



GOOD GOVERNANCE

What is Governance?

" The systems and process concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation."

Causes for Concern

94% of Trustees interviewed for a Governance Hub Survey said that they didn't have the skills needed to act effectively as a trustee

Only about 35% of charities provide job descriptions for board members

Only 23% provide some sort of initial training or induction for new board members

When implementing a System of Good Governance the following Areas should be considered

Delegation, Authority & Accountability

Roles must be clear within the organisation. Everyone must know where their responsibilities and accountability lie and where their authority stops.

Equality & Diversity

The board must be shown to have diversity, such as a range of skills, age and experience, ethnic and cultural backgrounds, and in some cases religions and disabilities.

Induction

It is important to ensure that anyone joining the organisation is well informed. People who don't realise they're making an error won't stop themselves.

Risk Assessment

Consider the physical and management risks of the organisation and minimize these wherever possible. Produce a risk assessment plan, and consider insurance.

Record Keeping

Ensure that details are kept of meetings, important decisions, employment issues etc. They may be required at a later date. Also ensure that all accounts are accurate and up to date.

Reviewing

Regular meetings to review the objectives, activities success and failures are essential. Take minutes of these meetings and keep them safe.

Who you are working for

It's important to identify and consider who the final beneficiaries are. How do the decisions you're making affect them?



Legal Implications

Numerous liabilities such as Charity Acts, Companies Act Wrongful Trading, Disability, Racial Equality, Sexual Equality, Religious Equality, Health & Safety/Corporate Manslaughter. You should be aware of your legal responsibilities.

Effective Decision Making

You must be able to act prudently but effectively, to resolve conflict and to control the direction of the organisation.

Integrity

It is imperative that any conflict of interest is revealed and considered, and that there is no personal benefit for trustees unless permitted.

Legal Status

Consider the legal status of the organisation and whether it is the most appropriate. Would the organisation work more effectively as a registered charity, or a CIC or a Company Limited by Guarantee?

Financial Management

All trustees must ensure that the finances of the organisation are acceptable, and make informed and considered fiscal decisions.

The Board

Consider whether you have the right people for the job. Are numbers enough or too many? Is there a range of skills and knowledge? Are people placed most effectively?

The Executive

Where a separate management body exists consider whether they are informed and guided sufficiently to do their jobs. Are they supported and appraised? Do they communicate well with the Board?

The Staff

The Board must ensure that staff are trained and share the same vision, but must keep some distance. Are staff regularly appraised and trained? Are staff provided with regular information updates on the direction of the organisation.

The Code

The Code of Good Governance was drafted by the sector for the sector, developed by ACEVO, NCVO, the Institute of Chartered Secretaries & the Charity Commission.

It is a voluntary guide for best practice within the Charity & Non for Profit Sector. It is available on the NCVO & Charity Commission websites.



Where to Get Help

There are a wide range of places where Trustees can get help with governance. Organisations such as Warwickshire CAVA, Community First, NCVO or your local "Council for Voluntary Services" can offer advice.

An on-line training course for trustees is available at www.trusteelearning.org

Insurance

It is possible to insurer your trustees, and your charity against some of the risks involved with the running of the organisation.

Cover may be provided for innocent mistakes made in the management of the charity, or in providing a service to a third party.

Policies do vary so an independent specialist insurance broker like ourselves will be able to help.

Insurance Brokers

When seeking proper independent professional advice, it is advisable to use an insurance broker who has an appropriate understanding of charities insurance needs and who can place the relevant cover required with a range of insurance companies including specialist charity insurers.

Why use M Wood Insurance

We are well established as an independent insurance broker founded on Christian and Ethical principles, specialising in the Charity and Christian insurance sectors. By using our specialist knowledge and insurance connections, we would endeavour to take over these responsibilities for you. As we do not normally charge fees for our service, there would be no additional costs involved to you in using our resource and we would be pleased to offer our professional guidance and expertise where invited to do so.

For a free and without obligation review of your insurance needs please feel free to contact us on 0845 130 30 34 or either of the following contacts:

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