



**Webinar 1 of 2**

# **Sports Governance Essentials:**

Practical Tools for Directors of Sports  
Associations & Clubs

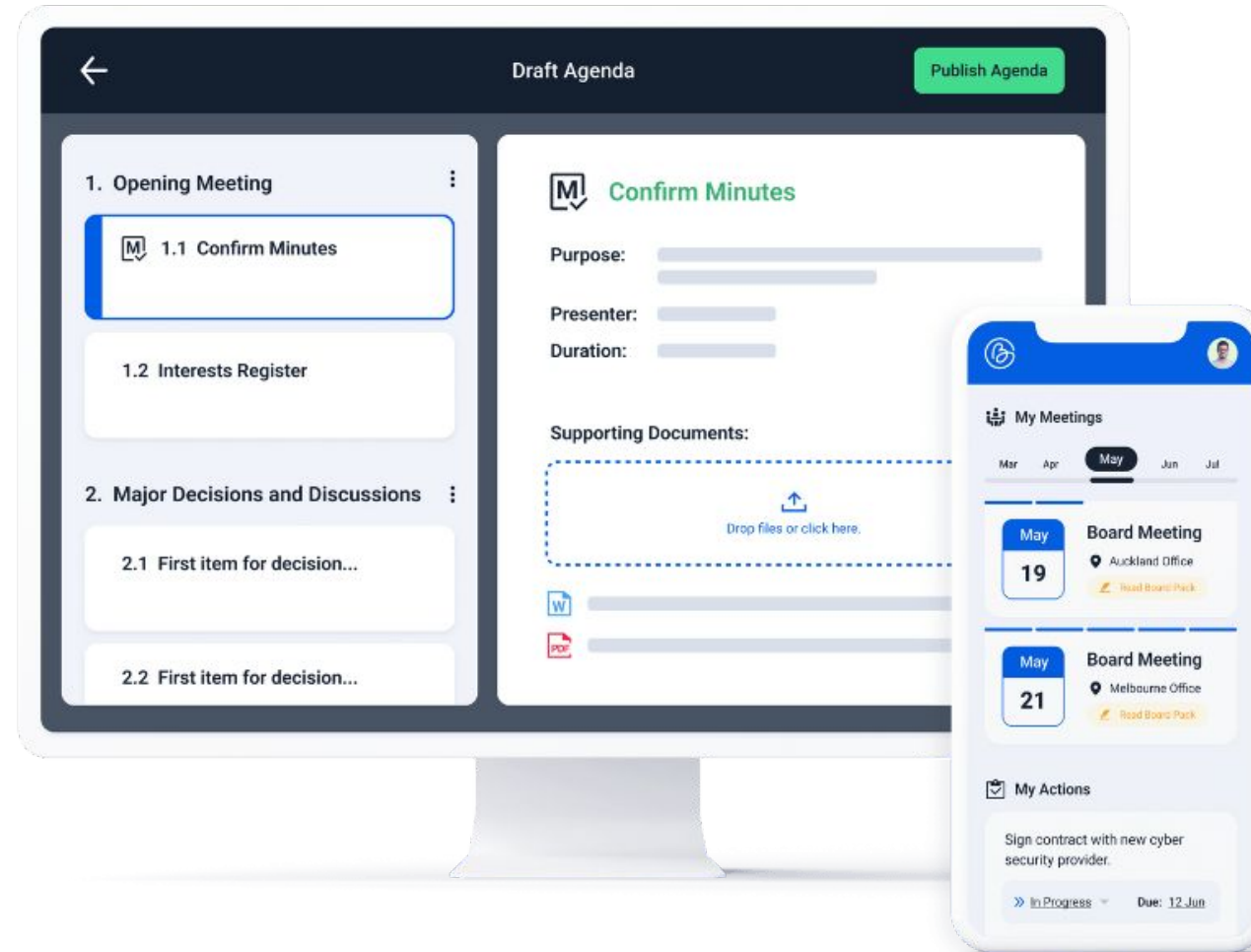


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**Making the fundamentals of  
governance free and  
easy to implement**



Governance Made Easy

# Governance Resource Center

Explore free governance resources for growing your organisation and adopting good governance practises. From meeting minutes templates to CEO reporting templates, our comprehensive guides and templates will cover your governance and business essentials.

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# Sports Governance #1





# What is governance

■ The same principles apply to sports and non-sports organisations

■ Sports organisations are different because

Lots of volunteers in lots of roles

Invariably they don't have enough money

Varying degrees of director experience

Many don't have staff so rely on volunteers for every role

Members have millions of demands and complaints

An increasing "safe sport" regulatory environment



# Governance in brief

## **If your organisation has staff:**

- ▶ It's about deciding (strategy, planning) not doing (operations)
- ▶ It's overseeing the doing
- ▶ It's noses in fingers out of day-to-day management

## **If your organisation does not have staff**

It's about managing and balancing the challenges of the deciding and doing at the same time by the same people.



# Definitions

01

**Director or non-executive director (NED)** – you are elected or appointed to the board

02

**Board** – a step up from committee

03

**Executive director** – you have a paid admin or exec role

04

**President or chair** – leader of the organisation

05

**Chair** – person who chairs meetings

06

**Constitution** – also rules but can be confused with the rules of the sport

07

**CEO** – also ED, GM: the only person employed by the board



# Understanding your role as a director

01

**Legislation**

02

**Constitution**

03

**Policies, charters,  
terms of reference**



Duties are obligations imposed by law

Responsibilities are those tasks that fall to directors  
in order to achieve organisation outcomes



# How the law applies to you

## **Director duties** — what the law expects of you

Derived from common law, or judge made law, now codified into legislation

Corporations Act 2001  
– Australia

Companies Act 1993  
– New Zealand

State associations incorporations acts  
– Australia

Incorporated Societies Act 2022  
– New Zealand

Duties are personal, ongoing, and can't be ignored or overlooked



# The importance of your constitution

- Read it and know what's in it
- Are membership categories and voting entitlements appropriate?
- Is the board size too big or too small?
- Are directors' terms and tenure fit for purpose?
- Are appointment processes also fit for purpose?
- Does the constitution allow the board maximum flexibility to manage the business without needing to go to AGMs for approvals eg for membership fee increases, committee charters
- Is the board required to meet too frequently?



You are  
a trustee  
of your sport  
organisation

## “ Directors are fiduciaries

A fiduciary is someone who has undertaken to act for and on behalf of another in a particular matter in circumstances which give rise to a relationship of trust and confidence.

→ Bristol & West Building Society v Mothew  
(1998) Ch 2 Lord Millett



# The duties underpinning all that you do and decide as a director



**Act with care and diligence**



**Act in good faith and for a proper purpose**



**Avoid conflicts of interest** or conflicts of duty



To not improperly use position or information



Avoid insolvent trading



**Comply with the law and constitution:** Ignorantia juris non excusat





# What does "care and diligence" mean?



**A positive obligation to inform yourself in order to make decisions**



**Reading board papers before not at the meeting**

## **Understanding financial reports:**

there's no excuse for not doing so and you can't outsource that responsibility to the Treasurer, Finance & Audit chair, CFO, or other directors or staff

## **Ask questions:**

you're not on a board to have no views and say nothing



# Financial oversight is a key responsibility

**Remember, you are deemed to understand financial reports**



Remember, you are deemed to understand financial reports

If you don't then get educated!

Ask questions – yes they might seem dumb but they won't be

Ask for info to be presented differently to help you (and others)

Ensure that if you delegate financial responsibility to the CEO that internal controls, checks and balances, are in place

Consider financial risks as a part of overall risk management



# Identifying and managing conflicts of interest

- ▶ Types of interest: actual, perceived, potential

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- ▶ Be up front about declaring interests at meetings or with the chair beforehand

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- ▶ Declarations of Interest is item 2 on every agenda

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- ▶ Keep a register of everyone's interests and include it in board papers

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- ▶ A declaration of an interest doesn't mean that it is a conflict – and may never be

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- ▶ Declare conflicts with agenda items at the start of the meeting

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- ▶ It's about transparency and informed and unfettered decision-making





# Compliance

- 01 **More than box ticking it's a legal responsibility**
- 02 **Constitution** – holding AGMs, running elections
- 03 **Legislation** – health & safety, child protection
- 04 **Regulation** – annual returns, payment of tax/super
- 05 **Have an annual compliance calendar that's included in board papers**



# Confidentiality

01

Board papers are confidential

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02

Board discussions are confidential

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02

Minutes are confidential – not to be distributed to members

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02

Talking points, agreed by the board, to tell members what the board's decisions are







# The role of the leader: chair or president

- ▶ The title of the leader is set out in the constitution
- ▶ The chair is the leader not the boss
- ▶ The chair is in charge of meetings – but does not tell directors what to do (it is not a management meeting!)
- ▶ The chair is responsible for the agenda for each meeting (with input from directors, CEO)
- ▶ The chair is responsible for the overall approach to good governance
- ▶ The chair is the spokesperson for the board on big matters; operational matters are the province of the CO
- ▶ Be clear on roles if you have both a Chair and a President





# The chair and meeting management



Leads and opens meetings

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Encourages everyone to participate in discussion

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Keeps discussion focused on the agenda items

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Manages meeting time effectively



Manages director behaviour

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Summarises discussion and the wording of resolutions

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Speaks last in debate (mostly): the sunflower principle

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Closes meeting



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**Thank you**  

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