



SPÓRT ÉIREANN
SPORT IRELAND

Governance Code for Sport

Accountability and Performance Reporting

Discussion Paper

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For the avoidance of doubt, the final decision on the nature, type, extent and format of approved governance policies, procedures and processes for each organisation is a matter for the board / highest governing structure of the organisation, and the resources and material provided may assist the approval process.

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Purpose

The purpose of this discussion paper is to provide details and reflections on two key linked governance areas, the holding to account arrangements and how this is supported by the reporting of performance. The paper will prompt further discussion on how these matters currently operate or could potentially be enhanced across the sector.

Governance Code for Sport

Within the Governance Code for Sport, there are specific obligations highlighted which require a robust accountability and performance reporting process to be in place.

Principle 1 refers to the strategic plan to include key performance indicators and timelines, and the necessity to ensure there is a monitoring and evaluation system in place and progress reports which includes a comparative analysis.

Principle 2 highlights the need for policies, procedures and reporting mechanisms to make sure there is compliance with all relevant legal and regulatory requirements.

Principle 3, in referring to the annual report, requires progress during the year against strategic objectives to be included.

The need for strategic and operational plans are identified in the agreements with Sport Ireland. These include the key objectives for the period, the outputs and outcomes expected from the activities during such period as well as the performance indicators/measures to be used to assess achievement of the organisations objectives.

It must also be acknowledged that much work has been done over recent years to seek to meet the obligations of the Code and also the terms and conditions of the agreements with Sport Ireland and other funding organisations.

Accountability

The varying definitions and understandings of good governance tend to share certain characteristics, including the notion of accountability. Accountability is how organisations, the Board, the Committees, the Chief Executive, managers and individual staff are held responsible for their decisions and actions. It is about how they submit themselves to a level of scrutiny and oversight and how they discharge their accountability to stakeholders including Sport Ireland. Ultimately accountability is about satisfying legitimate expectations of performance and delivery.

Sport organisations must have an overall purpose, aim or objective with key deliverables and measures to help assess achievement and evaluate performance, whether they follow a multi-year strategic planning approach or an annual planning cycle. Guidance on strategic planning and stakeholder engagement, as well as the

setting of objectives and key performance indicators should also be considered in the context of the discussion on accountability – *see also the Strategic Plan Framework document.*

In the case of sport organisations, there need to be specific mechanisms or agreed procedures and protocols for the accountability process. There must also be standards or benchmarks against which performance can be assessed. This will be informed by what Sport Ireland or other stakeholders require but should also reflect the national, provincial and local context within which the organisation operates. This context should provide clarity of expectations within the boards and committees on what are appropriate and acceptable standards or benchmarks for performance for the organisations activities. Ideally there should be a mix of qualitative and quantitative measures and indicators, and a mix of inputs and outputs.

Accountability is seen as the manifestation of good governance. It is recognised as an important safeguard to those who are required to render an account of their work performance (the Chief Executive, management and staff) and to those who are required to exercise a scrutiny and oversight role (the Board, chairperson, Committees, Sport Ireland).

Performance data and trends

The set of measures/ KPIs, used in the performance analysis reports is an area which requires attention and agreement between Board and executive staff. This may be consolidated into a Chief Executive or management report with highlights and trends analysed. It can be used as a separate report prepared for a specific purpose or reporting obligation, for example to communicate trends, achievements and areas of concern to wider stakeholders.

The quality of the accountability / holding to account arrangements is closely linked to the clarity of governance roles and responsibilities. It facilitates an agreed understanding for all those involved, supported by key measures, indicators and trend data available to support the accountability dialogue. The dialogue will also necessarily focus on priorities, plans and work programmes to provide a level of assurance and confidence that resources are being utilised and deployed most effectively and as appropriate to the organisational needs arising or to meet wider stakeholder expectations.

The previous sections have focussed primarily on accountability for performance and having information, data and reports available for boards and other stakeholders. As part of the legal and other regulatory accountability obligations on NGBs or LSPs, it would be expected that bespoke reports would be available on compliance across key business areas and functions. These would include health, safety and welfare, company law requirements, GDPR, safeguarding etc., and these should be supplemented by a process or system to check and validate compliance with these obligations. The assertions of the Chief Executive and the Audit and Risk Committee work and the work of other Committees are also considered important in this regard.

Ensuring effective accountability arrangements is a key obligation of the Board and should be an integral part of the relationship with the Chief Executive, management and staff. This relationship will also provide a mechanism to formally advise where there are difficulties and challenges arising and where remedial action may be required.

Performance monitoring and reporting

To deliver on accountability obligations and to assist with planning and prioritisation, good systems for monitoring and reporting of key performance outputs, outcomes and indicators are vital.

The norms and standards expected to be in place could include regular Board and Committee reporting to allow for monitoring, tracking and trending of key performance indicators. This should allow for consideration of principal risks, uncertainties and opportunities, consistent with the risk management policy obligations. In terms of the financial performance and position, there should also be financial performance data used to inform decisions and changes in priorities, objectives or projects.

Conclusion and questions

There are a variety of different practices in place across the sector in relation to performance reporting and accountability arrangements. The obligations to ensure a robust, verifiable and auditable systems are significant to meet wider stakeholder expectations but also to allow for good performance and achievement to be communicated to members, volunteers, stakeholders and the wider public. It would also be expected that the performance and accountability dialogue would be a regular and explicit agenda item with sufficient or adequate time set aside for deliberations and discussions at Board and Committee level.

ITEMS FOR CONSIDERATION

1. Does your organisation have a list of key performance indicators for annual plans/ strategies/projects?
2. If yes, how often are these reported to Boards, Committee and stakeholders? Are verbal or written reports provided?
3. What arrangements are in place to efficiently and effectively gather this type of information and what support or guidance or IT / Information systems might assist?
4. Is there a clear distinction between, input, output, outcome and impact indicators and which of these should be the focus of attention?
5. How auditable and verifiable are the systems to gather and report the information to funding bodies and key stakeholders?