

Annual Governance Statement 2019-20

1 Scope of Responsibilities

Our ambition is to demonstrate that we have the necessary governance to maintain a sound system of internal control and support our policies, objectives and strategic priorities.

The Alliance was an early signatory to the Voluntary Code of Good Governance, produced in 2011, and the Board, at its meeting in June 2017, reaffirmed the Alliance as a signatory to the new *Principles of Good Governance for Sport and Recreation* ("The Principles") which has replaced the Voluntary Code. The Alliance also made sure that it was fully compliant with Tier 3 of *A Code for Sports Governance* ("Code") by the end of October 2017. This annual governance statement is prepared to provide you with an update on our work to date.

2 The governance framework of the Alliance

The Alliance Board has four sub-committees:

- **Finance and Audit Committee** to take delegated responsibility on behalf of the Sport and Recreation Alliance Board for overseeing all financial and audit aspects of the Sport and Recreation Alliance and the Sport and Recreation Ventures Ltd [the wholly owned subsidiary of the Alliance] so as to ensure short and long-term viability and integrity and report back – and make recommendations - to the Alliance Board accordingly;
- The **Income Generation Committee** replaced its former Commercial Committee in 2018 to help the Alliance develop diverse revenue streams and manage its relationships with corporate partners and sponsors. In addition, the IG Committee will look wider than its CPs and sponsorship towards Trusts and Foundations for areas of additional income;
- The **Remuneration and Staffing Committee** is established to make recommendations to the Alliance Board on all aspects of the remuneration and terms and conditions of service of the Chief Executive and senior management, maintaining an overview of policy in relation to other members of staff;
- A **Nominations Committee** has the responsibility to ensure that there is an open and transparent process for the selection and recruitment of the Sport and Recreation Alliance Directors, Chair and for 2019 a new Chief Executive.

The Terms of Reference for all these committees can be found on the website. The Finance, Income Generation and Remuneration Committees are chaired by one of the Directors and the Nominations Committee is chaired by the Alliance Chairman.

As agreed, last year, an external board evaluation commenced at the end of 2019, as per the Code requirement to have one of these at least every four years. The Board was hopeful to use any findings as part of its work towards its next 5-year strategy 2021-2026. An external independent consultant conducted the review and the results were presented at the Board meeting in February 2020. The excellent working relationship between Board members was acknowledged and the remaining actions will be taken forward during the course of the year.

The Board met six times in 2019, 5 February, 2 April, 25 June, 3 September [Strategy], 15 October and 17 December.

In 2020 so far they have met on 3 February to discuss their External Evaluation and then their usual meeting was held on 4 February, 24 March, 21 April, 23 June, 27 July, 8 September and 20 October; the last meeting scheduled for 15 December.

2021 meetings are planned for 2 February, 20 March, 13 July, 7 September, 12 October and 14 December.

Summaries of the Board meetings remain available on the members' area on our website following the meetings, these will include an update on membership, strategy, finance and areas of compliance.

3 Risk Assessment

The Alliance has identified both strategic and operational risks following the production of its new Strategy 2017 – 2021. These are reviewed and updated monthly by the Senior Executive Team (SMT).

The Finance and Audit Committee reviews the strategic risks at their meetings and submit any recommendations or issues to the Board for consideration or back to the SMT to take forward accordingly.

In February 2020, the Board requested that the Risk register now be reviewed by them at each of their meetings. The Board reviews the risk register in its entirety and debates new risks and reviews current risks.

4 Governance issues

Since 2017 the Alliance Board had achieved gender parity and had members who reflected a range of the protected characteristics as defined in the Equality Act 2010 including disability, sexual orientation, race, religious belief and age.

The Board was made up of over 25% independent Directors and did not consider any of its Elected Directors as 'independent'. The Nominations Committee has been tasked to ensure that both the diversity of the Board and 'independence' of individual members is taken into account during Board recruitment to ensure compliance. Following the 2018 and 2019 Board recruitment the Alliance retained the status quo.

Regretfully, however, at the February Board meeting, Monica Shafaq unexpectedly resigned from the Board. Although the Alliance still has 45% female representation it remains committed to try and once again achieve gender parity as well as increase its diversity.

Hoping to assist with the retention of NEDs the Board chose to increase the Directors' future terms of office from three years to four years and took the opportunity to increase the Board membership to 12 members. These changes were made to the Articles of Association and agreed by the members at the Annual General Meeting held on 23 September 2020. The recruitment of the additional 12th NED will hopefully go towards addressing one of the above issues. The Alliance continues to work with Perrett Laver to help provide a cohort of individuals that are 'board-ready' and can help with the lack of diversity currently experienced within the sector.


Our own Diversity Action Plan will be updated this year in line with the Alliance's Strategy Review.

Finally, the Board regularly reviews its policies to ensure they remain up-to-date and we have made several of these available on the website. These include, among others, our Conflicts of Interest, Board Remuneration and Code of Conduct.

Signed on behalf of the Alliance



LISA WAINWRIGHT
Chief Executive



ANDREW MOSS
Chairman