

# Developing a Nominations Committee

## What is a Nominations Committee?

Board committees are an important component of good governance practice. They provide directors with the opportunity to give closer attention to important issues facing the organisation than is possible for the full board. They are an effective way to distribute the work between the directors and allow more detailed consideration of specific matters<sup>1</sup>. A Nominations Committee provides an avenue for boards to dedicate time and resources to the process of identifying and recruiting directors.

## What is the role of a Nominations Committee?

It is important that Boards are comprised of members with a variety of skills and experience and who act in the best interests of the organisation as a whole. As such, the Nominations Committee should take prime responsibility for, but not be limited to:

- Reviewing the board's skill mix and identifying gaps
- Identifying potential directors for appointment to the board or to be put forward as preferred nominations for elections
- Reviewing director nominations and providing the members with the board's preferred nominees based on needs identified in the skill gap analysis<sup>2</sup>

## Who sits on a Nominations Committee?

As with many Board committees, a Nominations Committee should consist of at least three individuals, comprising a mix of internal and external appointments. The Australian Sports Commission Mandatory Governance Principles recommend:

- A combination of Directors (who are not currently standing for election) and external appointments;
- Independent external appointees with significant business and governance expertise; and
- Individuals who are not directly involved in the management of the organisation.

It is recognised however, that the CEO and Human Resources Manager or equivalent should have standing invitations to attend Nominations Committee meetings to provide clarification where necessary<sup>3</sup>.

## How do we develop a Nominations Committee?

The process through which each organisation develops their own Nominations Committee will be slightly different, however the following is provided to guide your organisation through its implementation:

### 1. Does your board have the power to convene committees?

Organisations are first advised to review their Constitution and the provisions afforded to the board for the establishment of committees. This can often be found in the section relating to Delegations or Delegation of Authority.

### 2. Paper to the board for discussion and approval

Once identified that the Board has the power to establish a committee, a paper should be developed for the Board to review, discuss and approve. The Board paper may contain information including, but not limited to:

<sup>1</sup> Australian Sports Commission (2015) [Sport Governance Principles, Principle 3.9](#)

<sup>2</sup> Australian Sports Commission (2015) [Sport Governance Principles, Principle 3.9](#)

<sup>3</sup> Australian Sports Commission (2015) [Mandatory Governance Principles, Principle 2.2](#)

- Introduction/Background to the Incoming Quotas
- What a Nominations Committee is
- What the role of the Nominations Committee would be (proposed)
- Who may sit on the Nominations Committee
- Benefits of having a Nominations Committee
- Recommendations for consideration by the Board
- Required action by the Board (noting, discussion, approval etc)

### **3. Develop a Terms of Reference for Board endorsement**

A Terms of Reference (also known as a Charter) is a document that outlines the roles and responsibilities of a committee and is vital to its efficient and effective operation. The Terms of Reference should include information about:

- Purpose of the Committee
- Authority
- Membership and Chair
- Meetings and Quorum
- Functions & Reporting
- Communication
- Contact

### **4. Sourcing Committee members**

The recruitment of Committee members must be undertaken in line with any requirements outlined in the Terms of Reference. Organisations can choose to advertise for external appointments or identify and approach suitable candidates. Regardless of the approach, organisations are strongly encouraged to consider the diversity of the committee including (but not limited to) skills, experience, gender, age background and more.

### **5. Operate in accordance with Terms of Reference**

A well-considered Terms of Reference for your Nominations Committee will clearly outline the roles and responsibilities of the group. It is important that the committee operate in accordance with its designated role and authority upon its inception.

## **Key Documents**

Vicsport have developed the following templates for use by sporting organisations to assist with the development and functions of a Nominations Committee:

1. Terms of Reference
2. Code of Conduct
3. Board Skills Matrix
4. Director Recruitment Process
5. Director Advertisement for Nominations

## **Further Information:**

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*The development of this resource was funded by the Victorian Government.*