;
- the organisation's mission, values and strategic objectives;
- biographical and contact information for members of the board and the senior leadership team;

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- appropriately redacted or summarised agenda and minutes for meetings of the board and, where applicable, council and general meetings;
- terms of reference, where applicable, for board committees;
- annual accounts (current and historic);
- the organisation's diversity action plan and statement; and
- the main policy documents, covering:
 - equality
 - safeguarding
 - duty of care
 - whistleblowing/speak up
 - data protection
 - discipline/code of conduct (organisations may operate separate codes of conduct for staff/volunteers and athletes/participants)
 - integrity (anti -doping, manipulation, gambling, etc.)

Questions to ask

Governance statement

- Does the organisation provide an annual governance statement which gives stakeholders an overview of key actions and significant changes to the governance framework?
- Does the governance statement provide:
 - Details of changes in the composition of the board and/or council?
 - Details of any changes to the organisation's governing documents?
 - An overview of areas of particular focus or activity for the board in the previous year, such as business development or governance improvements?
 - Directors' attendance at board and committee meetings?
 - Reports from any committees which are established, detailing attendance, activities, etc.?
 - A diversity statement?
 - Details of board member remuneration and expenses (see below)?
 - An overview of the activities of the council, if one operates?
 - An overview of how the organisation attains compliance with the Code for Sports Governance?
 - If not yet fully compliant it should outline the actions to be taken to meet the Code's requirements.

Board reviews

- In what ways are details and recommendations of any board effectiveness review shared with members and interested parties?

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- Are stakeholders informed as to what actions the board intends to take to address the findings?

Culture

- In what ways does the board communicate the culture, ethics and values of the organisation, both to internal and external audiences?
- How are these linked to the organisation's performance?
- In what ways are interested parties given the opportunity to help shape the culture of the organisation?

Structure

- How and where can stakeholders access the following information:
 - Constitutional documents which detail how the organisation is to be run?
 - A summary of the overall governance structure, indicating key roles and responsibilities and reporting lines?
 - Terms of reference for the board and committees?
 - Biographical details of board members (identifying those which hold particular positions) and the senior management team?
 - A high level overview of directors' interests?
 - A list of council members and officers, if the organisation has a council?
- In what ways are stakeholders consulted on important changes in the organisation's governance structure?
 - Are the results communicated effectively?
- Do stakeholders have a role in agreeing changes?
 - What is that role?
- How are members or other stakeholders notified about general meetings?
- Are these advertised in such a way as to encourage the greatest level of participation?
- Are general meetings held at days and times that maximise attendance?
- Are they combined with other events (open days, trial events, showcases) to attract the widest audience?
- In what other ways could the membership be more effectively engaged?

Strategy

- How are stakeholders' views incorporated into the setting of the organisation's strategy?
- How and in what ways does the organisation communicate its medium and long-term strategies, including any changes to them in the light of external (or internal) developments and key actions taken by the board?
- In what other ways are stakeholders kept informed as to how strategic objectives are being met?

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- Does the strategy update form part of the annual report?
- Does the board demonstrate the ways in which activities and strategic objectives are linked to the established culture?
 - In what ways could it better articulate these?

Activities

- What communication methods are used to inform interested parties about the work of the organisation and how are major activities communicated to stakeholders?
- How often are these methods reviewed to ensure they are effective and meaningful?
- What is the organisation's disclosure policy? Does the board have regular reports on the types and themes of disclosure requests the organisation receives?
- Does the board provide a month-by-month breakdown of directors' activities in the annual report?
- Are details provided of any training or development undertaken by board members and the senior management team? How is this linked to the results of any internal or external board evaluations which have been carried out?
- In what ways does the organisation communicate its risk appetite and approach to risk management? Are stakeholders provided with information about the major risks the organisation faces and any mitigating actions taken?
- In what ways do any committees provide details of their activities over the previous year in the particular areas of interest for them?
- If a council forms part of the organisational structure, how are its activities and decisions relayed to stakeholders?
- What formats are used to publicly demonstrate the organisation's impact, celebrate successes or share new developments? These could include news bulletins, case studies, interviews, stories and social media.

Finance

- When were the accounts last audited? What were the headline figures and findings?
- Where can stakeholders find the audited annual accounts (as per Requirement 5.5)?
- Does the chair of the audit committee (or the committee serving that function) attend the annual general meeting to report on and answer questions about the committee's activities?

Diversity

- What information is provided about the organisation's commitment to equality and diversity goals?
 - Where can that information be found?

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- Does the organisation have diversity action plans for the board and senior leadership team? How is this information communicated?
- Does the information include clear statements on the steps taken to achieve diversity?
- Can the board describe the plan to improve diversity, both on the board itself and within the organisation more widely?
- In what ways is success against declared diversity targets published and made available to the public?
- How is data relating to the diversity of staff, volunteers and participants made available?
- Does the organisation understand the diversity of participants and does it have plans in place to target more individuals from under-represented groups?
- Where can stakeholders find details of programmes and activities undertaken by the organisation to improve its diversity profile? These could include:
 - research carried out to assess the composition among key communities and stakeholder groups;
 - outreach programmes to take the sport into new or under-represented communities;
 - shadowing or mentoring schemes; and
 - programmes to identify and nurture future leadership talent, both internally and externally.
- Has a strategic lead been nominated with responsibility for the organisation’s efforts to improve its diversity?

More detailed questions on the issue of diversity can be found in ‘Questions for Sports Bodies, Principle 2 – People’, in the SGA knowledge base.

Remuneration

Code Requirement 3.2

Across a range of sectors organisations disclose details of senior remuneration as part of their efforts to improve transparency and accountability.

Where it is not covered in formal requirements, it will be for individual organisations to define terms such as ‘senior management team’ when determining which individuals should have their pay reported. It will also be for organisations to decide in which ways they provide disaggregated data. In addition, organisations will also need to decide in what detail they report on pay packages. They may wish to provide headline figures or to publish a breakdown which distinguishes between salary and total remuneration packages which might include pension contributions and other benefits. For sports bodies which operate a performance-related remuneration scheme, detail of how these are calculated may help stakeholders to understand the value brought to the organisation and how board member or employee performance contributes to the overall strategic objectives.

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The requirement to report remuneration of a senior management team only applies to organisations which employ more than 50 staff.

Further questions can be found in ‘Questions for Sports Bodies, Principle 2 – People’, in the SGA knowledge base.

Questions to ask

Management

- Where does the organisation report the total remuneration paid to its senior management team?
- If published on the website, can the information be found easily?
- How is this information presented in the annual report and accounts? What level of detail is provided?

Board members

- Are board members authorised to be remunerated for their role?
- If so, does the organisation annually report the individual remuneration paid to each?
- How is this information presented in the annual report and accounts?
- What level of detail is provided?

Accessibility

Code Requirement 3.3

Care should be taken to ensure that information provided to stakeholders and to the public generally is fair and accurate. The information should be kept up-to-date and provided in a timely manner. It is also important that it is made available to as wide an audience as possible. To this end, organisations should give consideration to the formats in which it is presented to stakeholders. A balance needs to be struck which enables the provision of sufficient detail to enable a full picture to be ascertained, but at the same time in a way which is understandable and comprehensible to a varied audience. This might include the use of both text and graphical information; plain, straightforward language; large print; translation into other languages; and publication in Braille and audio formats where appropriate.

Questions to ask

- In which different formats does the organisation present material in order to enable as wide a range of stakeholders as possible to access the information?
- How does the board receive feedback as to the level of engagement various communications attract? Does that information feed into the stakeholder engagement plan and any revisions to it?

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- What discussions has the board had as to whether they are satisfied with this engagement?
- What conversations has the organisation had with interested parties to ascertain what information should be received and in what formats? Does it monitor take up and make changes as a result?
- Who has responsibility for ensuring that the accessibility requirements of all interested parties are provided for?

Stakeholder engagement

Code Requirement 3.4

While not all sports bodies will be incorporated as companies, the duties of directors under company law give an indication of good practice which might be followed by board members of all organisations, appropriately tailored to their circumstances. Section 172 of the Companies Act 2006 states that in promoting the success of a company for the benefit of its members as a whole, directors must have regard to, among other things:

- the interests of the company's employees;
- the need to foster the business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

These give the leaders of an organisation a range of responsibilities with regard to those with whom it interacts. Stakeholders can be defined as individuals or groups which are likely to be affected by the actions of an organisation, or whose actions can affect the operation of the organisation. For sports bodies, these will certainly include participants, staff or volunteers, and supporters, but, depending on the activities of the organisation, may extend to suppliers, customers, funders, local authorities, regulators and commercial partners. The public at large might also be considered an important stakeholder.

As part of its work on organisational culture, the Institute of Business Ethics identified seven categories of cultural indicators within the corporate sector. Table 1 displays these adapted as categories of relations with stakeholders for the sports sector. These are intended to be illustrative only. Stakeholder mapping is an important ongoing task for any organisation as it seeks to identify who it considers to be its key stakeholders and why. A process should be in place for keeping this under review.

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Table 1

Categories of stakeholder relation	Potential relationships and key stakeholders
Employees	Relations with staff/members/connected persons: <ul style="list-style-type: none"> • Athletes/participants • Athlete entourage (coaches, physios, parents, advisers etc.) • Employees (officials/administrators, office staff, etc.) • Elected and appointed officials • Volunteers
Customers	Relations with: <ul style="list-style-type: none"> • Supporters and customers • Grassroots participants • Taxpayers (for organisations in receipt of public money)
Internal stakeholders and investors	Relations with: <ul style="list-style-type: none"> • Owners, where applicable • Shareholders, where applicable • Members, for membership organisations • UK Sport/Sport England and other funders, where applicable • Sponsors/commercial partners • Local government/local authorities • Rights-holding broadcasters • Other media

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Categories of stakeholder relation	Potential relationships and key stakeholders
National and international bodies, local communities	<ul style="list-style-type: none"> • Ethics/integrity – including bodies such as Ukad, Wada, etc. • Interaction with other external bodies, supranational organisations, law enforcement, etc. • Child Protection in Sport Unit • Sports Betting Group, Sports Betting Intelligence Unit, etc.
Suppliers and subcontractors	Relations with third party suppliers, for example: <ul style="list-style-type: none"> • Venues • Equipment suppliers • Catering/hospitality • Event organisation/management agencies • Security
Sporting hierarchy and competitors	Relations with sporting structure and competitors: <ul style="list-style-type: none"> • All levels of sporting hierarchy: clubs – region – NGB – international federation • Other entities within the same sport (for example, rival clubs) • Other sports

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Questions to ask

General

- Does the organisation have a stakeholder engagement plan that lists and prioritises different groups and highlights key messages and engagement activities for each?
- Does the plan highlight the nature of the relationships and the key concerns which these stakeholders may have?
- How frequently is this stakeholder engagement plan reviewed?
 - What information is used to review its effectiveness and inform revisions?
- How does chair/board/council engage with stakeholders?
- What activities are undertaken and how frequently?
- How is information garnered from those events fed into the decision-making process?
- To what degree do general meetings and other such events provide board and council members with an understanding of the views and concerns of the membership or other interested stakeholders?
- Is board/council attendance at such events high? If not, why?
- Are mechanisms in place to ensure that stakeholders are not subject to too much communication and engagement activity and to avoid ‘engagement fatigue’?
- Is there a comments, compliments and complaints process in place?
 - Does the board receive regular updates on the themes submitted via that process?
What are the most common themes communicated through that policy and what has changed as a result?
- When was the mechanism last reviewed for its effectiveness?

The board

- How well does the board explain the impact of its decisions on particular stakeholders and communicate the reasons for those decisions?
- What channels are in place for providing feedback to the stakeholders with which the organisation has engaged, communicating how their insight contributes to decision making?
- In what ways does the board identify what stakeholder expertise is needed in the boardroom?
- How is this reflected in selection criteria and search methods used to identify new non-executive directors?
- How frequently does the organisation review the adequacy of the training received by board members on stakeholder-related matters?
- What process is in place to ensure all board members are able to engage with stakeholders? For example, each member may be asked to act as a lead contact (in liaison with a member of the senior leadership team) for a particular stakeholder group for a

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given period of time over their tenure, and this will change to cover stakeholder groups to build up a stronger connection with all stakeholders, not just one group.

- What consideration has been given to the benefits which could be provided by board members with directly relevant experience of stakeholder groups, such as volunteers, grass roots participants and elite athletes? How are conflicts of loyalty managed in such situations?
- Where board members are appointed or elected by a specific stakeholder group, what considerations have been given to factors such as independence, the support required, conflicts of interest, or induction and training?
- How does the organisation manage the expectations of stakeholder groups which elect members of the board, ensuring understanding that board members are under a duty to promote the interests of the organisation as a whole, rather than acting as a representative of a particular group?

Committees

- In what ways do committee chairs seek regular engagement with appropriate stakeholders on their areas of responsibility?
- Where appropriate, and where delegated by the board, how do committees use the stakeholder engagement plan to inform their deliberations? How are unnecessary duplications of effort avoided?
- Do the chairs of any committees maintained by the organisation attend general meetings in that capacity to report on and answer questions about their responsibilities?

Elite athletes

- What mechanisms are in place for hearing the views of elite athletes? Possible examples include:
 - a formal consultation process, such as an athletes' advisory committee;
 - liaison with any union for professional athletes;
 - annual athlete surveys;
 - athlete focus groups;
 - an elite athlete spokesperson, elected democratically and given appropriate training and support;
 - an athletes' commission; and
 - athlete representation on the board, having regard to board size, issues of independence, skills-based recruitment and support needs.

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Home nations/UK organisations

- In sports where a UK or Great Britain governing body operates alongside those of individual home nations, how might these relations be characterised?
- What is the level of contact at board level and at management level?
- Is there an agreed plan of engagement or formal arrangement such as a memorandum of understanding? How are these monitored and reviewed?
- In what other ways could relations be improved?
- What mechanisms are in place for aligning the strategic objectives of national/home nations organisations and communicating these to relevant stakeholders and audiences?

Staff surveys

Code Requirement 3.5

Questions to ask

- What methods are in place for the board to canvass the opinions and experiences of staff and volunteers?
- How effective are they?
- How often and in what ways is that information presented to the board?
- What topics are covered in the survey?
- What themes have been prominent in recent rounds of surveys?
- What has changed as a consequence of those surveys?
- Is the information presented more widely?
- Is the information used to assess/review the culture of the organisation?
- What has been the level of engagement in the process?
- What steps could be taken to improve this?
- What positive developments or actions have been taken in response to feedback from staff surveys in the past 12 months?
- What issues have been addressed and what further steps remain to be taken?
- In what ways are staff/volunteers kept up-to-date with what is being done in response to survey findings?
- Has top line data been made available to Sport England?
- Has the board considered the value of shorter surveys on specific areas of interest or concern in order to supplement the annual survey?
- If conducted, what themes have been covered or highlighted?
- What other ways has the leadership pursued to supplement staff surveys and improve engagement? These might include:
 - ad hoc committees;

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- task and finish groups; and
 - staff leads on change management.
- Do board members spend sufficient time alongside and talking to employees in order to gain an insight into concerns and opinions at all levels of the organisation?
- What thought has been given to establishing a staff/volunteer forum which can present ideas or grievances to the senior management team and/or the board and act as a sounding board for the leadership?
- If such a forum exists, what positive steps have been initiated in the past 12 months as a result of this dialogue?

