Office of Sport

# Running Your Club

**Corporate Governance checklist**

**How well is your board or committee of management performing?**

Complete this self-assessment checklist. You can use the results to assess your board or committee of management's governance strengths and weaknesses. Throughout this checklist, when referring to the term ‘board’, it also refers to ‘committee of management’.

A list of key terms can be found in the appendix of this document.

| **Question** | **Yes** | **No** | **What actions do you need to take to correct the current situation?** |
| --- | --- | --- | --- |
| 1. Does your club or association review at least annually, the structure of your board to ensure that it complies to the principles of best practice corporate governance as specified by NSW Office of Sport Governance Capability [Framework](https://sport.nsw.gov.au/clubs/rysso/governance) and the Sport Australia [Sport Governance Principles](https://www.sportaus.gov.au/governance/sports_governance_principles)?
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| 1. Does your club or association record independent vs. interested club or association directors?
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| 1. Does your organisation review its membership?
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| 1. Does your organisation have a procedure for the appointment and retirement of members of the board and particularly for independent directors?
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| 1. Are your club or association directors able to seek independent professional advice?
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| 1. Do you pay your club or association directors compensation?
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| 1. Is your club or association board able to identify areas of significant risks in and for your club or association?
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| 1. Does your organisation have a policy on appropriate ethical standards for your club or association directors?
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| 1. Does your club or association have a register for declarations of conflicts of interest?
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| 1. If yes to the preceding question, is it regularly updated and is it made available to members upon request?
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| 1. Does your club or association board:
* set objectives, define policy and develop strategy?
* interpret and integrate corporate culture, ethical standards and people’s reasoning into everyday acts?
* specify the authorities of the any paid staff and the board or committee of management itself?
* monitor the performance of senior staff and volunteers?
* monitor the performance of the organisation against agreed goals?
* ensure present plans and actions provide for the organisation’s continuity?
* manage communications with stakeholders?
* manage the organisation’s risks?
* have clearly stated board or committee of management and management responsibilities?
* focus on future and historical data?
* emphasise and concentrate on long-term goals?
* monitor the club or associations management?
* rely upon professional or expert advice?
* have a general understanding of the organisation’s business?
* keep it informed about the activities of the club or association?
* undertake a regular review of the organisations finances?
* convey the image that integrity and effective control cannot be compromised?
* have a formal code of conduct which defines acceptable standards of personal behaviour?
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| 1. Does your club or association have a corporate governance charter which describes the decision-making processes and system?
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| 1. Are you aware of what your club or association’s constitution and/or by-laws say about the governance of the club or association?
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| 1. Do you have job descriptions and qualification statements for your club or association directors?
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| 1. Does your club or association board:
* have a team that can collectively meet its responsibilities?
* have a team that can carry out the essential functions of directing?
* representative of special interests?
* aware of its legal obligations and to whom those obligations are owed?
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| 1. Is your club or association board of sufficient size and does it comprise people with an appropriate range of skills to ensure that its responsibilities can be effectively discharged?
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| 1. Does your club or association board have an independent chairperson?
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| 1. Is your club or association board skills based?
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| 1. Do you have in place procedures for:
* devising criteria for club or association directorship?
* reviewing membership of the board or committee of management?
* nominating directors?
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| 1. Does your club or association have a policy on terms of office of directors? Are you aware of what your constitution says in this regard?
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| 1. Does your club or association have agreements in place which cover non-competition, confidentiality issues, conflicts of interest and term of office?
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| 1. Does your board:
* routinely discuss and have a policy in place regarding succession planning or directors, management, volunteers, officials?
* take an active interest in getting to know club or association management?
* ensure that career paths are defined for club or association managers?
 |  |  |  |
| 1. Does your chairperson ensure:
* the board or committee of management is balanced?
* discussion is open?
* discussion includes all club or association directors?
* relevant issues are included on the agenda?
* all club or association directors receive timely information for meetings and between meetings?
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| 1. Does your club or association board:
* have a process of assessment of its performance in place?
* consider its collective performance?
* consider the performance of individual directors?
* establish measurements against agreed goals?
* take a lead on conflicts of interest?
* identify areas of underperformance?
* evaluate remedial courses of action?
* decide on remedies for underperformance?
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| 1. Does your club or association board know and report:
* on the effectiveness of the entity’s system of internal control?
* that the business of the club or association is a going concern (qualified as necessary)?
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| 1. Does your club or association board:
* ensure that your organisation has identified the principal strategic, operational and financial risks to which it is exposed?
* ensure that systems are in place which facilitates the effective monitoring and management of the principal risk to which your club or association organisation is exposed?
* satisfy itself that the systems for managing risk are working properly?
* establish and monitor policies directed to ensure that the entity complies with the law and conforms with the highest standards of financial and ethical behaviour?
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| 1. Is your club or association board regularly assessed?
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| 1. Do you have a risk management system for (a) your board and (b) your organisation?
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| 1. Do you have regular information sessions and training?
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| 1. Do your staff and members understand what constitutes harassment and/or a breach of your policy?
 |  |  |  |
| 1. Would your staff and members know what to do if faced with an allegation of harassment and/or alleged breach of your policy?
 |  |  |  |
| 1. Is your board:
* sensitive to the environment in which it operates?
* alert to commercial, political, technological, legal as well as emerging sporting changes or trends taking place around it?
* cohesive with a strong sense of unity?
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**Appendix 1 – Key Terms**

* **Act:** Associations Incorporation Act 2009 (NSW)*.*
* **Association:** includes a State Sporting Organisation, Regional Sporting Association, organisation, community club, company, firm, enterprise or other legal entity, whether incorporated or not, public or private, that has its own functions(s) and administration.
* **Board or executive or committee of management (the board):** The board is body comprised of the directors and includes executive committees of management, as per the Constitution of the club.
* **Director:** A person (office bearer) charged with the management (governance) of the club.
* **Duty of care:** The duty to take care to refrain from causing another person injury or loss.
* **Fiduciary:** Describes the relationship of one person to another, where the former is bound to exercise rights and powers in good faith for the benefit of the latter.
* **Governance:** The processes and systems by which legal entities are controlled.
* **Insurance:** A contract whereby the insurer agrees, for payment of a premium by the insured, to indemnify the insured against loss on the happening of certain events. The insurance policy is the document that contains the insurance contract.
* **Intellectual property:** All rights or goodwill subsisting in copyright, business names, names, trademarks (or signs), logos, designs, trade secrets, know-how, equipment, images (including photographs, videos or films) or service marks (whether registered or registrable) relating to the club or any event, competition or club activity of or conducted, promoted or administered by the club, whether past, present or future.
* **Liability:**  Subject to a legal obligation, or the obligation itself; a person who commits a wrong or breaks a contract or trust is said to be liable or responsible for it under the Act.
* **Non-profit:** According to the Australian Tax Office, a non-profit organisation is any organisation which does not operate for the profit or gain of its individual members, whether these gains would have been direct or indirect. This applies while the organisation is operating and when it winds up. A non-profit organisation can make a profit, but it must be used to carry out its purposes, according to its constitution, and not be distributed to any of its members.
* **Office bearers:** Are individuals elected or appointed to boards or committees of sporting clubs or associations, who are often seen as community sports leaders. Club office bearers typically have higher levels of involvement and are responsible for running their club. They have specific legal obligations as directors and are often given titles including: committee member, sports administrator, president, chairperson, treasurer, secretary, public officer or member protection information officer.
* **Official:** The term “official” is commonly used to describe two separate groups of people involved in club sport. It can be used to describe internal club positions like registrar and team manager and it can also be used to describe the group of people who adjudicate or officiate during actual competition.
* **Regulations:** Sometimes referred to as by-laws, these are the key rules and policy documents that clubs use to address a range of issues, such as disciplinary processes, election procedures, member protection, anti-doping, grievance handling, financial management and sporting matters like anti-doping (subject to the relevant National Sporting Organisation).
* **Sport volunteer:** A representative from the community who freely chooses to give their time, skills and experience to support their sport or recreation activities.
* **Stakeholders:** Those people and clubs who may affect, be affected by, or perceive themselves to be affected by, a decision or activity of the club.
* **Sub-committee:** The body that is delegated authority by the board or committee to undertake tasks.