

Governance – principles and key areas

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Contents

Introduction	3
The underlying aim of governance in sports organisations	4
Key aspects of governance	4
Governance – role of the board	5
Independence in governance	5
Conflicts of interest	6
The Code for Sports Governance	6
Procedure	7

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 – principles and key areas

Introduction

In the context of any organisation, including sports bodies, governance is the means by which that organisation is directed and controlled by its governing body (e.g. the board of directors, governing body, management committee, etc.).

Governance is not an end in itself. Rather it is a means towards ensuring your organisation's well-being and long-term success, facilitating organisational performance and the achievement of both agreed objectives and an overall mission.

Governance is not the same as day-to-day operational management and delivery of activities. It is at a higher, more strategic level, creating a vision for your organisation that helps deliver lasting impact.

Governance – principles and key areas

The underlying aim of governance in sports organisations

The underlying aim of governance is to add long-term value to your organisation and to do so in a sustainable manner. In particular, this is about improving the quality of the outcomes for which the organisation was set up, in terms of the members, participants, staff, volunteers, customers, the wider community and a range of other stakeholders.

Key aspects of governance

- Providing direction
- Enhancing effectiveness
- Providing oversight
- Ensuring accountability
- Communication
- Developing trust with all stakeholders

Governance – principles and key areas

Governance – role of the board

- The fundamental role of the board is to be the governing body of the organisation, providing strong strategic leadership, clear direction and diligent, effective oversight.
- Board members should govern the organisation in accordance with legal requirements, applicable statutory provisions, the terms of their own particular governing document and good governance practices and principles.
- Board members should be aware of and fully understand their legal duties – this may be as directors of a company or as trustees of a charitable organisation.
- Truly good governance needs a healthy culture within the organisation that is genuinely ‘lived’ by everyone that is part of it – the board, officers, members, staff and volunteers. Board members must set, embrace and demonstrate agreed values as part of this healthy culture.

Independence in governance

- It is vital that board members maintain independence in governing the organisation and in making decisions about it. They must be, and be seen to be, independent, acting at all times in what they honestly believe to be the best interests of the organisation.
- Board members must not allow themselves to be unduly and improperly influenced by personal interests or the interests of individuals and organisations with which they are connected or the interests of third parties. In addition, it is important that board members are not unduly influenced by any loyalties they have to others.
- Any board member appointed directly by a particular geographical or operational area within the sport, or an appointing body such as an association or specific interest group, must act independently and not as a representative of the group which appointed them.

Governance – principles and key areas

Conflicts of interest

- Board members have a duty to avoid or manage actual and potential conflicts of interest
- Their most fundamental duty is to act in a way they honestly believe to be in the best interests of their organisation.
- It is essential that board members have appropriate awareness of potential conflicts of interest, including conflicts of loyalty arising because of any loyalty they or their fellow board members may feel or may owe to any other party.

The Code for Sports Governance

- The Code sets out fundamental, high level, principles for the provision of good governance and leadership by an effective board. These are:
 - Structure
 - People
 - Communication
 - Standards and Conduct
 - Policies and Processes

The principles are supported by good practice recommendations.

- Organisations are strongly encouraged to adopt the Code – even if they are not seeking public funding – and use both its principles and good practice recommendations in its governance.

Governance – principles and key areas

Procedure

- Governance procedures will in part be set by the legal form of the particular organisation and the provisions of its governing document. Principles of good governance, however, are largely transferrable.

In addition, standards of good governance and best practice should be considered and followed as far as practicable in the particular circumstances.