

A Code for Sports Governance



Tier 1



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Foreword

In 2016, Sport England and UK Sport launched 'A Code for Sports Governance' to drive improvement across all areas of governance. To date, the Code has been applied to over 4,000 organisations in receipt of Government or National Lottery funding from us and has had a significant impact in helping to improve the standard of governance across both sports and non-sports organisations. The Code has supported improvements in decision-making structures, board diversity, transparency, accountability and financial integrity across the sector and organisations have done commendable work to reach this level.

In 2020, we announced a review of the Code. The review looked across the full set of Requirements in the Code through a diversity and inclusion lens. It allowed us to reflect on our learnings from applying the Code; provide more support and guidance within the commentary against specific Requirements; and ensure the Code was up to date with good governance

developments and practices which may have changed since it was introduced.

The review was jointly managed between Sport England and UK Sport, and involved input from an open consultation, targeted focus groups and expert views from legal, governance, and diversity and inclusion specialists.

We are proud of what our sector has achieved in terms of governance, but we cannot become complacent. We must continue to challenge ourselves to be stronger, better and more diverse as organisations. It is with this in mind that the revised Code seeks to set a progressive landscape for sport governance development and improvement over the next few years.

One of the key pieces of feedback we received when consulting on the review of the Code was to ensure the Requirements are easy to grasp and that we help organisations understand the evidence they need to show us against each of the Requirements. As part of the

revised Code, we are proud to launch 'A Code for Sports Governance – Tier 1' as a separate document. It aims to set out the Tier 1 Requirements in a clear and understandable way, explaining the importance of each, how they can be evidenced and providing some support tools. As the minimum level of the Code, Tier 1 is relevant for the many smaller, local, community organisations in our sector who play such an important role providing sport and physical activity

opportunities for people. For us, a key element of being inclusive is ensuring we assist those organisations with improving their governance so if they don't receive funding already they can be eligible in the future, including progressing to the higher Tiers of the Code. Tier 1 of the Code is likely to be the first step on a governance journey that an organisation will undertake, and we hope 'A Code for Sports Governance – Tier 1' helps to set organisations up for success.



Tim Hollingsworth,
Chief Executive,
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Sally Munday,
Chief Executive,
UK Sport

Acknowledgements

As noted in the foreword at the start of this document, ‘A Code for Sports Governance – Tier 1’ is the result of a thorough review of the previous Code for Sports Governance and involved input and assistance from several organisations and individuals.

We express our thanks to the organisations and individuals drawn from both within and outside the sport sector, whose work and feedback have been invaluable.

We would like to acknowledge in particular market research company **Savanta**, who managed the consultation process for the revision of the Code; **Governance United**, who played a critical role in drafting ‘A Code for Sports Governance – Tier 1’; and the Tier 1 Code Workstream Review Group for their role in reviewing and making recommendations on how the revised Tier 1 Code should be applied, developed and presented.

We hope ‘A Code for Sports Governance – Tier 1’ is not only a useful guide for what is required at Tier 1 level under the Code, but that it can also serve as a support tool to help organisations who want to get started on their governance improvement journey.

‘A Code for Sports Governance – Tier 1’ has been jointly produced by Sport England and UK Sport. We acknowledge that the other home nation sports councils have their own governance frameworks in place, and express our gratitude to them for their helpful insights in the development of the Code.

Legal Notice

The information in ‘A Code for Sports Governance – Tier 1’ is provided to assist organisations in understanding the Requirements of Tier 1 of A Code for Sports Governance. It is not intended to be comprehensive nor to provide any specific legal or other advice and should not be acted or relied upon as doing so. It is not a substitute for obtaining professional advice appropriate to the specific situation.

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Introduction



Introduction

What is Tier 1 of the Code?

A Code for Sports Governance (the Code) sets out a number of mandatory Requirements for organisations seeking investment from Sport England, UK Sport or both. It is divided into three Tiers, corresponding to different levels and types of investment.

'A Code for Sports Governance – Tier 1' is designed for organisations which are applying for investment from either Sport England or UK Sport and will need to comply with Tier 1 of the Code.

Tier 1 represents the minimum level of mandatory governance Requirements that funded organisations must achieve. The Requirements seek to ensure the protection of public funding through good governance processes, without being unreasonably onerous.



Who is Tier 1 aimed at?

Sport England and UK Sport will generally require an organisation to meet Tier 1 of the Code if they are receiving an investment which meets the following criteria:

- It is granted on a one-off basis (for example, for a specific project which has a fixed end date); and
- The total amount of funding is typically between £10,000* and £250,000.

Tier 1 of the Code may also apply to organisations at the start of what could become a longer-term partnership.

Where further investment follows and the level of funding increases to a higher threshold (and the relationship between the organisation and Sport England or UK Sport becomes longer term), organisations which were initially required to comply with Tier 1 may be required to progress to become compliant with Tier 2 or Tier 3 of the Code.

*For organisations receiving less than £10,000, Sport England and UK Sport will carry out standard due diligence checks.

Is the Code and Tier 1 flexible?

Sport England and UK Sport invest in a huge variety of organisations, reflecting the rich diversity of the sector.

Although compliance with the Code is mandatory for those organisations seeking public funding, it's important that there is flexibility within the Code as a framework for good governance.

The Code achieves flexibility by:

- **Adopting a tiered approach to Requirements**

'A Code for Sports Governance – Tier 1' sets out the lowest level of Requirements, at Tier 1. You can find the Requirements of Tiers 2 and 3 in the full Code

- **Allowing a pragmatic approach to applying the Requirements**

The assessment process for the Code creates an open dialogue between organisations and Sport England and/or UK Sport where unique challenges being faced by an organisation with any particular Requirement can be understood. Sport England and UK Sport can use judgement to ensure the application of a Requirement is proportionate and appropriate for the organisation.

The Requirements at all tiers are deliberately aspirational, to help drive up standards of governance in the sector. Don't be put off if you feel you fall short in places at the moment.

We have listed some ways of demonstrating how you comply with each Requirement, but these are just examples and suggestions – you are not expected to have all the examples of evidence listed. You may have other good ways of showing how you think you meet the Requirement that are more relevant to your organisation.

Equally, you may have no evidence against a Requirement, or you may feel you don't currently meet a Requirement.

Don't panic if you feel you don't meet a Requirement at present.

What should you do if you don't meet all the Requirements in Tier 1?

The intention of setting out the Requirements of Tier 1 as a mandatory condition for funding is not for you to rush to make changes to your organisation, or to put policies in place quickly just to try to secure the funding. You are encouraged to be honest and open with Sport England or UK Sport about which Requirements you currently meet and which Requirements you think you may not meet.

If you believe you don't currently meet a particular Requirement, don't immediately assume you won't be eligible for funding. Speak with Sport England or UK Sport before you make any changes to your organisation. We will then explain how you could become eligible for funding, while supporting you in achieving compliance with the Requirements. For example, one option may be for your governing committee to agree to a **board resolution/governing committee resolution** that commits your organisation to completing an action so that you comply in the future.



Tier 1 of the Code is designed to help you ensure your organisation is well governed. It is therefore important that any changes you make to comply with the Requirements are done in a way that ensures they are appropriate and work for your organisation, as well as allowing you to comply with the Requirement. Changes made in a thoughtful way are more likely to result in your organisation being better governed.

How to use Tier 1 of the Code for Sports Governance



How to use Tier 1 of the Code for Sports Governance

Understanding the Tier 1 Requirements

The Code lists a set of Requirements within each of the five Principles. These Requirements are mandatory. Beneath each Requirement you will find three sections:

Why is it important? ⚠️

This section provides a more detailed explanation of what the Requirement means, why it matters and what action you should take.

Ways to evidence 📁

This section provides suggested examples of the ways in which you could evidence how you meet the Requirement. You can demonstrate that you meet each Requirement in several ways. Some examples of the evidence you may use are provided. The lists do not include every possible option and you are not expected to supply everything. Think carefully about how the Requirement relates to your organisation and the evidence you can share to demonstrate what you do.



Support tools 🖱️

This section provides links to a number of support tools and useful sites you can go to for more detailed guidance or good practice examples and templates to help you comply with a Requirement. If you use an example or template, make sure that you have researched what is right for your organisation, and amend and adapt it appropriately.

Checking Definitions

We have tried to keep technical jargon to a minimum, but there are some terms that may need explanation. These are highlighted in **bold red** and included in the Definitions section. If you are using the online version, clicking on the word in bold will automatically take you to the Definitions page.





The Principles

The Principles

A Code for Sports Governance uses a framework of five Principles of good governance.

They are:

1. **Structure**
2. **People**
3. **Communication**
4. **Standards and Conduct**
5. **Policies and Processes.**

The Principles provide the framework for good governance. Under each of the Principles there are mandatory Requirements. The number of mandatory Requirements under each Principle increases depending on the Tier an organisation is required to meet.

The full wording of the Principles, and an explanation of their importance, is below:

1. Structure

Organisations shall have a clear and appropriate governance structure, led by a **Board** which is collectively responsible for the long-term success of the organisation and exclusively vested with the power to lead it. The **Board** shall be properly constituted, and shall operate effectively.

Why is this important?

The right governance structure with decisions made at the right level enables the best decisions to be made to drive the success of the organisation. Having an appropriate governance structure demonstrates to all **stakeholders** that the organisation is well managed. This is key to winning the confidence of staff, suppliers and potential investors and also provides a framework for organisational growth and development.



2. People

Organisations shall recruit and engage people with diversity of background, thought, independence, skills and experience to take effective decisions that further the organisation's goals and best serve their communities, **stakeholders** and wider UK society.

Why is this important?

Diverse, skilled and experienced decision-making bodies which contain **independent** voices and engage in constructive and inclusive debate enable good decision-making and help create trust with **stakeholders**.



3. Communication

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

Why is this important?

Being responsive to **stakeholders**, understanding their interests and hearing their voices helps shape the organisation's governance and strategy. Transparency about why the organisation exists, what it is trying to do, how it is doing it, and with what results empowers **stakeholders** by giving them the information about the organisation that they need to know.

4. Standards and Conduct

Organisations shall uphold high standards of integrity, promote an ethical and inclusive culture, and engage in regular and effective evaluation to drive continuous improvement.

Why is this important?

Having the right values embedded in the culture of the organisation helps protect public investment and also enhances the reputation of the organisation, earning stakeholder trust. Constantly seeking to improve makes an organisation swift to respond to new challenges and opportunities.



5. Policies and Processes

Organisations shall comply with all applicable laws and regulations; consider the social and environmental impact of their decisions; undertake responsible financial **strategic planning**; and have appropriate controls and **risk** management procedures.

Why is this important?

Understanding the legal environment, factoring in **socio-environmental** considerations when making decisions, and having in place appropriate financial and other controls help mitigate **risk** and enhance stakeholder trust and organisational reputation.

Tier 1 – Mandatory Requirements



Tier 1 – Mandatory Requirements

Principles and Requirements Summary

There are eight Requirements for Tier 1. These align under the five Principles as set out below.

Principle	Requirement
Structure	Requirement 1: The organisation is properly constituted, has a clear purpose and, if membership-based, is inclusive and accessible.
	Requirement 2: The governing committee meets regularly, and decision-making is recorded.
People	Requirement 3: The organisation seeks to ensure diverse viewpoints are considered and that its decision-making groups have the skills and diversity needed to operate effectively.
	Requirement 4: Committee members are subject to regular election and ideally should serve no more than nine years.
Communication	Requirement 5: The organisation shares information on its governance, structure, activities and financial position to enable stakeholders to have a good understanding of them.
Standards and Conduct	Requirement 6: Conflicts of interest are recognised, managed by the chair and recorded. At least three of the people on the governing committee are neither related to, nor cohabiting with, other committee members .
Policies and Processes	Requirement 7: The organisation ensures appropriate financial procedures and practices are in place and as a minimum can evidence: a) appropriate oversight of financial planning; b) financial decision-making and processing is not managed by one person alone; and c) accounts which are independently scrutinised.
	Requirement 8: The organisation assesses and manages organisational risks and liabilities appropriately.

Tier 1 – Mandatory Requirements with Guidance



Tier 1 – Mandatory Requirements with Guidance

Principle: Structure

Requirement 1

The organisation is properly constituted, has a clear purpose and, if membership-based, is inclusive and accessible.

Why is it important? ⚠️

Organisations that are set up with an appropriate structure can make decisions about their activity more effectively. That's why it's important to consider carefully the most suitable legal format for your organisation, taking into account the pros and cons of the various possible options. When the organisation has a clear purpose, it helps people understand what you are trying to achieve and ensures everyone can work together towards your goals. If your organisation has members, you should try to make it open and accessible so that a wide range of people can benefit from the services it provides.

There are three parts to this Requirement:

1. Properly constituted

Properly constituted means that there is a formal framework in place for your organisation to make decisions effectively. This may relate to your legal status. Organisations can take many forms, including a charity, company, social enterprise, association, community amateur sports club and others.

You do not need to set up your organisation as a company or a charity to meet this Requirement. The organisation could be an **unincorporated** association, for example.

Whatever organisational type you are (or choose to adopt if you are just setting your organisation up or looking to change its legal form), you will likely already have some formal documentation which sets out your legal status. If you're an **unincorporated** association, this might be your **constitution**, or if you're a company or an incorporated charity, this would be your **articles of association**.



This is often referred to as the **governing document**.

The **governing document** will set out:

- Why your organisation exists and the area of work it's involved with (its objectives)
- Who has overall control of your organisation and is responsible for making sure it's doing what it was set up to do (they might be called the **governing committee**, trustees, directors, governors or **board** members)
- How they make decisions
- Other rules around how the organisation operates.

Many organisations choose to set up as a company, or a charitable company, as it separates the organisation as an entity from the individuals involved. This is known as **incorporation**. As a company it will be able, for example, to enter into contracts in its own name and the responsibilities of the organisation will belong to the company instead of the individuals involved. The company structure brings practical advantages. If something goes wrong, as long as those involved in the management of the company have behaved correctly, it will be the company not the individuals who will be liable. Even if the company becomes insolvent, personal financial **liability** will be limited. While you do not need to be set up as a company to comply with this Requirement, if you are not incorporated as a company then you should carefully consider the risks you may face without being incorporated, particularly in relation to personal **liability**.

If you have chosen to set up as a company, you will probably have opted for the form of a company limited by guarantee, which is the preferred type for sport organisations. There is another format known as a company limited by shares but it is used more for commercial companies. If you are thinking of either setting up or changing your organisation to a company, make sure you choose the right structure for your needs.

If you change your organisation's status to a company, the new **governing document** will be your **articles of association**. It's important to make sure that you merge your old **constitution** into the new articles to keep everything consistent and to only have one **governing document**.

You can set the foundation for your organisation to be well governed by setting up in the most appropriate way and having a well thought through, robust **governing document**. Experience suggests that well governed organisations are more likely to achieve their objectives.

2. Clear purpose

Having a clear purpose means that your organisation understands what it is trying to achieve and is focused on how you are going to get there. If you are being considered for funding by Sport England and/or UK Sport, then it is likely that your purpose fits with Sport England and/or UK Sport's investment objectives.

When there is a clear purpose that everyone in your organisation understands, it can:

- Aid decision-making
- Improve the experience of your customers or participants
- Create a sense of belonging and shared understanding
- Make recruiting staff and volunteers easier
- Help organisations be inclusive by reaching out to under-represented groups.

3. Inclusive and accessible membership

This section only applies to membership organisations.

The idea of inclusive and accessible membership is that your organisation actively tries to include all parts of the community in its work. More specifically, a wide and diverse range of people should access and benefit from the services your organisation provides. To be inclusive you should actively reach out to under-represented groups, and be able to show people how you are doing that.

If you have a clear reason for limiting access, for example, because your organisation exists solely to benefit a particular group in the community, you should be prepared to explain this. Think about the information you provide to potential members to ensure those who are unlikely to be eligible understand why.

Organisations that are truly inclusive take the time to consider carefully who their community and membership are, who they want it to be, and the best ways to communicate with them. Thinking seriously about diversity and accessibility means going beyond basic steps to achieve funding. Organisations should understand the needs of their audience and adapt to them.



Ways to evidence

You may need to provide evidence to demonstrate that you meet this Requirement – some examples are provided below. You are not expected to have or to supply everything listed below. Equally, the lists do not include every possible option of evidence which you may use against this Requirement. The lists are there to help you understand what type of evidence you could consider providing against this Requirement.

Evidencing being properly constituted

To evidence this part of the Requirement you could provide any of the following:

- **Constitution/statutes**
- **Articles of association**
- Club rules and regulations.

If you are constituted differently and you are in conversation with Sport England and/or UK Sport about funding, then just supply the evidence you do have which can show you are properly constituted.

Evidencing having clear purpose

To evidence this part of the Requirement you could provide any of the following:

- **Constitution/articles of association**/club rules and regulations which formally state your organisation's objectives and purpose
- **Strategic plan** which sets out your purpose, maybe in the form of a vision or mission statement
- **Annual report** which shows a purpose and how you have worked towards it
- Website which describes your purpose
- Any publication from your organisation which sets out a purpose for what your organisation is doing.



Evidencing an inclusive and accessible membership

To evidence this part of the Requirement you could provide any of the following:

- Club rules/**articles of association/constitution** or other **governing document**. This document will clearly show that the membership of your organisation is accessible and open to all (or all who fit within the group your organisation serves)
- Membership policy which shows an inclusive and open approach to membership
- Membership application information which evidences an open and inclusive approach
- A membership section on your website which describes the ways in which membership is inclusive and accessible
- Examples of how the design of your website is inclusive and accessible.



Support tools

Here are some links to useful websites for more detailed guidance or good practice examples and templates. If you use an example or template, make sure that you have researched what is right for your organisation and amend and adapt it appropriately.

Sport England

Club Matters (Sport England free resource aimed at clubs with a wealth of guidance)

- **Guidance on legal structures**
- **Guidance on different structures**
- **Workshops, including on legal structures**
- **Online module on different organisation structures** – log-in required but log-in is free

External Support tools

- **Charity Commission** – how to choose a structure
- **Charity Commission** – report on what makes an effective membership charity

National Council for Voluntary Organisations (NCVO) – free resources (although some parts of NCVO's resources are only for paying members)

- **Writing a constitution**
- **Legal forms for non-profits**
- **Guidance on membership**

Principle: Structure

Requirement 2

The governing committee meets regularly, and decision-making is recorded.

Why is it important? ⚠️

Your **governing committee** is the group of people that has overall responsibility for governing the organisation and overseeing its management. You might call it, for example, the board, the trustees, or simply the committee. The **governing committee** should hold meetings regularly and maintain a record of the decisions taken. That way, they can discuss crucial matters promptly and keep track of what is agreed.

There are two parts to this Requirement:

1. Meeting regularly

The aim of meeting regularly is so that the **governing committee** can consider important topics and make decisions at the right time.

You should hold at least four **governing committee** meetings per year and agree the dates in advance. When deciding the timetable, consider times and dates that are practical for the **committee members**. Doing so helps ensure you take decisions which are inclusive and enable individuals from different backgrounds to contribute fully. For instance, more people may be able to attend meetings in the evening. Many organisations can hold meetings in person, online or by phone. You may need to check what is permitted in the organisation's **governing document** for a meeting to be valid. Scheduling meetings to fit with calendar commitments such as the end of the organisation's financial year may also be something to consider.

Formal committee meetings are a time to talk about the big, strategic issues and decisions for the organisation. You can take care of day-to-day work separately.

2. Recording decisions

Recording decisions means keeping a formal record of decisions the **governing committee** makes and who takes part in the meetings. Keeping a record can help everyone agree on what was decided and prevent arguments.

You should prepare a written record of each **governing committee** meeting, including who participated, any decisions made, important points raised and who is responsible for putting decisions into action.

In order for **governing committee** decisions to be valid, a minimum number of **committee members** should take part in the meeting. The **governing document** will generally state this minimum number, which is known as a **quorum**.

At each meeting the **governing committee** should check and approve the written record of the previous meeting, usually known as **minutes**, to make sure they are correct.

If you are a membership organisation you may want to publish the **minutes** or a summary of the meeting to provide members with information about decisions made.



Ways to evidence

You may need to provide evidence to demonstrate that you meet this Requirement – some examples are provided below. You are not expected to have or to supply everything listed below. Equally, the lists do not include every possible option of evidence which you may use against this Requirement. The lists are there to help you understand what type of evidence you could consider providing against this Requirement.

Evidencing meeting regularly

To evidence this part of the Requirement you could provide any of the following:

- The **governing document**, if it states that the **governing committee** will meet regularly
- Four consecutive agendas or sets of **minutes**
- A meeting schedule showing regular meetings throughout the year
- A governance statement listing several meetings that have taken place
- Written confirmation from a governing committee member that your organisation holds regular meetings.

Evidencing recording decisions

To evidence this part of the Requirement you could provide any of the following:

- The **governing document**, if it states that the **governing committee** should keep records of meetings
- **Minutes** of meetings
- Action logs from meetings
- The **governing document** or **terms of reference** stating the **quorum** for valid decision-making
- Written confirmation from a governing **committee member** that the committee produces **minutes**
- Annual attendance log at meetings.

Support tools

Here are some links to useful websites for more detailed guidance or good practice examples and templates. If you use an example or template, make sure that you have researched what is right for your organisation and amend and adapt it appropriately.

Sport England

Club Matters (Sport England free resource aimed at clubs with a wealth of guidance)

- **Club planning and structures**
- **Good Governance (online module):** log-in required (log-in is free)

National Governing Body (NGB) support for those sports clubs that have **NGB/** Development officer assistance

- **Active partnerships** – support available

External support tools

- **Sports Governance Academy** – meetings and decision-making (registration required but is free)
- **Charity Commission** – charity meetings: making decisions and voting
- **Charity Commission** – charities and meetings
- **Locality.org** – national membership network for community organisations – download the good governance PowerPoint presentation from their resources page
- **NCVO** – templates available for members (subscription needed)



Principle: People

Requirement 3

The organisation seeks to ensure diverse viewpoints are considered and that its decision-making groups have the skills and diversity needed to operate effectively.

Why is it important? ⚠️

Evidence suggests that organisations whose decision-making groups are diverse are stronger, more resilient and more responsive to the needs of their participants.

Decision-making groups should reflect not only the range of participants you work with and, ideally, the wider local community, but also take into account potential new audiences and different skills. People at all levels in an organisation make decisions and there can be several different decision-making groups. For example, there may be a **governing committee**, **sub-committees**, staff and volunteer project groups.

Diversity is not limited to the nine **protected characteristics** defined by the Equality Act 2010, which are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. By seeking diverse viewpoints you can make sure that people with different skills and backgrounds, including a wide range of lived, regional and socio-economic experiences, contribute to decision-making, which can result in better conversations.

It's important to make sure that diverse viewpoints feed into decision-making at your organisation. So, beyond ensuring that the membership of your **governing committee** is diverse, think about other ways of capturing a range of views from the various groups of people you work with. This might be through surveys, informal groups or forums for example. When recruiting new people to your decision-making group, you should consider your organisation's current challenges and opportunities as well as future ambitions. For example, think about whether your organisation will need some different skills and experience five years from now. Remember that soft or people skills are needed just as much as technical or professional skills.

Advertise vacancies on different platforms and networks to reach a broad range of people and, particularly, to find people with the skills and experience you are

looking for. Also, think about how to make your adverts appealing, and how to communicate that you actively want to attract people from different backgrounds and with different experiences. Be careful not to put people off by over-stating the skills/experience you are looking for. For example, don't ask for experience of your sport or of sitting on a similar committee if these aren't really necessary. Challenge your norms to ensure that they promote equality and inclusion.

In order to accommodate volunteers from different generations, social backgrounds and cultures, you might need to take a flexible approach to roles and tasks. For example, you could consider:

- Breaking roles down into smaller tasks so that people with less time but the right skills can get involved
- Changing the timing and/or location of meetings so that people are not excluded (for example, shift workers or care givers).



Ways to evidence

You may need to provide evidence to demonstrate that you meet this Requirement – some examples are provided below. You are not expected to have or to supply everything listed below. Equally, the lists do not include every possible option of evidence which you may use against this Requirement. The lists are there to help you understand what type of evidence you could consider providing against this Requirement.

To evidence this Requirement you could provide any of the following:

- Board skills matrix (a document which sets out the skills, experience, and diversity you would like and/or have on your committee currently)
- Recruitment policy which references consideration of skills and diversity of individuals
- **Minutes** of a discussion where the organisation (for example, the **governing committee**) considered how to improve diversity and inclusion
- Written confirmation from a representative of the **governing committee** that your organisation considers the skills and diversity required of its **committee members**, and how it does this
- Organisation and role chart (including **sub-committees**) which outlines roles and responsibilities to show diverse involvement in decision-making
- Evidence of a recruitment advertisement or a role description with references to equality, diversity and inclusion, and diversity of skills.
- Showing evidence and examples of policies being put into practice will be important. A Sport England or UK Sport assessor may contact you in order to help form a view about whether your organisation is genuinely committed to diversity and inclusion.

Support tools

Here are some links to useful websites for more detailed guidance or good practice examples and templates. If you use an example or template, make sure that you have researched what is right for your organisation and amend and adapt it appropriately.

Sport England

Club Matters (Sport England resource aimed at clubs with a wealth of guidance)

➤ Roles and responsibilities

External support tools

➤ Blog post on board composition in the post-Covid-19 environment

NCVO – free resource (although some parts of **NCVO's** resources are only for paying members)

➤ Recruitment guidance

➤ Equality and Human Rights Commission – **Protected characteristics**

➤ Getting on Board (a trustee recruitment charity)

➤ How to recruit trustees (including their free guide, and ability to advertise with them)

➤ Lists of free places to advertise (including for particular skills)

➤ Free resources (including template adverts, role descriptions, interview questions)

➤ Reach Volunteering – Guidance on how to recruit trustees and diversify your governing committee



Principle: People

Requirement 4

Committee members are subject to regular election and ideally should serve no more than nine years.

Why is it important? ⚠️

It's natural for the situation of an organisation to change over time. That means you may need different skills and experience among the leadership. You should therefore ensure that there are regular opportunities to refresh the membership of the **governing committee**. By electing people for a set period of time, the organisation can be responsive to its members, adapt to changing circumstances and ensure it has the right people with the right skills at the right time.

There are two parts to the Requirement:

1. Regular elections

Most organisations will need to have regular elections for elected **governing committee** positions. A relatively common approach is to have a three-year term for each role or to have one-third of your **governing committee** needing to stand for re-election each year.

While it's important to refresh the **governing committee** regularly, you also want to avoid all **committee members** reaching the end of their maximum term at the same time. To ensure continuity, you could separate elections into different years. For example, on a committee with nine members, elections could take place for three of the roles each year. Having **staggered terms** like this reduces the **risk** of the organisation seeing a lot of change in its leadership in one go.



The **governing document** should explain how the organisation appoints the **governing committee** and how elections take place. In many cases, only some of the **committee members** are elected. If you do not hold elections due to the way your organisation is set up, you should still make sure you review the leadership roles regularly. You may need to speak with Sport England or UK Sport about what to do and how this Requirement will apply to your organisation.

Most sport organisations that have members will hold a meeting of the members each year, usually referred to as the **general meeting** or, in the case of a company, the annual **general meeting**. Your organisation's members will nominate candidates and vote at the meeting. Nominated candidates should have an equal opportunity to present themselves. Secret voting is preferable when there is competition for roles. You may need to make special arrangements if the election takes place with many or all participants online.

The level of participation by members in **general meetings** varies considerably from one organisation to another. Make sure the meeting is easy and convenient to attend so that as many of your members as possible vote in the elections.

Elections can put individuals and the organisation under pressure. Having a clear, written process may help reassure people that the vote is fair and honest. If you use an online voting system, make sure you test it carefully in advance.

2. Maximum service of nine years

It's desirable for organisations to have changes among the governing **committee members** from time to time. That way, new people with different ideas can come in and authority does not remain with a small group of individuals.

Consider setting a maximum period of time that an individual can be a member of the **governing committee**. Although this part of the Requirement is desirable rather than essential, it's recommended that organisations should limit the maximum number of years that an individual can serve on the **governing committee** to nine years in total. You might restrict each person to three terms of three years, for example.

Try to find a balance between allowing a chance for new people to be elected or appointed, while retaining committed volunteers. You could have a discussion about setting **term limits**, even if you decide it's not the right choice for the organisation at the moment. Keep checking from time to time that you are taking the right approach for your organisation.

Small organisations can find it difficult to recruit new **governing committee** members. Look carefully at how you can help people already involved in your organisation get ready to become **governing committee** members in the future. They may benefit from training or opportunities to gain more experience.

When you have vacant **governing committee** positions, the language you use to describe the role and where you place the notice can have a big effect. You may want to look at guidance on how best to attract a diverse range of possible candidates. (See also Requirement 3 on the need for diverse viewpoints.)

An important task for the **governing committee** is to make sure the organisation will be stable and still have the skills it needs when people leave. This is known as **succession planning**. Sometimes you may know that an individual will finish their final term on the committee or plans to retire soon. On other occasions, a **committee member** moves away or leaves unexpectedly.

You should be ready to cover gaps quickly, when needed. For example, work out who would lead the organisation if the **chair** leaves. You may have a deputy **chair** already, or perhaps two people would take on different parts of the **chair**'s role. Later, you can also bring in new recruits but that tends to take time.

Planning further ahead, it's a good idea to do what you can to develop the next generation of committee members. That can help the organisation continue to work effectively long into the future.

Ways to evidence

You may need to provide evidence to demonstrate that you meet this Requirement – some examples are provided below. You are not expected to have or to supply everything listed below. Equally, the lists do not include every possible option of evidence which you may use against this Requirement. The lists are there to help you understand what type of evidence you could consider providing against this Requirement.

Evidencing regular elections

To evidence this part of the Requirement you could provide any of the following:

- **Governing document** – sections on election of governing **committee members**
- **Governing committee terms of reference**
- **Governing committee** recruitment policy
- **General meeting**/Annual General Meeting agenda and **minutes** showing elections taking place.

Evidencing maximum service of nine years

(note that this part of the Requirement is optional)

To evidence this part of the Requirement you could provide any of the following:

- **Governing document** – section on **governing committee**
- **Governing committee terms of reference**
- **Governing committee** recruitment policy
- **General meeting**/Annual General Meeting agenda and **minutes** showing elections taking place.

Support tools

Here are some links to useful websites for more detailed guidance or good practice examples and templates. If you use an example or template, make sure that you have researched what is right for your organisation and amend and adapt it appropriately.

Sport England

Club Matters (Sport England resource aimed at clubs with a wealth of guidance)

➤ Planning & Governance

➤ Constitution guidelines (under templates and guides)

External support tools

➤ NCVO – recruiting volunteers

➤ Sports Governance Academy – Questions for sports bodies – Tier 3 – Principle 2 – People (registration required but is free)

➤ Charity Commission – charity meetings: making decisions and voting

➤ Association of Summer Olympic International Federations (ASOIF) – suggested components of electoral rules and processes for international federations

Principle: Communication

Requirement 5

The organisation shares information on its governance, structure, activities and financial position to enable **stakeholders** to have a good understanding of them.

Why is it important? ⚠️

By sharing information, the organisation enables **stakeholders** to know it better. **Stakeholders** are people or entities that have an interest in the activity of the organisation and are affected by it. For example, they include members, participants, funders and so on. It's important that they understand why the organisation exists, what it's trying to do, how it functions and the results it produces.

Providing information in a transparent way helps make the organisation accountable to its **stakeholders**. People who know your organisation well can communicate more effectively with it and may be more likely to want to get involved.

There are many ways you can do this:

- **Your website**

Many organisations find their website is the most straightforward way to share information.

You'll probably have some basic details and important documents that change only rarely, which you can publish on the organisation's website. For example, you could provide:

- **Governing document**
- Strategy
- Details of governing **committee members**
- Policies.

You can also add information that you produce each year, such as:

- Financial accounts
- An **annual report**
- Details of any major governance changes.

Beyond that, share news about decisions the organisation takes, such as in **governing committee** meetings. You may want to distribute some documents which are not published on the website to your members and participants by email or online.

- **Social media**

Your organisation may also have social media channels, where you can provide day-to-day news about your activities and reach a wider audience. Using social media can be a practical way to exchange and connect but there are also risks, which you should consider carefully.

- **General meetings**

It's a good idea to hold some sort of **general meeting** on at least an annual basis, even if your **governing document** does not require it. A meeting offers a chance to communicate. You can present an update to your members and participants and also let them have their say so that they know their voices are being heard.





• Advertising for new volunteers or staff

If you're recruiting new volunteers or staff, you should advertise the roles openly and in the right way to reach a diverse range of candidates.

• Sharing information with new volunteers, staff, participants or members

When people become involved with the organisation for the first time, make sure that they receive the information they need. For governing **committee members**, staff and volunteers, think about their induction, including any training they should have and provide packs of key documents. Consider what information will be helpful for new participants and members. Let them know where they can find out more.

Take care to give accurate and honest information about the organisation. In both written and spoken communications, use language that makes sense to people who aren't experts in what you do.

Effective discussion with **stakeholders** means not only providing information but also listening and responding. Useful feedback may come in a formal way, such as in meetings or in written form but it can also be in everyday conversations. From time to time you may find it helpful to ask members, participants or other **stakeholders** for their views, perhaps via a survey.

Sharing information about the organisation is an essential task that takes time and effort. Remember that more is not always better. Keep **stakeholders** properly informed but try not to overwhelm them.

Ways to evidence

You may need to provide evidence to demonstrate that you meet this Requirement – some examples are provided below. You are not expected to have or to supply everything listed below. Equally, the lists do not include every possible option of evidence which you may use against this Requirement. The lists are there to help you understand what type of evidence you could consider providing against this Requirement.

To evidence this Requirement you could provide any of the following:

- Organisation website – basic information, important documents, governing **committee members**, decisions made, news and so on
- Organisation social media channels and pages – regular updates and links to the website
- Annual meeting papers and **minutes**
- **Annual reports** and financial accounts
- Newsletters
- Noticeboards
- Role descriptions for volunteer or staff positions, advertised appropriately
- Written statement about the organisation's approach to sharing information (for example, a commitment to transparency with documents and important information published on the website).

Support tools

Here are some links to useful websites for more detailed guidance or good practice examples and templates. If you use an example or template, make sure that you have researched what is right for your organisation and amend and adapt it appropriately.

NGB support for those sports clubs that have NGB/Development officer assistance

External support tools

Sports Governance Academy – (registration required but is free)

➤ **Questions** for sports bodies

➤ **NCVO Knowhow** – how to run a transparent organisation

Principle: Standards and Conduct

Requirement 6

Conflicts of interest are recognised, managed by the chair and recorded. At least three of the people on the **governing committee** are neither related to, nor cohabiting with, other **committee members**.

Why is it important? ⚠️

A **conflict of interest** is a situation where a person is in a position to gain personal benefit from actions or decisions they make in their official capacity. If an organisation does not manage **conflicts of interest**, there is a **risk** that someone will not choose the best decision for the organisation because a different choice is better for them personally. Having **conflicts of interest** is ok as long as they are managed appropriately.



There are two parts to this Requirement:

1. Recognising, managing and recording **conflicts of interest**

A **conflict of interest** happens in a sport organisation when:

- An individual has a personal interest; and
- That personal interest may conflict with the interests of the sport or organisation.

The personal interest could cover a wide range of circumstances including commercial, financial and sporting interests. It includes not only interests of the governing **committee member** themselves (or whoever it is in the organisation) but also those of their family, close connections and businesses in which they are involved.

For example:

- A governing **committee member's** son or daughter might be an elite competitor. If the governing **committee member** is involved in making a decision about selection for a team from a group that included their son or daughter, they would have a conflict of interest
- A governing **committee member** might be a director of a company which has tendered to supply services to the sport organisation. If the individual is involved in making a decision about which company to appoint, they would have a conflict of interest.

If you ignore a conflict of interest, the danger is that either the individual will follow their personal interest when they are supposed to be making a decision in the best interests of the organisation or that **stakeholders** will question the validity of the decision due to unmanaged **conflicts of interest**. By managing the conflict correctly, you can prevent these issues. Personal interests and conflicts will inevitably arise – it is how you deal with them that counts.

Most **conflicts of interest** are easy to spot. But it can help new members if you give them some guidance when they join the **governing committee** to be sure that they understand the importance of the issue and to help them to recognise when a conflict might arise. Your **chair** is usually responsible for managing conflicts and can also offer advice.

A useful way to manage conflicts is for each person to fill in a form on joining the **governing committee**. They list on the form all their personal interests which they think might conflict with the best interests of the organisation in future decisions. You can also use the form to provide guidance and to give some practical examples. Members should update the form on an annual basis, or when there are important changes. Larger organisations should retain an electronic version of all the information as a register of interests to assist monitoring.

Your **chair** will then be able to oversee management of **conflicts of interest**. They can offer advice if there is any uncertainty and make sure that members do not vote on any decision where there is a conflict. In most such cases they will also exclude the member from the discussion process.

The form is intended to help highlight potential conflicts in advance. In addition, it's a good idea to include an agenda item on **conflicts of interest** at the start of every meeting. That way you can remind **committee members** of any **conflicts of interest** which have already been declared but may be particularly relevant in relation to specific agenda items. They will also have the chance to raise any new conflicts. Make a record in the meeting **minutes** of any conflicts that members declare and how they are handled.

Sport organisations that are companies or charities should also be aware of the company or charity law requirements relating to **conflicts of interest**.



2. At least three of the people on the governing committee are neither related to, nor cohabiting with, other committee members

People who are related to each other or who live together can often share similar interests and similar opinions. They may not be aware of the similarity of their views, but it is a common tendency and can undermine the balance of the decision-making process.

To ensure balance in decision-making, at a minimum, at least three of your governing **committee members** should be unrelated and not cohabiting. One way to monitor that the committee meets the Requirement is to include a statement at the end of the conflict of interest form asking each member to confirm their status.

Sometimes this part of the Requirement may prove challenging. In that case you can speak with Sport England or UK Sport about what to do and how this Requirement may apply to your organisation.

Ways to evidence

You may need to provide evidence to demonstrate that you meet this Requirement – some examples are provided below. You are not expected to have or to supply everything listed below. Equally, the lists do not include every possible option of evidence which you may use against this Requirement. The lists are there to help you understand what type of evidence you could consider providing against this Requirement.

Evidencing recognising, managing and recording **conflicts of interest**

To evidence this part of the Requirement you could provide any of the following:

- Declaration of interest form including an explanation of what is covered and allowing known interests to be declared
- Register of interests which lists in one place all interests that have been declared
- Standing item for **conflicts of interest** on **governing committee** agenda
- Your **governing document** which should include clauses regarding **conflicts of interest**. These should include recognising **conflicts of interest**, recording them, and management and oversight of the process by the **chair**
- **Conflicts of interest** policy which covers all three elements – recognising, recording and management by the **chair**
- Other documents which contain a **conflicts of interest** policy that covers all three elements – recognising, recording and management by the **chair**, for example a board handbook
- **Minutes** of committee meetings which show conflicts are declared and managed.

Evidencing at least three people unrelated and non-cohabiting

To evidence this part of the Requirement you could provide any of the following:

- Additional statement on declaration of interest form
- Written confirmation from a trustee/director/**committee member** that at least three of the people on the committee are unrelated and non-cohabiting.

Support tools

Here are some links to useful websites for more detailed guidance or good practice examples and templates. If you use an example or template, make sure that you have researched what is right for your organisation and amend and adapt it appropriately.

External support tools

- **Sport and Recreation Alliance guidance** – conflict of interest policy
- **Charity Commission** – **conflicts of interest**: guidance for charity trustees
- **Sports Governance Academy** – **conflicts of interest** guidance (registration required but is free)



Principle: Policies and Procedures

Requirement 7

The organisation ensures appropriate financial procedures and practices are in place and as a minimum can evidence: a) appropriate oversight of financial planning; b) financial decision-making and processing is not managed by one person alone; and c) accounts which are independently scrutinised.

Why is it important? ⚠️

Any organisation which receives money from other people or organisations to deliver certain objectives must ensure they use the funds for the purpose intended. Money obtained from membership subscriptions, external investment or payment for delivering services must be managed appropriately.

This Requirement covers how your organisation manages finances and the financial procedures and practices that need to be in place.

There are three parts to this Requirement:

1. Appropriate oversight of financial planning

Having appropriate oversight will give confidence in the financial security and sustainability of your organisation. It will demonstrate that you have the ability to manage money and keep the organisation going in the future.

Exactly how you carry out oversight of financial planning will depend to a great extent on the size and capacity of your organisation. The **governing committee** may be fully responsible for budgeting and monitoring finances. However, in larger organisations, it is usual for a **sub-committee** to take a first look at the detail of financial matters and then report back to the **governing committee**. The **sub-committee** can provide a helpful, focused assessment of the financial situation.

You will need to adopt a set of financial procedures stating how you manage financial matters. It might be as simple as a few pages explaining how you pay suppliers, how people charge expenses, plus who has authority in each case. In a large organisation with substantial resources, you might have quite a few practices and procedures.

2. Financial decision-making and processing is not managed by one person alone

An important aspect of managing your finances in an appropriate way is to ensure that more than one person is involved in making financial decisions and processing transactions. This measure will not only help you guard against mistakes or, in the worst case, maladministration or even fraud, but it may also protect the individuals involved.

As an example, consider an organisation which takes payment for competition entries in cash. At the end of each day, the cash is counted and checked against the recorded entries. Imagine that one person handles the cash alone and that the figures do not add up. The organisation will have lost out and there will inevitably be concerns about the actions of that one person. If, however, two people are involved the risks are reduced because each can check the other's work. If a problem does arise it may be easier to trace the error and correct it.

It's a good idea to separate tasks not only for any cash transactions, but also when committing your organisation to expenditure, authorising a payment, making payments and so on. One individual should not have the ability to commit your organisation to expenditure and then authorise and pay that expenditure alone.



3. Accounts which are independently scrutinised

Your organisation should prepare accounts at a minimum on an annual basis to:

- Provide a snapshot of your organisation's financial position on a set date at the end of your financial period, which is known as the **balance sheet**
- Give details of the income and expenditure over that period and whether it results in a profit or a loss, which is called the **profit and loss statement**.

You can supplement these with **management accounts** every three months to help your **governing committee** see how the finances are progressing.

You should get someone who is **independent** of the person responsible for finance in the organisation and has not been involved in preparing the accounts to review them. That person should ideally be an accountant or a person with business experience who is familiar with accounts. It could be another member of your **governing committee** or a completely **independent** person. Larger organisations will appoint an accountancy firm to carry out a formal **external audit**.

If your organisation is a company or charity, you will have specific legal obligations in relation to preparation, scrutiny and filing of the accounts. Companies House and the Charity Commission set thresholds which define requirements for the form of **independent** scrutiny needed for your accounts.

If you are a relatively new organisation, this part of the Requirement may prove challenging. In that case, you can speak with Sport England or UK Sport about what to do and how this Requirement may apply to your organisation.

Ways to evidence

You may need to provide evidence to demonstrate that you meet this Requirement – some examples are provided below. You are not expected to have or to supply everything listed below. Equally, the lists do not include every possible option of evidence which you may use against this Requirement. The lists are there to help you understand what type of evidence you could consider providing against this Requirement.

If the organisation is so new that there are not yet any financial statements, then Sport England or UK Sport can consider other ways you can meet the Requirement. As noted above, if this is the case then speak with Sport England or UK Sport about what to do and how this Requirement may be interpreted and applied to your organisation.

Evidencing appropriate oversight of financial planning

To evidence this part of the Requirement you could provide any of the following:

- Financial procedures document or manual
- Delegated authority statement
- Meeting **minutes** showing **governing committee** discussions of the organisation's finances, demonstrating their oversight role
- Finance committee **terms of reference** and meeting **minutes**
- **Budget** forecast and financial planning documents prepared for the **governing committee** (or **minutes** showing **governing committee** discussions of these)
- Income/expenditure forecast
- Cash management policy
- Expenses policy
- Reserves policy
- The relevant sections of your **governing document** which deals with financial matters, appointment of a treasurer, banking and so on.

Evidencing financial decision-making and processing is not managed by one person alone

To evidence this part of the Requirement you could provide any of the following:

- Financial procedures document or manual which shows that the person who processes financial transactions mustn't be the same person who makes financial decisions or authorises expenditure
- Delegated authority statement
- A screen shot from your online banking showing two-person authorisation
- A copy of a blank cheque showing space for two signatories.



Evidencing accounts are prepared and independently scrutinised

To evidence this part of the Requirement you could provide any of the following:

- Accounts signed by **independent** scrutineer
- CV or a statement of scrutineer's qualifications/experience
- **Minutes** of a governance committee meeting showing approval of the **annual accounts**.

Support tools

Here are some links to useful websites for more detailed guidance or good practice examples and templates. If you use an example or template, make sure that you have researched what is right for your organisation and amend and adapt it appropriately.

Sport England

Club Matters (Sport England resource aimed at clubs with a wealth of guidance)

➤ **Getting organised** with your finances

External Support tools

➤ **Companies House** – company accounts guidance

➤ **Companies House** – preparing accounts for a private limited company

Please note that HMRC and Companies House administer a joint system which is very helpful when compiling the accounts and submitting a tax return for a small company.

➤ **Charity Commission** – charity reporting and accounting: the essentials

➤ **Sports Governance Academy** – financial control (registration required but is free)



Principle: Policies and Procedures

Requirement 8

The organisation assesses and manages organisational risks and liabilities appropriately.

Why is it important? ⚠️

A successful sport organisation will not only have a clear purpose, but will also have thought through:

- What could go wrong to stop it achieving its aims, which is known as **risk**
- What the consequences could be if things go wrong, generally known as **liabilities**.

Anticipating what could go wrong and considering the consequences will put you in a better position to be able to take steps to avoid the problem, or at least to minimise its impact. When there are big risks that are difficult to control you can be realistic about what you are planning and decide in advance if you should go ahead. You can then move forward confidently knowing that you have thought through your plans and are able to deliver them.

There are two parts to this Requirement:

1. Organisational risk management

You may well be familiar with carrying out **risk** assessments for events or activities using a standard template, such as for health and safety, and thinking through the potential impact if things go wrong. This form of **risk** assessment is very focused on issues that could arise for a specific event or activity.

The Code Requirement is more strategic, but the basic approach is the same, namely working out what could go wrong and how to reduce the possibility of such outcomes. Managing organisational risks means that you take a real step back and look at issues relating to the organisation's plans and its long-term sustainability. This high-level process is usually referred to as 'organisational' or 'strategic' **risk** management.

Organisational **risk** management involves three basic steps:

- Identify what could stop you achieving your aims
- Work out what you can do to reduce or control that **risk**
- Regularly review to check if the risks have changed and to assess how well you are managing to control them.

Most sport organisations carry out this process using a **risk register**. Consider what high level risks could stop your organisation from achieving its purposes and record them in the table. You should also include any steps to take to reduce or control the risks, the name of the person responsible for monitoring the **risk** and updates on progress in controlling it. The **governing committee** should receive and review updates of the register regularly, for example every three months, and carry out a full review each year.

In the **risk** management exercise, think about the wide range of risks which could stop you achieving your aims. You should reflect not only on your sport targets, such as increasing participation or competitive success, but also the potential for failures in managing the wider responsibilities of a sport organisation, including your duties to volunteers and participants.

As an example, assuming that your organisation will have important **safeguarding** responsibilities, you might record in the register:

Risk	Failure to meet safeguarding responsibilities leading to harm to individuals (and reputational damage to the organisation).
Mitigation/Control	Have in place safeguarding policies and procedures setting out what steps the organisation takes to protect children, young people and adults. Policies should explain how the organisation deals with concerns raised, any codes of conduct, safe recruitment, supervision rules, educate.
Owner	Safeguarding lead.
Review	Annual review by governing committee with monitoring of changes in risk or control every three months.

2. Management of liabilities

Some of the risks that you identify in the register could lead to substantial **liability** if you don't reduce or control them properly. Failures could impact not only your organisation but also potentially the individuals involved.

As a sport organisation you will need to consider, for example:

- Financial **liability** – where you fail to make contractual payments or fail to meet financial liabilities
- **Liability** if your organisation falls below civil standards expected of you, such as in a case of negligence
- Your responsibilities under specific sport-related regulations, such as **safeguarding**.

The way that the organisation is set up can have major implications on the impact of such **liability**. For instance, in the case of a company, it will be the company itself which will bear responsibility for commercial and financial liabilities, not the individuals involved (unless there is misconduct).

In contrast, individuals can be liable for potential costs if the sport organisation lacks a formal legal structure. When a group of people come together to run the activity, it is known as an **unincorporated** association.

It's important that you keep liabilities under review using the organisational **risk register** to inform you. All those involved in the management of your organisation should have an understanding not only of its key legal and financial obligations but also of the additional responsibilities that apply in sport. Appropriate practices and procedures should be in place to manage these responsibilities. You should also seek to obtain insurance against liabilities where possible.

If the organisation has not been set up as a company until now, be aware of the impact in terms of liabilities. It's worth thinking about the pros and cons of the organisation's legal status on a fairly regular basis. (See also Requirement 1 on being properly constituted.)

Ways to evidence

You may need to provide evidence to demonstrate that you meet this Requirement – some examples are provided below. You are not expected to have or to supply everything listed below. Equally, the lists do not include every possible option of evidence which you may use against this Requirement. The lists are there to help you understand what type of evidence you could consider providing against this Requirement.

Organisational risk management

To evidence this part of the Requirement you could provide any of the following:

- **Risk register**
- **Risk** management strategy
- Board **minutes** which include evidence of a discussion about **risk** management.

Management of liabilities

To evidence this part of the Requirement you could provide any of the following:

- Evidence of a formal discussion of potential liabilities by the governance committee on an annual basis
- Insurance policies
- If **unincorporated**, then evidence of consideration of your organisation's structure and potential to **incorporate**.

In addition, there may be evidence which relates specifically to your organisation and its management of risks and liabilities. These might include:

- Policies relating to core sporting responsibilities, including **safeguarding**
- Register of contracts
- Structure/community share
- Governance committee **minutes** discussing potential risks
- Financial policies
- Evidence of **succession planning**
- Evidence of appropriate health, safety and risk training and development plans for staff and volunteers.

Support tools

Here are some links to useful websites for more detailed guidance or good practice examples and templates. If you use an example or template, make sure that you have researched what is right for your organisation and amend and adapt it appropriately.

Sport England

Club Matters (Sport England resource aimed at clubs with a wealth of guidance)

➤ **Example risk register and risk management policy**

External support tools

➤ **Sport and Recreation Alliance** – **risk** management guidance

➤ **Charity Commission** – charities and **risk** management

➤ **Child Protection in Sport Unit** – sample codes of conduct

➤ **Ann Craft Trust** – **safeguarding** resources

➤ **Sports Governance Academy** – **risk** management and control
(registration required but is free)



Definitions



Definitions

Term	Definition
Affiliation	In the specific case of a sports organisation, affiliation is a formal connection or association between an individual or organisation and another individual or organisation. For example, a sports club may be affiliated to the relevant national governing body in the sport. The affiliation involves a combination of rights and obligations. The club may have a right to participate in a competition that the national governing body organises. In return, the club has to follow the rules of the national governing body.
Annual accounts	<p>A report setting out the financial situation of the organisation at the end of the financial year.</p> <p>The annual accounts include as a minimum a balance sheet, a profit and loss statement and notes listing significant accounting policies. For larger organisations the accounts will be much more extensive.</p> <p>Larger, incorporated organisations will undergo an external audit of the annual accounts. For smaller organisations an independent examination of the accounts should take place. Accounts that the organisation has prepared but which have not had any external review are described as unaudited.</p>
Annual report	<p>A report that the organisation produces bringing together a summary of its activity over a 12-month period. The report is intended to be a useful resource for members and other stakeholders.</p> <p>Typical contents include:</p> <ul style="list-style-type: none"> • Reports from the leadership • A summary of the main achievements of the organisation • Updates on different areas of activity linked to the strategic plan • Governance changes, such as any changes in the membership of the governing committee • Key decisions taken • Financial reports. <p>Organisations may print copies of annual reports but they are frequently now only available in electronic format.</p>

Term	Definition
Articles of Association	The governing document of a company. This is a legal document which sets out the constitution .
Balance sheet	A report providing a snapshot of your organisation's financial position on a set date, usually at the end of your financial year. The balance sheet is one component of the annual accounts .
Board/ Governing committee resolution	A formal way for the governing committee (often known as a board) to make and document an action or decision.
Budget	A financial plan estimating the organisation's income and expenditure for a period of time, such as a financial year or funding cycle. In setting a budget the organisation can estimate the financial forecast if it takes a certain course of action.
Chair	<p>The chair is the person who provides leadership for the organisation. This will usually be the person who leads the governing committee meetings. The chair's primary role is to ensure that the governing committee effectively fulfils its function of governing the organisation and overseeing its management. The chair is elected or appointed as set out in the organisation's governing document. In addition to chairing meetings of the governing committee, they will also often:</p> <ul style="list-style-type: none"> • Act as a channel of communication between the governing committee and staff • Act as a figurehead for the organisation • Ensure the governing committee's decisions are implemented • Lead on the development of the governing committee.
Club Matters	Club Matters is a free Sport England resource offering clubs a wealth of guidance. It can be accessed here: www.sportenglandclubmatters.com

Term	Definition
Committee member	<p>A person who has responsibility for governing the organisation and overseeing and controlling its management as a member of the governing committee.</p> <p>Various other terms may be used including director, governor, trustees, governing committee members, management or executive committee members and board members.</p>
Conflicts of interest	<p>A conflict of interest occurs in an organisation when:</p> <ul style="list-style-type: none"> • An individual has a personal interest; and • That personal interest conflicts with the interests of the sport or the organisation. <p>The personal interest could cover a wide range of circumstances including commercial, financial and sporting interests. It includes not only interests of an individual active in the organisation but also those of their family, close connections and businesses in which they are involved.</p> <p>It is common for conflicts of interest to exist in a sports organisation. Having conflicts of interest present is not an issue as long as the conflicts of interest can be and are managed appropriately. The organisation should manage conflicts of interest so that they do not improperly influence decision-making.</p>
Constitution	See governing document
External audit	<p>An examination of the organisation's annual accounts that a qualified external person carries out, independent of the organisation.</p> <p>For incorporated companies and charities, there are minimum thresholds above which carrying out an external audit is a legal Requirement. Official guidance is available here:</p> <p>Companies – www.gov.uk/annual-accounts/microentities-small-and-dormant-companies</p> <p>Charities – www.gov.uk/government/publications/charity-reporting-and-accounting-the-essentials-november-2016-cc15d</p> <p>For smaller organisations, an independent examination of the accounts should take place.</p>

Term	Definition
Financial forecast	<p>An estimate of a future financial position for the organisation (or a project). In producing the estimate it is necessary to make some assumptions about income and expenditure. Forecasting is one component of setting a budget.</p>
General meeting	<p>A formal meeting of the members or stakeholders of an organisation. If it is held on an annual basis it may be referred to as the annual meeting or annual general meeting. The governing document should explain arrangements for a general meeting.</p> <p>Such meetings provide an opportunity for dialogue between the governing committee and the members/stakeholders. It is also usually the meeting where votes on proposals for changes to the governing document and election of candidates to the governing committee take place.</p> <p>In the case of companies and incorporated charities, there are legal Requirements associated with the general meeting, such as how the organisation should inform members that the meeting is taking place.</p>
Governing committee	<p>The group of people with overall responsibility for governing the organisation and overseeing and controlling its management.</p> <p>Various other terms may be used including board, board of directors, board of governors, trustees and management committee.</p>
Governing document	<p>A formal document setting out why the organisation exists and what it seeks to do. The governing document will explain who controls the organisation, how it operates and the governing committee that is responsible for it.</p> <p>For unincorporated organisations, the governing document may be known as the constitution, statutes or rules/regulations. If the organisation has the legal form of a company or an incorporated charity, it will be called the articles of association or constitution.</p>

Term	Definition
Incorporation	<p>The process by which a new or existing organisation becomes a company is known as incorporation. This can also include registration with the Charity Commission as a charitable incorporated organisation.</p> <p>An unincorporated association is an organisation that does not have a separate legal structure and consists of a group of people coming together to run the activity.</p> <p>Whether incorporated or unincorporated, there are significant legal implications for the organisation and those who run it. The governing committee should consider the organisation's legal status carefully.</p>
Independent	<p>A person is independent if they are free from any close connection to the organisation and if, from the perspective of an objective outsider, they would be viewed as independent. A person may still be deemed to be independent even if they are a member of the organisation and/or play the sport.</p> <p>Examples of a 'close connection' include:</p> <ol style="list-style-type: none"> A. they are or have within the last four years been actively involved in the organisation's affairs, for example as a representative of a specific interest group within the organisation such as a sporting discipline, a region or a home country B. they are or have within the last four years been an employee of the organisation C. they have close family ties with any of the organisation's directors or senior employees.
Independent examination of accounts	<p>A defined review of the accuracy of an organisation's accounts carried out by an independent person or company, covering specific matters only. An independent examination usually costs less than an external audit. It is adequate for a smaller organisation below specific thresholds.</p> <p>Official guidance is available here:</p> <p>Companies – www.gov.uk/annual-accounts/microentities-small-and-dormant-companies</p> <p>Charities – www.gov.uk/government/publications/charity-reporting-and-accounting-the-essentials-november-2016-cc15d</p>

Term	Definition
Liability	<p>The exposure or level of responsibility for an organisation or individual resulting from a course of action, particularly if something goes wrong.</p> <p>Types of potential liability include:</p> <ul style="list-style-type: none"> • Financial, such as debts resulting from failure to meet contractual payments • Legal, such as the liability for negligence • Liabilities related to sporting responsibilities such as breach of obligations in respect of safeguarding.
Management accounts	<p>Financial statements that the organisation prepares several times per year to provide a snapshot of its financial position at a point in time. The governing committee, audit committee and senior staff may use management accounts to inform decision-making.</p>
Minutes	<p>A formal, written record of a meeting detailing as a minimum the key decisions taken and actions agreed, as well as who attended the meeting.</p>
NCVO	<p>NCVO stands for the National Council for Voluntary Organisations and is the umbrella body for the voluntary and community sector in England. It is a registered charity and works to support the voluntary and community sector by providing advice and resources, which can be accessed here: www.ncvo.org.uk</p>
NGB	<p>NGB stands for National Governing Body. A sport may have a recognised NGB which plays a significant role in setting the rules and regulations for participation in the sport. A list of recognised NGB can be found here: www.sportengland.org/how-we-can-help/national-governing-bodies?section=the-recognition-process</p>
Profit and loss statement	<p>A report providing details of the income and expenditure for the organisation over a period, usually one financial year, and whether that results in a profit or a loss. Also referred to as a profit and loss account. The profit and loss statement is one component of the annual accounts.</p>

Term	Definition
Protected characteristics	<p>These are defined by a law: the Equality Act 2010. It is against the law to discriminate against someone because of:</p> <ul style="list-style-type: none"> • Age • Disability • Gender reassignment • Marriage and civil partnership • Pregnancy and maternity • Race • Religion or belief • Sex • Sexual orientation.
Quorum	<p>A fixed number or percentage of the governing committee who must participate in a meeting to make valid any decisions that are taken. Only those who are entitled to attend and vote are counted. When not enough people participate in the meeting, it is said to be inquorate and decisions made are not valid. The quorum will usually be stated in the governing document and terms of reference for committees. For example, the quorum for a committee may be 50% +1 of the committee members who are entitled to participate.</p>



Term	Definition
Risk	<p>An uncertain event that could impact the achievement of the organisation’s objectives. Risks are often divided into categories and types.</p> <p>There are two broad categories:</p> <ul style="list-style-type: none"> • Strategic/organisational – risks that impact on the organisation’s strategy or sustainability, such as loss of a major income stream • Operational – risks involving a specific area of activity, such as a serious injury to a participant. <p>Types of risk include:</p> <ul style="list-style-type: none"> • Financial, such as the cancellation of an event resulting in loss of expected income • Legal, such as the organisation breaching a commercial contract • Reputational, such as failure to deliver services to an adequate standard, resulting in criticism by members on social media • Political, such as a change in Lottery funding policies. <p>Specific risks frequently cover more than one category and type. For example, cancellation of an event may be a financial, legal and reputational risk.</p>
Risk register	<p>A tool for managing risk. It is usually set out in the form of a table that includes:</p> <ul style="list-style-type: none"> • Identification of risks, divided into categories • Evaluation of likelihood and impact of each risk • Prioritisation • Mitigation • Responsibility • Time period.
Safeguarding	<p>Action taken to prevent people involved in the activity of the organisation suffering from any form of harm, harassment, bullying, abuse and neglect.</p>
Socio-environmental factors	<p>To consider socio-environmental factors means to think through and understand the impact on the environment and on society of any decisions an organisation may make. For example, an organisation may need to consider the impact on the environment of its travel policy, or the impact on society and the local community of building a new office.</p>

Term	Definition
Staggered terms	<p>Terms of service for members of the governing committee that do not all end at the same time so that the organisation is less likely to have a lot of change in its leadership in one go. For example, on a committee with nine members where each serves for three years, the terms of three members could end each year.</p> <p>An organisation may have both term limits and staggered terms with the aim of balancing the need for renewal of leadership with a degree of continuity.</p>
Stakeholders	<p>Individuals, groups or entities that have an interest in the activity of the organisation and are affected by it, or can affect it themselves.</p> <p>Typical examples of stakeholders for a sports organisation include:</p> <ul style="list-style-type: none"> • Participants • Members • Volunteers • Staff • Funders • Local authorities, and many others.
Statutes	See governing document
Strategic plan	<p>A management tool that explains how the organisation will work towards its overall mission during a period of time, such as three or four years. The strategic plan identifies high-level goals and divides them into measurable targets, allocating responsibility in each area.</p> <p>Organisations often produce an operational plan, which sets out the activity for a 12-month period that will contribute to achieving the objectives in the strategic plan.</p> <p>The governing committee has overall responsibility for the strategic plan but it is important to consult members and stakeholders in preparing it.</p>

Term	Definition
Sub-committee	<p>A group of people with collective expertise who the organisation appoints to work together for a defined purpose, contributing to the overall work of the organisation. For example, a sports organisation may have an audit committee with terms of reference that give it authority to oversee financial reporting.</p> <p>Sub-committees often include a mix of governing committee members and independent members who have specific expertise in the subject matter. Sub-committees generally have terms of reference and report to the governing committee.</p>
Succession planning	<p>A management exercise intended to ensure the organisation will be stable and still have the skills it needs when people at a senior level leave. Organisations should identify and develop potential future leaders. Plans should cover cases where an individual is due to finish their final term on the governing committee or will retire soon but also what happens if somebody leaves unexpectedly.</p> <p>For example, an organisation should work out who would cover the functions of the chief executive if they leave. Typically, succession planning includes both the immediate response, such as identifying others internally who would take on the work on a temporary basis, as well as the longer-term approach. In this case, the organisation might search for a replacement through open recruitment.</p>

Term	Definition
Term limits	<p>A restriction on the length of time that an individual can serve in one or multiple non-staff roles within an organisation, whether elected or appointed. The aim is to ensure that people with different ideas can come into the organisation from time to time and that authority does not remain with a small group of individuals.</p> <p>The organisation may define a term as two, three or four years and restrict the number of times an individual can be re-elected. For example, the organisation may limit governing committee members to serve no more than three terms of three years – this would equate to a total of nine years and so nine years would be the term limit.</p>
Terms of reference	<p>A formal written document that defines the purpose and structures of a governing committee, sub-committee, meeting, project or similar group set up to accomplish a shared goal.</p> <p>Terms of reference typically include:</p> <ul style="list-style-type: none"> • What has to be achieved • Who will take part in it, what their roles and responsibilities are • How it will be achieved – any resource or financial plans • How the group feeds into other groups, for example, if it is for a sub-committee, how does the sub-committee report up to the governing committee? How does the governing committee feed back to the sub-committee? • How often will they meet? If a project, is there an end date? • Any risks to consider • How you will know if it's successful • How often you'll review the effectiveness of the group and its terms of reference.
Unincorporated	<p>An unincorporated association is an organisation that does not have a separate legal identity or structure and consists of a group of people coming together to run the activity. The process by which an unincorporated organisation becomes a company is known as incorporation.</p>



