

5. Our Requirements, Our Support: 2013-17 National Partner Funding

Objective 2: To continue to drive up standards of governance in our core funded National Partners to support delivery of our strategic investment outcomes

5.1. Our Requirements

Over the 2009-13 funding period Sport England investment in National Partners to help deliver our sporting outcomes has been closely aligned to working with them to improve their governance, finance and control frameworks. During the 2009-13 funding period we recognised that National Partners required time to develop their governance frameworks and we have supported and encouraged them in this through our self-assurance and on-site audit processes and our relationship management activities.

Building on the governance improvements that have already been made is important to us. In order to access 2013-15 funding we are setting a number of key criteria for effective governance which we will require National Partners to have in place. Where these standards are not yet in place, applicants will be required to demonstrate a determination to meet them by October 2014. This determination must be supported by a robust action plan with milestones agreed both by your Board and by us. These key criteria for effective governance are the same as those set out in section 4 above for our core-funded NGBs. They draw together and build upon the minimum standards we already set through the self-assurance and on-site audit processes.

5.1.1. Self-Assurance and On-Site Audit

All our core-funded National Partners will be required to complete our self-assurance assessment. This process has two broad functions. Firstly, it is designed to be a valuable tool to support National Partners develop and continually improve their governance, finance and wider control framework processes. Secondly, it provides Sport England with an indication of whether the National Partner has an adequate governance, finance and control framework to receive and manage public funds. The self-assurance assessment, which is submitted on-line, is reviewed by independent auditors with the outcome reported to the National Partner and to Sport England.

During the 2013-17 funding period we will review the self-assurance process in light of the maturity of the governance, finance and control frameworks and practices of our core funded NGBs. We recognise that as core funded National Partners develop, our processes should develop in parallel whilst still ensuring an adequate level of assurance is provided to us.

In addition to the self-assurance process, core-funded National Partners will also be subject to an in-depth on-site review of their governance, finance and control framework and practices during the funding period. The main objective of these reviews, which are carried out by independent auditors on behalf of Sport England, will be to assess in the adequacy of the governance, finance and control framework and its operation in practice and to consider whether Sport England funding is properly managed and accounted for. The audits will assist National Partners in identifying any areas of governance, finance or internal control which may need to be improved or strengthened.

We anticipate that the coverage of on-site audits will remain largely similar to that currently in place but the scope and level of detail applied to specific areas will continue to be reviewed on

an ongoing basis. Particular emphasis will be placed on how frameworks operate in practice. The existing coverage is:

- Governance
- Strategic Planning
- Financial Management
- Human Resources
- Organisational Policy
- Risk Management

Where National Partners do not fully meet our minimum governance, finance and control standards and risks are identified payments may be suspended and, in some cases, changed to monthly or quarterly payments to reduce any risks to Sport England. In certain circumstances, all planned future payments may be terminated.

5.1.2. Awards' Compliance Testing

All on-site audits will include an element of financial compliance testing. This testing will be sample-based. For the 2013-17 audit and assurance programme, samples will be taken over the complete range of the funding streams from Sport England, not just core funding. Where grants are given by the recipient body to a third party the auditors will also review the adequacy of the assurance provided to the initial grant recipient.

5.1.3. Tailored assurance / Special investigations

Should significant concerns arise in relation to a National Partner's governance, finance and control framework or practices Sport England may consider it necessary to commission a 'tailored' assurance review or a special investigation to provide in-depth assurance over one or more specific aspects of the governance, finance and control framework including how the framework operates in practice.

5.1.4. Continuous improvement

The standards we set through self-assurance and on-site audit processes reflect good practice. We encourage all NGBs to continuously improve their governance, finance and control frameworks and practices on an on-going basis.

5.2. Our Help and Support

5.2.1. Thematic Review

The audit and assurance work we carry out provides us with very valuable trend data on the how governance is developing in the core-funded National Partner sector. For the first time, in July 2011, we shared trends and themes data from the 2010/11 audit and assurance process with the sector. We will develop and build on this thematic review work and our sector-wide feedback in future years allowing National Partners to benchmark themselves, learn from areas of best practice and explore some of the themes through workshops, seminars and other relevant channels (see 'workshops' section below).

5.2.2. Governance workshops and other support forums

We have worked in partnership with UK Sport and the Sport & Recreation Alliance to develop 'Supporting Good Governance' workshops which will provide targeted support. We are also considering how we can best facilitate other support mechanisms as we develop our approach, including seminars and governance related events.

5.2.3. Web-based tools

We will continue to develop our 'Things to Think About' governance, finance and control framework self-help support tool which we developed jointly with UK Sport. TTTA sets out the standards we assess through self-assurance and provides prompts or Things to Think About in relation to the principles that support those standards. It also provides links to some other specialist websites and can be found at http://www.sportengland.org/support_advice/governance,finance_control.aspx

5.2.4. Finance and Governance Forum

Sport England works in partnership with UK Sport and the Sport & Recreation Alliance to provide an opportunity for those charged with NGB or National Partner governance and finance to come together to:

- explore and share best practice in relation to finance and governance matters;
- consider issues and potential solutions to finance and governance challenges;
- receive up-to-date briefings on new and emerging issues that relate to finance and governance.

We will continue to promote good governance and strong financial control through the Finance and Governance Forum.

5.2.5. Continuous improvement

During 2010/11 we introduced feedback mechanisms as well as support tools for both self-assurance and on-site audits. Early in 2011/12 we also introduced workshops for new users of the self-assurance system. We will continue to develop and refine these tools and workshops during the 2013/17 period.

5.3. Joined-up Working with UK Sport

Sport England and UK Sport work very closely together on all aspects of National Partner governance for those partners we jointly fund. We have a joint contract for the provision of the audit and assurance programme and our respective teams work closely together on developing our approach. Should issues of particular concern arise in any of our jointly funded National Partners, Sport England and UK Sport will work closely together to understand those issues and in turn work with the partner to resolve those issues while maintaining our independence as investors of public funds in sport. We also specifically endeavour to avoid any duplication of the provision of information by National Partners in relation to governance.