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| Office of Sport | |
| Running Your SSO - Governance | |
| The Board Evaluation Context Tool | |
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# Contents

[1. Context 2](#_Toc106797931)

[1.1. Rating Context 2](#_Toc106797932)

[2. Context themes 5](#_Toc106797933)

[**THEME 1** 6](#_Toc106797934)

[**THEME 2**  7](#_Toc106797935)

[**THEME 3**  8](#_Toc106797936)

[**THEME 6** 11](#_Toc106797937)

[**THEME 7**  12](#_Toc106797938)

[**THEME 8**  13](#_Toc106797939)

[**THEME 9** 14](#_Toc106797940)

[**THEME 10** 15](#_Toc106797941)

[**THEME 11** 16](#_Toc106797942)

[**THEME 12** 17](#_Toc106797943)

[**APPENDIX A** 18](#_Toc106797944)

[The scorecard 18](#_Toc106797945)

# Context

The Board Evaluation Context Tool is designed to assist your State Sporting Organisations (SSO) boards to determine its governance context. This process should be undertaken prior to completed the Board Evaluation Self-Assessment Tool (BESAT) the self-assessment survey found on the Office of Sport website under the [Running your SSO governance portal](https://www.sport.nsw.gov.au/running-your-state-sporting-organisation/governance).

Reviewing your SSO board governance should demonstrate the level of board maturity in terms of its governance processes. This will guide the level of evaluation that you need, or might wish to, undertake in addition to completing BESAT.

The Evaluation Context Tool highlights twelve (12) theme areas of governance using the rating scale to determine the level of maturity of your board governance. Each of the twelve theme areas has a set of essential and advanced governance questions to consider and to rate maturity level.

The twelve corporate governance theme areas are as follows:

#### Strategy and strategic planning processes

#### Planning Processes

#### Implementation of Strategic and Business Plans

#### Constitution

#### Roles and Responsibilities

#### Member and Stakeholder Consultation and Feedback

#### Risk Management and Compliance

#### Policies and Procedures

#### Decision Making Practices

#### Board Processes

#### Director Performance

#### Board Structure and Composition

## Rating Context

This section outlines the how to rate your SSO board governance context using the Board Evaluation Context rating tool below on page 3.

The Tool will enable your SSO board to assess and determine the level of maturity of its governance.

This in turn should further guide the board in the development and application of its overall self-assessment process. A more “governance” mature organisation may require a less detailed evaluation process.

#### How to Use the Rating Scale

| **Practices not relevant** | **Practices not yet addressed** | **Addressing some essential practices** | **Addressing all essential practices** | **Addressing all essential practices, and some advanced practices** | **Addressing all essential practices, and most advanced practices** |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

This is a simple Tool to use.

Using the above rating scale above, you can rate your SSO or board’s state of maturity on a scale **between 1 to 5 for each of the 12 themes**.

This involves thinking across governance practices at two levels: **‘essential’** and **‘advanced’**

To calculate your rating for each theme, read the questions for **‘essential practices’** for being **effective**:

* If your SSO or board has none of the essential practices in place, rate at 1.
* If you have some of the essential practices, rate at 2.
* If you have all the essential practices, rate at least 3.

Once you have reviewed the essential practices you have in place, you should then review if you have any of the advanced practices.

* If you have all the essential practices but none of the advanced practices, rate at 3.
* If you have all the essential practices and a minority of the advanced practices, rate 4.
* If you have all the essential practices and most of the advanced practices, rate at 5.

**Please be** **honest in assessing your SSO and board’s readiness and maturity**.

**All** the essential practices are required to achieve a rating of 3, so do not overlook any of them as they may affect your capacity to exercise the advanced practices.

* The higher the rating the more mature your board’s governance rating should be.
* The 12 theme areas are general themes that should align with the key strategies of your SSO. There may be others.
* On the 12 themes a 100% rating would be 60 which would mean your SSO has all essential practices and all advanced practices in place.
* The lowest possible rating would be 12 which would mean no essential practices across your SSO.
* It is up to you how self-assessment is completed. Generally, the more people you involve in the discussion, the greater the benefit to your SSO and board. At a minimum the whole board should be involved.
* Use the **SCORECARD** in **Appendix A** to record your scores for each question for each of the 12 themes areas and then calculate your rating for essential and advanced practices for each of 12 themes.
* An example on page 4. Shows you how to score.

#### **EXAMPLE – NSW Widgets**

#### THEME - Planning Processes

Which of the following ratings best describes how many essential and advanced practices for NSW Widgets?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

In smaller SSOs, strategic and program planning processes might be integrated.

##### Questions

##### Essential practices

1. Program plans are aligned with the strategic plan and budget – **Yes**
2. Program plans cover finances, human Frameworks, marketing, communications, ICT, asset management, and risk management - **No**
3. Program plans identify services and products in line with market opportunities and member needs and preferences - **Yes**
4. Program plans involve relevant volunteers across all levels of the SSO - **No**
5. Program plans include goals that are specific, measurable, assignable, realistic, and time-related - **Yes**

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.
* **NSW Widgets is addressing some essential practices -YES and NO to others and scored a 2**

##### Advanced practices

1. Program planning includes scoping of opportunities that respond to identified gaps in activities/training that members are seeking - **Yes**
2. Program planning processes, from initial contact with prospective clients to program-delivery execution, have been mapped, designed, and implemented - **No**
3. Business plan performance indicators are in place and agreed to by the board and management (or volunteers) and reviewed regularly - **Yes**
4. Project management methods, including risk management, are used for major projects - **No**
5. Asset replacement schedules are developed and implemented – **Yes**

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.
* **For advanced practices - NSW Widget is Yes to some and no to some score increases to 4 which you record in the scorecard**

# Context themes

## **THEME 1**

#### Strategy and Strategic Planning Processes

Which of the following ratings best describes how many essential and advanced practices your SSO has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| N/A | 1 | 2 | 3 | 4 | 5 |

##### Questions

##### Essential practices

1. The SSO has a current Strategic Plan
2. The SSO has a current Vision and Mission statement
3. The strategic planning process is led by SSO leaders including directors; volunteers have input.
4. Vision and values are clearly aligned to the NSO’s values and principles
5. Strategy is informed by what the SSO is known for, its strengths and points of difference from other sporting organisations
6. Strategic planning integrates vision, mission, values, goals, and strategies, and is reflected in how the SSO address issues and change.
7. Planning processes allow the SSO to respond quickly to new opportunities and risks
8. Currently all programs and/or activities have been evaluated with improvement or exit plans in place.

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. Strategic plan priorities have been clearly communicated and are well understood by the Board (and volunteers) throughout the SSO
2. Scenario modelling is used to inform strategy (e.g., what if funding or number of members for a particular program is halved or what if funding or number of members for another program is doubled?)
3. Membership profiles are well defined and analysed, and a process is in place to identify what success looks like and how to get there.

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 2**

#### Planning Processes

Which of the following ratings best describes how many essential and advanced practices your SSO has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

In smaller SSOs, strategic and program planning processes might be integrated.

##### Questions

##### Essential practices

1. Program plans are aligned with the strategic plan and budget
2. Program plans cover finances, human Frameworks, marketing, communications, ICT, asset management, and risk management
3. Program plans identify services and products in line with market opportunities and member needs and preferences
4. Program plans involve relevant volunteers across all levels of the SSO
5. Program plans include goals that are specific, measurable, assignable, realistic, and time-related

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. Program planning includes scoping of opportunities that respond to identified gaps in activities/training that members are seeking
2. Program planning processes, from initial contact with prospective clients to program-delivery execution, have been mapped, designed, and implemented
3. Business plan performance indicators are in place and agreed to by the board and management (or volunteers) and reviewed regularly
4. Project management methods, including risk management, are used for major projects
5. Asset replacement schedules are developed and implemented

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 3**

#### Implementation of Strategic and Business Plans

Which of the following ratings best describes how many essential and advanced practices your SSO has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

1. There is clear allocation of responsibility for implementing plans
2. Targets and timeframes are set
3. Plans are used for budget and Framework allocation
4. Plans are used to structure management reporting processes
5. Progress against plans is regularly reviewed at management and board levels
6. Adjustments are made to plans following review

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. Scorecard-type tools or systems are in place
2. Achievements against plans are recognised and communicated
3. Plans are used as the basis for individual employees’ performance goals

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 4**

#### Constitution

Which of the following ratings best describes how many essential and advanced practices your SSO has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

1. The constitution is relevant and responsive to the SSO’s purpose and needs
2. The constitution complies with legislative requirements in the *Associations Incorporation Act 2009*, the ACNC Act (if applicable) and any other relevant legislation
3. The constitution has been reviewed and, if needed, updated to ensure that it suits the current operating environment and is consistent with the SSO’s strategy

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. The constitution contains contemporary language
2. constitution facilitates greater transparency

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 5**

#### Roles and Responsibilities

Which of the following ratings best describes how many essential and advanced practices your SSO’s board has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

1. The responsibilities of directors are clear in relation to accountability, strategy, resourcing, advocacy, and monitoring
2. The roles of directors and the roles of staff (if SSO has staff), volunteers and members are well understood
3. The roles of directors and the roles of staff (if SSO has staff), volunteers and members have been updated to reflect the changes in the operating environment
4. Principles of corporate governance are applied in establishing roles and responsibilities
5. Delegations balance the need for agility and effective risk management

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. Directors work actively to align the SSO with members and NSO
2. Roles with responsibility for managing programs have been identified and are clearly designated

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 6**

#### Member and Stakeholder Consultation and Feedback

Which of the following ratings best describes how many essential and advanced practices your SSO’s board has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

1. The board has a good understanding of the member experience
2. The board actively seeks members’ input in developing and reviewing programs and activities
3. Member engagement methods are responsive to diverse member needs and support meaningful participation.
4. A complaints and incident management procedure is promoted, well understood and effectively utilised by volunteers and members
5. Complaints and incidents are reviewed and acted upon

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. Members are engaged through a communications or other formal mechanism
2. Feedback is used to gain an understanding of other programs and activities that members are seeking which may inform SSO and program planning around identified gaps
3. Members participate in meaningful roles in the SSO, including paid roles (if relevant)

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 7**

#### Risk Management and Compliance

Which of the following ratings best describes how many essential and advanced practices your SSO’s board has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

1. The board has a formal process for identifying, evaluating, and responding to financial and other risks which may affect the SSO
2. Risk management policies are implemented and regularly reviewed, including tolerance for different types of risks associated across various SSO programs and activities
3. Risk is a standing agenda item for management and the board for review
4. Compliance obligations are documented and maintained

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. A comprehensive risk analysis has been completed of the impact of changes in government, policy, legislation, and changing customer expectations on the SSO
2. Risks are managed in a way that maximise program and service delivery while meeting duty of care obligations
3. Staff/volunteers at every level of the SSO are supported to fulfil their risk management and compliance responsibilities
4. Compliance audits are conducted periodically
5. Risk management and compliance software systems are in use
6. A Business Continuity Plan exists and is regularly reviewed and tested

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 8**

#### Policies and Procedures

Which of the following ratings best describes how many essential and advanced practices your SSO has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

1. Policies and procedures are:
2. Developed and reviewed in conjunction with those affected by the policies and procedures
3. Sufficiently comprehensive in scope
4. Easy to understand
5. Accessible to all users
6. Consistent with NSO policies and procedures
7. Updated for relevant quality standards
8. Documented using a standard template and style
9. Effectively disseminated throughout the SSO

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. Policies and procedures are:
2. Readily accessible using a single point of reference
3. Regularly reviewed
4. Updated for new information about good practice approaches to service delivery

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 9**

#### Decision Making Practices

Which of the following ratings best describes how many essential and advanced practices your SSO board has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

1. The level at which decisions are made, documentation requirements and recording of decisions are all specified and recorded
2. The level at which decisions are made is proportionate to the significance of the subject matter and associated risk, and allows timely decision-making
3. Any key messages associated with decisions are identified and communicated with relevant stakeholders (board and members)
4. Decision making practices concerning persons always presume capacity and enable supported decision-making

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. Standard templates should be used to assist decision-making, for example, templates for board papers and for proposed policies
2. Directors are aware of their rights to information and advice, to be heard and to delegate
3. Criteria are established for making significant decisions
4. Decision making practices maximise member engagement through effective delegation

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 10**

#### Board Processes

Which of the following ratings best describes how many essential and advanced practices your SSO board has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

Board processes:

1. Are documented (for example, in a board charter)
2. Help directors and the SSO to discharge their legal responsibilities
3. Assist the board to balance compliance and performance roles
4. Help the board to focus more on strategic issues than operational ones
5. Include regular reporting about financial and non-financial performance
6. Include a ‘closing the loop’ mechanism to ensure that the board’s decisions are implemented
7. Are periodically reviewed

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

Board processes:

* 1. Include a structured orientation program for new directors
  2. Are structured around SSO priorities
  3. Include measures of service quality aligned to person-centred and outcomes-focused practice
  4. Include evaluation of the board and individual directors
  5. Include an independent and qualified secretary

Note: Board reporting allows comparison with strategic goals, historic performance, divisional comparison, or comparison to other sport.

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 11**

#### Director Performance

Which of the following ratings best describes how many essential and advanced practices your SSO board has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

Directors of the SSO:

1. Understand and comply with their duties
2. Have core competencies of a director, including the ability to think strategically, work as part of a team, understand financial statements and possess business acumen
3. Attend meetings on a regular basis
4. Constructively engage in the business of the board
5. Follow up on a timely basis on commitments made
6. Declare and manage potential conflicts of interest
7. All directors have established a productive working relationship

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

Directors:

1. Link the SSO to important knowledge and Frameworks in the sport’s community
2. Can access learning and development for knowledge and capability gaps
3. Actively engage with other information sources to increase their understanding of the SSO’ activities and engage with relevant networks
4. Have been exposed to external knowledge of good practice in other sports that is relevant to the SSO

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **THEME 12**

#### Board Structure and Composition

Which of the following ratings best describes how many essential and advanced practices your SSO board has in place?

| Practices not relevant | Practices not yet addressed | Addressing some essential practices | Addressing all essential practices | Addressing all essential practices, and some advanced practices | Addressing all essential practices, and most advanced practices |
| --- | --- | --- | --- | --- | --- |
| **N/A** | **1** | **2** | **3** | **4** | **5** |

##### Questions

##### Essential practices

1. The board has the necessary size and composition to:
   1. implement the SSO’s strategy
   2. carry out its responsibilities and duties
2. the board includes a blend of relevant specialist knowledge, skills, experience, and backgrounds.

**If your SSO answers**:

* **YES** to all the above you rate a 3
* **NO** to all the above you rate a 1
* YES to some and NO to some you rate a 2.

##### Advanced practices

1. Rigorous recruitment processes are used for targeting new directors
2. The board has an active governance committee, or a similar mechanism, which supports its effectiveness and continuing development
3. There are an adequate number of board committees for managing the collective workload
4. There is a structured board renewal process, including succession planning for key officeholders such as the chair

**If your SSO answers**:

* **YES** to ALL the above your rating increases to 5
* **NO** to all of the above your rating remains at 3
* YES to some and NO to some your rating increases to 4.

## **APPENDIX A**

## The scorecard

* Use the **SCORECARD** to record your scores for each question for each of the 12 Themes areas and then calculate your rating for essential and advanced practices for each of 12 themes.
* A 100% rating would be 60 which would mean your SSO has all essential practices and all advanced practices in place.
* The lowest possible rating would be 12 which would mean no essential practices across your SSO.

|  |  |
| --- | --- |
| Strategic theme | Score between  1 & 5 on Essential & Advanced Practices |
| Example: from page 4 NSW WidgetsStrategy and Strategic Planning Processes | 4 |
| Strategy and Strategic Planning Processes |  |
| Planning Processes |  |
| Implementation of Strategic and Business Plans |  |
| Constitution |  |
| Roles and Responsibilities |  |
| 1. Member and Stakeholder Consultation and Feedback |  |
| Risk Management and Compliance |  |
| Policies and Procedures |  |
| Decision Making Practices |  |
| Board Processes |  |
| Director Performance |  |
| Board Structure and Composition |  |
| TOTAL |  |

|  |  |
| --- | --- |
| Office of Sport |  |
| Level 3, 6B Figtree Drive, Sydney Olympic Park, NSW 2128  Locked Bag 1422, Silverwater NSW 2128 | Office hours: Monday to Friday 9.00am — 5.00pm  T: 13 13 02 E: email@sport.nsw.gov.au W: sport.nsw.gov.au |