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#3314 706

# Understanding Directors' and Trustees' Duties in Sport

Session 1 - 19 May 2026

Rowland Jack

Chloe Buchanan



# Poll 1: Participants



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Which best describes your current situation?

- 1) Existing director/trustee of a sports body in the UK  
(including ex-officio, such as a CEO on the board)
- 2) Existing employee of a sports body in the UK
- 3) Considering taking on a director/trustee role fairly soon
- 4) Other professional interest

# Introductions

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Rowland Jack, Founder, I Trust Sport

Chloe Buchanan, Sports Governance Consultant, I Trust Sport

# Objectives for participants

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To gain an understanding of:

- The role of the board
- Directors'/Trustees' Duties, and what they mean in practice
- Consequences of non-compliance
- The Duties in a sporting context

# Duties of Directors and Trustees

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## **Session 1** (19 May)

Role of the board  
Governance vs. management  
Collective responsibility vs. individual accountability  
Exercising independent judgement

## **Session 2** (2 June)

Acting within powers  
Acting in best interests of the organisation / consistently with purposes  
Promoting success of company  
Managing resources responsibly  
Exercising reasonable skill, diligence

## **Session 3** (9 June)

Conflicts of interest/loyalty  
Benefits from third parties  
Declaring interests  
Characteristics of elected and independent directors in a sports body

# Duties of Directors and Trustees

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## **Session 1**

Role of the board  
Governance vs. management  
Collective responsibility vs. individual accountability  
Exercising independent judgement

## **Session 2**

(2 June)

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(9 June)

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Benefits from third parties  
Declaring interests  
Characteristics of elected and independent directors in a sports body

# Team GB at Paris 2024

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- [Bryony Page – Olympic gold medal](#)
- [First 2 minutes]

# Main information sources for this course

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- Governance frameworks
  - [A Code for Sports Governance](#)
  - [SGB Governance Framework](#) (N.B. Under review)
- Legislation
  - [Companies Act 2006 \(s.171-177 - Directors' Duties\)](#)
  - [Charities Act 2011](#) (various provisions throughout the Act)  
(England & Wales)
  - [Charity Commission Guidance \(CC3 – The Essential Trustee\)](#)  
(England & Wales)
  - [Charities and Trustee Investment \(Scotland\) Act 2005 \(s66 – Trustees' duties\)](#)

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# Participants' views

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What one word comes to mind when you think of directors' or trustees' duties?

# Benefits of being a director or trustee

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- Serving on a board in sport is a serious undertaking, requiring a significant time commitment
- However, it offers a combination of satisfaction, challenges and new experiences, with opportunities for both professional and personal development:
  - Contributing to a worthwhile cause - promoting sport and physical activity for the greater good
  - Building self-confidence
  - Acquiring new skills
  - Working with a group of individuals towards a common goal
- Please add any other benefits you have experienced to the chat

# Role of the board

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- The board's role is to promote the long-term sustainable success of the organisation
- It should ensure that the necessary resources, policies and practices are in place to allow the organisation to meet its objectives and measure performance against them

# Role of the board – function

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- The board is the principal decision-making body of an organisation
- The board's directors or trustees take decisions about the organisation's strategic direction and have oversight of its activities

# Role of the board – governing documents

Responsibilities are:

- Set by law
- In the organisation's governing document, such as its Articles of Association or Constitution
- The law sets the framework for duties and responsibilities
- The governing document provides more detail on:
  - The organisation's core purpose
  - The specific authority of the board
  - How the board is accountable to others



# Role of the board – ultimate responsibility

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The board retains ultimate responsibility by:

- Overseeing the performance of the executives
- Promoting effective decision-making
- Enhancing stakeholder relations
- Supporting the organisation's strategic goals

Day-to-day management of the company is delegated to executives

# Governance v management

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## Governance

Oversight

Setting Strategy

Board responsibility

## Management

Day-to-day administration

Implementing strategy

Staff responsibility  
(if there are staff)

# Governance v management - poll



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For each of the following topics, choose whether it relates to governance (needing oversight from the board) or management (no direct board involvement)

1. Recruiting to replace a mid-level member of staff after a resignation in an organisation with 20 staff (the role is budgeted)
2. Selection of the national team for the European championships in the sport
3. A project to put in place a new finance system
4. Setting the 2027 budget
5. Launching a redesigned section on the existing organisation website

# Governance v management

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Two documents to help with this distinction:

## Matters Reserved for the Board

- Decisions, actions or issues which must not be delegated to others (due to legal, regulatory or constitutional requirements)
- Matters which the board has decided to retain

## Scheme of Delegation

- What responsibilities have been delegated to individuals, committees, other groups
- The scope of the authority delegated

# Role of the board – Key responsibilities

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1. Setting values, vision and mission
2. Developing and approving strategy
3. Financial reporting and disclosure
4. Committee oversight
5. Managing board composition
6. Developing remuneration policies
7. Stakeholder engagement

# 1. Setting values, vision and mission

- Define and safeguard the organisation's core values, reflecting high standards of integrity, inclusion, and governance
- Set the long-term vision, establishing a mission to translate the vision into strategic priorities and measurable objectives



## 2. Developing and approving strategy

- Set the organisation's strategic direction, ensuring it aligns with long-term goals
- Develop, review and approve organisational strategies, objectives, business plans, and major initiatives
- Ensure objectives are consistent with the organisation's mission and vision



## 3. Financial reporting and disclosure

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- Ensure the accuracy and transparency of financial reporting
- Review and approve the budget, and financial statements in compliance with accounting standards and regulatory requirements



## 4. Committee oversight

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- Delegate specific responsibilities to specialised committees, e.g.
  - Audit (and risk)
  - Nomination
- Establish board committees and approve their terms of reference
- Board retains overall responsibility, ensuring committees:
  - Operate within their mandates
  - Fulfil their duties
  - Report back effectively

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# 5. Managing board composition

Board manages:

- Its structure, size and composition (prescribed to some extent in governing document)
- Succession planning (for itself and senior management) to ensure an appropriate balance of skills and experience
- Reviews of member performance
- Oversight of diversity, expertise, and independence within the board to contribute to robust governance and forward-thinking strategies

Board appoints a senior independent director to:

- Provide a sounding board for the chair
- Serve as intermediary for other directors when necessary



## 6. Developing remuneration policy (if applicable)

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- Board establishes a remuneration policy for directors, non-executive directors, and senior executives

(Most non-executive board roles in sport are voluntary)

- Board should ensure pay decisions are subject to appropriate scrutiny and benchmarking, and that they reflect performance, accountability, and stakeholder expectations
- A remuneration committee can support

## 7. Engagement with stakeholder / beneficiaries

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- Understand and meet obligations to stakeholders
- Engage on an ongoing basis with stakeholders
- First step: who are the stakeholders?



## 8. Other responsibilities

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- Establish a 'Delegation of Authority'
- Carry out an annual review of its own performance, that of its committees and individual directors, and the division of responsibilities
- Oversee contracts which are material to the organisation
- Approve policies

# Statutory Duties

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- Certain duties are defined legally
- In sport, it is quite common for board members to be both directors *and* trustees – there is considerable overlap

# Statutory Duties

Directors' duties (Companies Act 2006 ss. 171-177)	Trustees' duties (Charity Commission CC3)	Charities and Trustee Investment (Scotland) Act 2005 (s66 – Trustees' duties)
Act within powers	Comply with the charity's governing document and the law	Ensure that the charity complies with any direction, requirement, notice or duty imposed on it by virtue of this Act
Promote the success of the company for the benefit of its members as a whole	Ensure the charity is carrying out its purposes for the public benefit	Seek, in good faith, to ensure the charity acts in a manner which is consistent with its purposes
Exercise independent judgement	Act in the charity's best interests	Act in the charity's best interests
Exercise reasonable care, skill and diligence	Act with reasonable skill and care	Act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person
Avoid conflicts of interest	Manage the charity's resources responsibly	
Not to accept benefits from third parties	Ensure the charity is accountable	
Declare interest in proposed transactions or arrangements		

# Operational duties and responsibilities - compliance

Board members have responsibilities for ensuring legal compliance on topics such as:

- Company and/or Charity law
- Health and Safety
- Employment Law
- Money laundering and the proceeds of crime
- Anti-bribery
- Data protection
- Safeguarding
- Whistleblowing



# Collective responsibility

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- A board is collectively responsible for the long-term success of the organisation and exclusively vested with the power to lead it
- Members of the board should provide leadership to their organisation by developing the organisation's aims, objectives and goals, in accordance with their governing document, legal obligations and regulatory guidelines

# Individual accountability / liability

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## Joint and several liability

- Board members are considered to be jointly and severally liable for their actions i.e. where board members are in breach of their responsibilities, each may be personally liable for all or part of an obligation incurred by the organisation

## Unincorporated organisations

- Contracts are entered into, and property held on behalf of the organisation by the members of the board
- Board members are more susceptible to personal liability

## Incorporated organisations (such as a company limited by guarantee)

- Liabilities can be met out of the organisation's assets if it can be demonstrated that board members acted reasonably and honestly
- Personal liability can still be incurred where board members are in breach of their fiduciary duties

# Individual accountability / liability continued

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- Non-executive board members cannot be reasonably expected to have the same detailed knowledge and experience of the organisation's affairs as executives
- A board member who has special skills, such as legal or financial qualifications, may be subject to a higher duty of care by the courts or regulator

CYBER THREATS & ATTACKS Ransomware

British Horseracing Authority hit by ransomware

# Exercising independent judgment

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- Directors and trustees are required to exercise *independent* judgment when carrying out their responsibilities
- They are expected to make decisions they consider to be in the best interests of the organisation, applying their own reasoning and scrutiny to the matters before them
- This is particularly important where competing interests may arise between commercial objectives, sporting integrity, member interests, and regulatory obligations

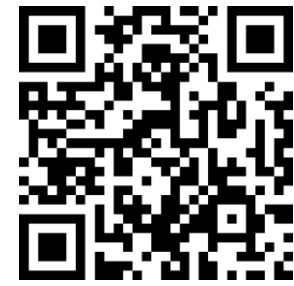
# Case study: Board response to a dispute between member clubs

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Please read through the scenario below. Written responses are not expected.

Dispute between member clubs of the NGB Pedalo Race UK

# Case study: Pedalo Race UK – Poll 1



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Which of the following best represents your individual opinion as a board member of Pedalo?

- 1) No discussion at board level – CEO to delegate to the most relevant member of staff
- 2) Consider as part of ongoing strategic work (access to water, demographic profile of participants) but no direct action
- 3) CEO to study possible non-financial support options for CARP (e.g. capacity-building) to discuss at board
- 4) Board to discuss potential intervention due to reputational risks
- 5) Other

# Case study: Pedalo Race UK – Poll 2



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Did the new information received party-way through discussions change your recommendation?

- 1) Yes
- 2) No
- 3) Partially
- 4) Not sure

# Additional reading resources

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[Sample Matters Reserved to the Board](#)

[Sample Scheme of Delegation](#)

[Directors General Duties](#)

[The Role and Duties of Charity Trustees \(England and Wales\)](#)

[Charity Trustees Duties \(Scotland\)](#)

[Guidance and good practice for Charity Trustees \(Scotland\)](#)

[Specimen Code of Conduct for Board Members](#)



# Questions





Thank you

Next session: 2 June at 6pm

<https://sportsgovernanceacademy.org.uk>

