Appendix J – Governance criteria

Introduction

Corporate governance **-** the process of decision-making and the process by which decisions are implemented (or not implemented) - is a system by which all organisations are directed and controlled. An organisation's Board, in this case the "new BCS" will be responsible for the governance of their organisation. The Board members' role in governance is to appoint the directors and to satisfy themselves that an appropriate governance structure is in place to support the effective operations of the organisation.

The responsibilities of the board should include:

- setting the organisation's strategic aims
- providing the leadership to put them into effect
- supervising the management of the business
- reporting to the members on their management of the organisation.

Characteristics of good governance

There are 8 characteristics of good governance, which comprise:

- participatory
- consensus oriented
- accountable
- transparent
- responsive
- effective and efficient
- equitable and inclusive
- follows the rule of law.

Common governance criteria

- Board structure should generally consist of no less than five and no more than ten directors plus a Chair. The number of directors on a board should reflect the size and level of activity of the organisation.
- In addition to the 5-10 board directors the Board should seek to appoint up to a further three Non Executive Directors from outside the FE sport sector who bring particular specialist skills required by the organisation.
- Board members must not simply be members but they must have the necessary skills to carry out their governance role. These skills might include proficiency in finance matters, legal, property, communications, IT, commercial, or other skills which reflect the requirements of the FE in sport sector.
- The board members should aim to reflect wherever possible the diversity of the population and geographical representation.
- Board members should be appointed for a specific term and reappointment should not be automatic, to encourage board renewal while retaining corporate memory. In addition board appointments should be staggered so that all re-appointments do not coincide.

- Board Directors should receive a minimum level of training for their respective role within six months of their appointment to the Board.
- Accountability for equal opportunities is established at Board/CEO level with an equality strategy developed across the organisation.
- There should be a plan for rolling succession for board members.
- It is essential that board directors regularly attend meetings and provide support for the decision making process. As such Board members who miss three consecutive board meetings should be asked to consider their position on the Board very carefully unless there are exceptional or extenuating circumstances.
- Sub-committees should be formed to carry out the specific tasks or requirements of the Board and should submit reports at Board meetings.
- An organisation must be able to demonstrate a clear enforcement of the rules and regulations and a balanced mechanism for dealing with disciplinary and grievance matters via an independent panel who can adjudicate when disciplinary matters are disputed or grievance matters unresolved.
- An organisations with good governance should be able to demonstrate a fundraising strategy is in place. Govt funding should be no more than 25 - 35% of total income.

Source: UK sport Investing in Change' – a High Level Review of the Modernisation Programme for Governing Bodies of Sport, undertaken by Deloitte & Touche, 2003.