



Corporate Governance

Running a club is only easy for those who are not doing it. Running a club requires the energies and skills of many people, all who contribute in different ways. A successful club harnesses their skills and displays a common purpose and direction. This common purpose and direction is a dynamic process that:

- Has a long term goal (s);
- Has priorities;
- Manages activities
- Monitors achievements; and,
- Evaluates performance & accountability.

The club's committee or Board's job is to govern; to provide direction and control – they are there to steer the boat not row. However, the reality is that in many rugby clubs there are often many volunteers who perform multiple functions and separation of roles is very difficult. Nevertheless, clubmen/women need to be aware of which hat they are wearing when participating in club life. Each Board member has collective and individual responsibilities and a fiduciary responsibility to the club.

Sport & Recreation New Zealand's website www.sparc.org.nz/sports_admin gives a thought provoking insight into corporate governance. Its article "Nine Steps to Effective Governance" includes comment on:

- The role of the Board;
- Induction;
- Board meetings
- Structures
- Planning
- Evaluation
- Succession planning; and,
- Evaluation

Some points that are worthy of additional emphasis are:

- **An annual work plan** – is a suggestion that committees/boards should construct an annual plan that recognises that the group will make allowance during the year to consider;
 - The AGM;
 - New member induction/orientation;
 - Appraisal of staff;
 - Club performance;
 - Annual evaluation (incl sub-committee performance)
 - Finances
 - Sponsorship;
 - Detailed assessment of significant events/activities;
 - Committee consultation with key stakeholders; and,
 - KPA/KPI assessment.

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- **Strategic leadership** – a statement demanding that;
 - The committee have a leadership role with ultimate accountability for the organisation's performance that has not been distracted from long term matters by operational issues;
 - avoidance of "if it ain't broke it doesn't need fixing" philosophy;
 - effective leadership results from:
 - ensuring strategic outcomes are to the forefront;
 - the positive involvement of all members is achieved;
 - processes for identifying and resolving conflict are in place;
 - frameworks to monitor accountability are in place; and,
 - an environment of constantly questioning activities against agreed visions is fostered (comparing actual Vs planned).

An interesting observation is "Don't confuse busyness with achievement".

In respect of Corporate Governance, some references are given below on four important components –

- **Constitution**
- **Incorporation**
- **Responsibilities of Committees & Committee members**



Constitution

For an excellent rundown of how to go about writing a club constitution reference could be made to WA Department of Sport & Recreation website www.dsr.wa.gov.au/publications.

This website provides both a checklist and draft format that clubs can adopt when establishing a Constitution. It points out that a Constitution is a basic set of rules for the daily running of the club.

A Constitution details:

- Names, objects and methods of management and other conditions under which the club operates;
- The reasons for its existence; and,
- Relationships between members.

A Constitution is required if your club wishes to become incorporated.

A Constitution can be very simple and the extent of detail depends on the needs of the club. It is recommended that management issues are best included within bylaws and regulations that accompany the Constitution. This keeps the Constitution flexible as Constitutional changes require General Meetings whereas amendments to bylaws and regulations can be handled at committee level.

Incorporation

In brief, two major benefits of incorporation are:

- The club acquires a legal existence that allows it to perform a range of functions; and.
- Office bearers and members of the club are not personally liable for the debts of the association, or the neglectful acts and omissions of other office bearers and members.

Incorporation can be handled under Australian Corporations law but separate state legislation exists. There are no reciprocal statutory arrangements between states under association incorporation legislation .

A comprehensive outline of the advantages and disadvantages of incorporation are well explained on www.dsr.nsw.gov.au

In the ACT, clubs should access www.rgo.act.gov.au and follow the links for “Business Names & Associations” for detailed information about how to apply.



Responsibilities of Committees & Committee Members

The most basic function of the Club's committee is to ensure that the objectives of the organisation, as set out in the club's constitution, are pursued. Its governance role includes not only achieving optimal performance with efficient and effective processes and policies but compliance with legal requirements. The legal responsibilities include a duty to act in good faith in the best interests of the club, with due care and diligence and to avoid conflicts of interest.

The Committee's major roles include:

- Conduct of regular structured meetings
- Compilation and approval of an annual budget
- Review and approval of major decisions, expenditure and strategic direction
- Production of information flows (eg financial, activity)
- Evaluation of progress towards the club's goals;
- Committee effectiveness
- Protecting the club's assets
- Communication with, and involvement of, stakeholders
- Enhancement of the club's public image

The structure of a club committee will vary and will reflect the club's needs. – its membership should aim to include competencies to deal with the issues that will arise. Committee members are expected to attend all meetings and to question and make suggestions about the club's running. They cannot avoid responsibility by non-attendance at meetings and and/or not reading agenda papers.

The Chairperson/President heads the Committee which is the ultimate decision making body of the club.

His/her responsibilities include:

- Representing the club;
- Ensuring committee members are aware of the activities of the club and receive a proper orientation of their roles & responsibilities;
- Setting the agenda for, and managing, meetings;
- Ensuring papers and reports are received in sufficient time to be read and considered by committee members;
- The existence of proper reporting procedures that facilitates evaluation and accountability;
- Compliance with national and state legislation.



References

References for the above material are:

- Nine Steps to Effective Governance – Sport & Recreation New Zealand:
www.sparc.org.nz/sports_admin
- Role of Directors & Governance Issues : Alice Macdougall – Freehills July 2003
- Australian Sports Commission – Governing Sport – **www.ausport.gov.au**
- Washington Group International – Corporate Governance Guidelines – November 2003

For additional information on club management refer to the South Australian Rugby Union website– **www.sarugby.com.au** .

In their Club Management Kit guidelines have been prepared on:

- Club Presidents
- Club Secretaries
- Club Treasurers
- Communication Co-ordinator
- Club Development Co-ordinator
- Marketing & Recruitment Co-ordinator
- Volunteer Co-ordinator
- Club Captain
- Club Team Manager

In addition guides have been written for:

- Effective Meetings
- Strategic Planning
- Marketing
- Volunteer Co-ordination