

Governance maturity matrices for sports organisations

Guidance note

Governance maturity matrices for sports organisations

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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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Governance maturity matrices for sports organisations

Introduction

The following matrices have been developed to help organisations move from fledgling, compliance-based governance to good governance practice that is best in class. They can be used to establish where your current practice sits and to map your progression against each stage. As individual organisations will be at different stages, there are several ways in which you might do this, including:

- as a basic self-assessment tool for sport organisations;
- as part of a governance review discussion by your sport organisation; or
- as part of any peer review (where part of a formal chain or working more informally with other organisations), or stakeholder engagement (sponsors, athletes, parents, etc.).

There are five stages of governance maturity. These are:

- **Compliant** – minimum legal and regulatory requirements are met.
- **Developing** – principles of good governance are accepted and documented implementation activities available.
- **Mature** – effective and proportionate systems and processes are embedded which impact positively on the sport organisation’s achievements.
- **Advanced** – governance systems are regularly reviewed and amended in the light of the organisation’s evolution via a comprehensive assurance framework which ensures continuous improvement through formal evaluation.
- **Vanguard** – the board leads good practice in its governance and seeks to share its learning with others while remaining alert to new ways of working that are appropriate to sport.

Within each matrix a number of categories of governance are provided, along with examples of attainment, skills or behaviour that indicate the level of progression reached by the board, the organisation or the individual board member.

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Board maturity matrix for sports organisations

This matrix is aimed at the whole board. Central board functions and critical to improving your organisation's governance are:

- setting the vision, ethos and strategic direction
- holding the chair and board to account for the performance of the organisation, and the performance management of staff
- overseeing the financial performance of the organisation and making sure its money is well spent

Alongside these, we have added the commonly agreed good governance principles of:

- understanding the role, responsibility and legal framework in which the board operates;
- accountability, including probity; and
- stakeholder engagement.

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Governance function	Compliant	Developing	Mature	Advanced	Vanguard
Function 1: Clarity of role and understanding of the board	<p>An understanding of the legal role of the board and the difference between governance and management.</p> <p>Role descriptions in place and up to date.</p>	<p>Thorough and comprehensive induction for new board members and agreed development programmes for experienced ones.</p> <p>Board members request additional training or information from a dedicated governance professional.</p>	<p>Governance development programme clearly linked to achieving strategic priorities. This will be reviewed and updated accordingly.</p> <p>Skills audits and recruitment activity clearly linked to the achievement of the organisation's strategic goals.</p>	<p>Each year the board undertakes an appraisal of its effectiveness (as a collective, individuals and its committees) and agrees areas for development which are fed into succession plans (including diversity and equality).</p>	<p>All board members are recognised as integral to the success of the organisation, which links in to improved organisational performance.</p> <p>The leadership has led to ongoing system-wide improvement driven by unwavering but achievable high standards.</p>

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Governance function	Compliant	Developing	Mature	Advanced	Vanguard
Function 2: Agreeing the organisation's vision, ethos and strategy	The board sets and agrees the organisation's vision, ethos and strategy, supported by the senior leadership team.	A corporate calendar is in place that supports the achievement and monitors strategy as determined by the board's annual strategy session.	Board papers are clearly aligned to report on each agreed strategic objective.	The ethos and values of the organisation are displayed within each activity and staffing level of the organisation. Strategic priorities are met and intrinsically lead to improved mission outcomes intrinsically lead to improved mission outcomes.	Success demonstrable in the impact good governance has had on organisation performance.
Supporting function: Leadership	The board, and its individual members, understand their role and that of the management, and appreciate the difference.	There is an appropriate succession plan in place for the board and the senior leadership team linked to strategic objectives.	The organisation seeks, and is sought out by, potential partners in recognition of its success in the sector.	Board members 'live' the values and standards of the sport and the organisation and seek to demonstrate the leadership qualities required of a successful organisation. The culture of the organisation is demonstrably led and lived by the board.	Stakeholders recognise the value added by the board in raising organisation standards. There is a consistent focus on improving member/participant experience and outcomes.

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Governance function	Compliant	Developing	Mature	Advanced	Vanguard
Function 3: Holding the chair/CEO/ leadership team to account	Information provided to the board is focused, relevant, timely and accurate, enabling it to constructively challenge the senior leadership team.	Terms of reference, schemes of delegation and matters reserved to the board are agreed, written down and reviewed regularly.	The board triangulates information from internal and external sources to ensure it receives evidence-based assurance (as opposed to re-assurance).	Individual board members and senior leaders are recorded as contributing to all board discussions, not just contributing to areas of specialist knowledge.	Evidence-based decision-making is in place for the board and demonstrates robust, constructive challenge to senior leadership proposals.
Supporting function: Performance monitoring	The board understands and recognises the role and importance of data in developing and monitoring strategic objectives.	Key performance indicators, standards and organisational development plans are agreed in the light of strategic objectives and are monitored accordingly. The board understands and takes sufficient account of membership, participant and customer data (both internal and external).	Performance monitoring is aligned to organisational planning cycles and discussions on the organisation's vision, values and strategy. Key performance indicators are linked to organisation policies.	Performance is benchmarked against sport organisations of a similar size or that operate in a comparative economic environment. The organisation continues to be a sector leader.	The board has confidence in the quality and robustness of its data analysis and assurance across the organisation's activities. Quality data demonstrates an increase in membership/ participant attainment. The organisation compares its performance against other sport organisations.

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Fuction 4: Financial performance and solvency	<p>Budget, costs and other financial targets are clearly articulated to the board.</p> <p>Board members understand their fiscal duties and the funding agreement requirements.</p>	<p>New proposals include the cost implications on existing budgets and agreed strategic objectives, including potential costs of not agreeing the proposal.</p>	<p>The organisation can evidence value for money while increasing membership/participant satisfaction and/or performance.</p> <p>Staff remuneration is sufficiently attractive without being unduly excessive. This will be benchmarked locally and nationally.</p>	<p>The board has a good grip on financial matters, including membership fees, sponsorship and events income, investments, reserves and costs.</p> <p>There is clear evidence of the organisation's financial sustainability available to stakeholders (e.g. annual reports, accounts, communications).</p>	<p>Financial surpluses/ savings are identified and allocated to ongoing developments in attaining organisation goals.</p>
Supporting function: Risk management	<p>Known risks are identified and mitigated.</p> <p>The board is familiar with top ten organisational risks.</p>	<p>Risks (including to reputation) and contingency plans are regularly reviewed to ensure they are appropriate and effective.</p>	<p>Risk appetite is acknowledged as a board matter and cascaded throughout the organisation's operations.</p>	<p>Stress-testing of risk management processes are undertaken and reported and plans revised accordingly.</p>	<p>Major risk incidents are met with the minimum of disruption to activities, member services and progress.</p>

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Function 5: Stakeholder engagement	Decision-making by the board takes into account the views of stakeholders and the impact of the decisions on them.	Stakeholders are identified and prioritised with appropriate and agreed engagement plans in place that are effective in establishing two-way communication. Issue of diversity and inclusion are recognised and discussed regularly by the board.	There are regular opportunities for stakeholders to hold the board to account for their decisions and actions. Diversity and inclusion are represented at board, membership and executive levels of the organisation.	The board provides feedback to stakeholders as to how their input has added value to the decision-making process, including where it has changed a proposed course of action. Clear plans of action to fill capacity and diversity gaps are in place.	Board governance and meetings are open to the public, transparent decision making and accountability is valued. The board is widely respected in its operating environment. Stakeholders know who to contact and how when raising governance concerns.

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Function 6: Transparency and accountability	Stakeholders understand the role of the board and the range of decisions they can take.	The governance professional or lead works with the chair and senior leadership team to ensure that decisions are made in accordance with the law, the funding agreement and the governing document and recorded appropriately.	Annual reports and accounts provide a full range of information in an accessible format. Other formal information of the success of members, volunteers, staff, etc. can be found easily on the organisation's website.	The board invites relevant stakeholders to an annual meeting (or other formal event) to be held to account for their actions and decisions. The board welcomes questioning and constructive challenge by all stakeholders.	The annual report and accounts are recognised for their enhanced disclosure in providing a full and fair review of the organisation's performance, risk and future plans.
Supporting function: Probity	The board is aware of, and adheres to, the Nolan Principles.	The board has its own code of conduct that links to legal duties and the specifics of the funding agreement and governing document. A formal, agreed conflicts of interests, safeguarding, and other relevant policies and procedure are in place.	The register of interests is updated regularly and is available to the public on the website.	Conflict of interests matters are declared at the start of each meeting and managed in accordance with an agreed policy. The recording and reporting of conflicts are clearly articulated to stakeholders.	Media attention given to conflicts of interest have been dealt with quickly and professionally, with stakeholders assured that decisions have been taken in the interests of the organisation.

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Board member competence matrix

A similar matrix can also be used to assess the competences of members of the board. The table below draws on the legal roles and duties of trustees in England and Wales, which provide a sound basis against which to judge an individual's progression in terms of contributing to the board of an organisation, whether or not it is a charitable one. The duties embody the principles of good governance and have been supplemented with other indicators of good practice.

The matrix enables assessment of a board member's governance maturity and can be used as part of that individual's development progress. An aggregation of the matrices of all members of the board can feed into a governance review, helping to identify areas of strength and weakness across the board as a whole and can highlight areas for improvement.

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Governance function	Compliant	Developing	Mature	Advanced	Vanguard
1. Comply with the governing document and the law	<p>Ensures decisions are made in accordance with the governing document.</p> <p>Is aware of all other relevant legislation that affects the organisation and its activities.</p> <p>Ensures financial records are kept in an appropriate manner and annual accounts prepared and submitted in a timely fashion.</p> <p>Understands their role, responsibilities, duties and liabilities.</p> <p>Understands the difference between governance and management.</p> <p>Understands the role of members, where they exist, who can be a member and the different roles of the board and members.</p> <p>Knows how many board members there must be, how they are appointed and any qualification criteria.</p> <p>Adheres to the governing document's requirements regarding the frequency and conduct of meetings.</p> <p>Knows when to seek external professional advice, and the impact of not following such advice.</p> <p>Understands the legal and regulatory requirements the organisation must meet.</p> <p>Understands the need for an external audit or independent examination and the process involved.</p>	<p>Is aware of 'mission creep' and militates against it.</p> <p>Understands 'ultra vires' and its implications.</p> <p>Requests further information and/or training to better understand the issues involved.</p> <p>Is familiar with all aspects of the governing document.</p> <p>Ensures that all board members are appointed in accordance with the governing document.</p> <p>Critically reviews the composition of the board to ensure there is an appropriate mix of skills, experience and competencies to assist the organisation in achieving its aims.</p> <p>Appreciates where there are differences in the legislation covering aspects of the organisation's activities (such as company law and charity law).</p> <p>Recognises that each board member is equally responsible for the performance of the organisation.</p> <p>Reflects on their own commitment and contribution to the board.</p>	<p>Is aware of and alert to any breach of duty.</p> <p>Understands the difference between the governing document and any mission and vision statements.</p> <p>Understands where to go for additional information about the governing document or legislation.</p> <p>Knows what powers the governing document permits and how they can be used.</p> <p>Undertakes regular skills audits, aligning skills to strategic plans and feeding the analysis into succession planning for the board.</p> <p>Participates in regular board and individual performance reviews and commits to ongoing training and development.</p>	<p>Understands fully the governing document and the need to keep it under review, how and what changes can be made.</p> <p>Checks the robustness and effectiveness of policies, procedures and decision-making structures.</p> <p>Is committed to board renewal and succession planning.</p> <p>Regularly reviews due diligence arrangements when recruiting new board members.</p> <p>Refers to schemes of delegation and matters reserved to the board in decision-making arrangements.</p>	<p>Is fully aware of significant clauses in the governing document and relevant legislation, with an eye to making amendments to the governing document to ensure the organisation is run as effectively as possible.</p> <p>Mentors new and established board members.</p> <p>Knows when they have contributed all they can to the organisation and tenders their resignation.</p> <p>Ensures all relevant information is provided at the start of deliberating any decision or proposed action.</p> <p>Demonstrates strength of character in challenging the status quo to consider different ways of achieving the organisation's aims.</p> <p>Ensures the organisation is effective in achieving its aims by undertaking measurement of activities and their impact.</p> <p>Enables benchmarking of performance and compares with similar organisations.</p>

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Governance function	Compliant	Developing	Mature	Advanced	Vanguard
<p>2. Act in the organisation's best interests</p> <p>Makes decisions that represent the best way for the organisation to achieve its objectives.</p> <p>Seeks the relevant information needed to make decisions in the best interests of the organisation.</p> <p>Takes account of all relevant factors when making a decision.</p> <p>Makes decisions that are reasonable given the information available.</p> <p>Is aware of and avoids conflicts of interest and loyalty.</p> <p>Follows the organisation's conflicts of interest policy and processes.</p> <p>Seeks to protect young and vulnerable users of the organisation's services.</p>	<p>Ensures that the organisation's aims, mission and values inform all board decisions.</p> <p>Focuses on strategic, rather than operational, matters.</p> <p>Understands and respects collective responsibility.</p> <p>Acts as 'critical friend' in board discussions.</p> <p>Is willing to express own opinion, informed by relevant insight, information and knowledge, on specific courses of action.</p> <p>Is aware of all their conflicts of interest and loyalty but sets them aside in relation to their duties (knows which 'hat' they are wearing).</p> <p>Aims to protect the reputation of the organisation when making decisions.</p> <p>Recognises, promotes and values equality and diversity across all aspects of the organisation's activities.</p>	<p>Critically and objectively reviews information and proposals presented to the board.</p> <p>Triangulates information from internal and external sources to ensure s/he receives evidence-based assurance (as opposed to re-assurance).</p> <p>Challenges assumptions, whether they come from senior staff or fellow board members.</p> <p>Regularly updates the register of interests and declares them at appropriate junctures in meetings and elsewhere.</p> <p>Refrains from acting as the 'representative' of a specific group or section of the organisation's stakeholders.</p> <p>Seeks to ensure the board acts independently in its decision making – avoiding the undue influence of particular interests or stakeholders.</p> <p>Raises matters of concern with the chair, or where appropriate, the vice-chair/SID or governance professional, when they cannot be resolved or raised during board meetings.</p> <p>Scans the horizon for socio-economic and technological trends that will impact on the achievement of the organisation's aims.</p>	<p>Contributes to all board discussions, not just to areas of specialist knowledge.</p> <p>Shows independence of thought and action, while respecting collective responsibility.</p> <p>Is aware of other board members' conflicts and addresses the matter in an appropriate manner when necessary.</p> <p>Considers the environmental impact of the decisions being made and weighs them against the aims of the organisation.</p>	<p>Demonstrates evidence-based decision making and robust, constructive challenge to senior leadership proposals.</p> <p>Welcomes and contributes to constructive challenge – wherever it may come from.</p> <p>Displays sufficient integrity to know when to escalate a matter – including to external bodies where necessary – and/or to resign.</p> <p>Understands the impact of real and perceived conflicts on the reputation and effectiveness of the organisation.</p> <p>Displays political acumen, tact and diplomacy in the leadership of the organisation.</p> <p>Seeks continual improvement as an individual, as a board and as an organisation.</p>	

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Governance function	Compliant	Developing	Mature	Advanced	Vanguard
3. Manage the organisation's resources responsibly	<p>Acts responsibly, reasonably and honestly in fulfilling their duties.</p> <p>Exercises sound judgement in decision making.</p> <p>Ensures that resources are expended only in the pursuit of the organisation's aims.</p> <p>Considers the wider risks to the organisation's assets, stakeholders and reputation when considering a proposal or making a decision.</p> <p>Safeguards the assets of the organisation – both tangible and intangible.</p> <p>Deliberates fully on matters relating to the investment of assets or when considering borrowing funds.</p> <p>Can articulate with ease the major risks facing the organisation.</p> <p>Knows how business-critical risks are managed.</p> <p>Ensures appropriate insurance policies are in place.</p> <p>Fully participates in budget planning.</p> <p>Seeks assurance that the organisation is solvent.</p> <p>Reviews whether the organisation's assets are adequate for achieving its aims.</p>	<p>Is aware of and adheres to internal financial controls.</p> <p>Is aware of and respects risk management policies.</p> <p>Identifies and assesses risks facing the organisation.</p> <p>Takes a considered, proportionate and balanced approach to risk management.</p> <p>Seeks additional budgeting/financial information/training.</p> <p>Reviews financial information to establish that resources are being used as agreed by the board.</p> <p>Integrates financial forecasts with other plans (strategic, business, staffing) and Key Performance Indicators (KPIs).</p> <p>Reviews external messages to ensure they demonstrate the organisation's values and stated aims.</p> <p>Considers carefully the issues involved in hiring staff, and the potential impact on the assets and work of the organisation.</p>	<p>Has a firm grip on financial matters, including investments, reserves and costs.</p> <p>Challenges finance colleagues on the figures presented to the board.</p> <p>Seeks to ensure the appropriateness and robustness of internal financial controls.</p> <p>Interrogates risk management policies and frameworks for effectiveness.</p> <p>Is risk aware, as opposed to being risk averse.</p> <p>Asks challenging questions of budgeting assumptions and objectively analyses business models to ensure the organisation is sustainable.</p> <p>Assesses whether there are sufficient resources to fund all activities.</p> <p>Seeks specialist advice with regards to investments, borrowing or building matters.</p> <p>Adopts the culture and values of the organisation when performing the role of board member.</p> <p>Ensures third party suppliers/contractors act in accordance with the organisation's stated culture, values and ethos and legal/regulatory requirements.</p> <p>Regularly reviews the performance of the senior staff against agreed KPIs.</p>	<p>Seeks to promote financial sustainability by managing cash flow and monitoring and reviewing financial performance during the year and takes corrective action where required.</p> <p>Leads discussions on risk management and the review of the effectiveness of measures in place.</p> <p>Ensures budgeting decisions have had the desired impact on the furtherance of the organisation's activities and aims.</p> <p>Asks for the implications of not taking a proposed course of action.</p> <p>Contributes to short, medium and long-term KPIs to measure the organisation's effectiveness.</p>	<p>Respectfully but proactively demands information and data that is timely, accurate and relevant for making decisions, and is presented in formats conducive to accurate interpretation and understanding.</p> <p>Can easily articulate the organisation's risk appetite.</p> <p>Can describe measures taken to counter fraud, theft, money laundering or terrorist activity.</p> <p>Balances the risk of lost opportunities and cumulative risks in their decision making.</p> <p>Seeks to ensure there is an appropriate mechanism in place for senior staff to recognise future talent which feeds into senior management succession planning.</p>

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Governance function	Compliant	Developing	Mature	Advanced	Vanguard
4. Act with reasonable care and skill	<p>Uses reasonable care and skill when making decisions.</p> <p>Shares their particular expertise, knowledge and insights with the board when discussing potential activities.</p> <p>Prepares for meetings with questions ready to ask.</p>	<p>Provides honest commentary on strategic plans and business development proposals.</p> <p>Recognises the ongoing need for training to ensure the board is effective in leading the organisation.</p>	<p>Visits the organisation's activities to better inform decision making.</p> <p>Ensures regular personal and board training is aligned to succession planning, strategy and other key developments.</p> <p>Knows when a proposed course of action is beyond the collective knowledge and skills of the board and seeks appropriate professional advice.</p>	<p>Demonstrates integrity in dealing with the organisation's issues.</p> <p>Positively influences culture, strategy and policy.</p> <p>Seeks to influence the wider environment in which the organisation operates, following the law and good practice.</p>	<p>Adopts a whole system approach to their role which includes being collaborative, integrated and multidisciplinary.</p> <p>Focuses on the outcomes delivered by the board's decision making.</p> <p>Learns from mistakes.</p>
5. Ensure the organisation is accountable	<p>Ensures statutory reports, accounts and returns, and funder requirements, are submitted in a timely fashion.</p> <p>Is aware of, and adheres to, the Nolan Principles.</p> <p>Demonstrates accountability to members and other stakeholders.</p> <p>Attends annual general meetings (where applicable) and is prepared to answer questions from members.</p>	<p>Can prioritise stakeholder groups.</p> <p>Seeks out ways to demonstrate the organisation's effectiveness to stakeholders.</p> <p>Adheres to the organisation's and board member codes of conduct.</p> <p>Considers the external impact of proposals and the impact on reputation.</p> <p>Is aware of, and respects, the communications plan for engaging with key stakeholder groups.</p>	<p>Considers the input of stakeholders when decision making without impacting on own independence of thought.</p> <p>Builds new relations with key stakeholder groups and aims to maintain regular, appropriate contact so as to inform decision making.</p> <p>Acts as a critical link between key stakeholders and the organisation's leadership.</p> <p>Seeks out appropriate means to benchmark the organisation's effectiveness and ways to improve, sharing that information with stakeholders.</p>	<p>Regularly reviews schemes of delegation to ensure they are appropriate and being used appropriately.</p> <p>Ensures there is a transparent, effective, well publicised and timely process for making and handling complaints.</p> <p>Uses feedback from members, participants and customers to regularly inform decisions, including analysing complaints for themes and areas for improvement.</p> <p>Seeks the opportunity to include members and stakeholders in deciding major issues affecting the organisation.</p> <p>Evidences community engagement.</p>	<p>Is honest about mistakes made and lessons learned.</p> <p>Can articulate key points of annual report, accounts and returns easily.</p> <p>Welcomes questioning and constructive challenge by all stakeholders.</p> <p>Embraces diversity of thinking, experience and perspective in order to make the best decision for the organisation.</p> <p>Is willing to share good practice with other organisations.</p>

