

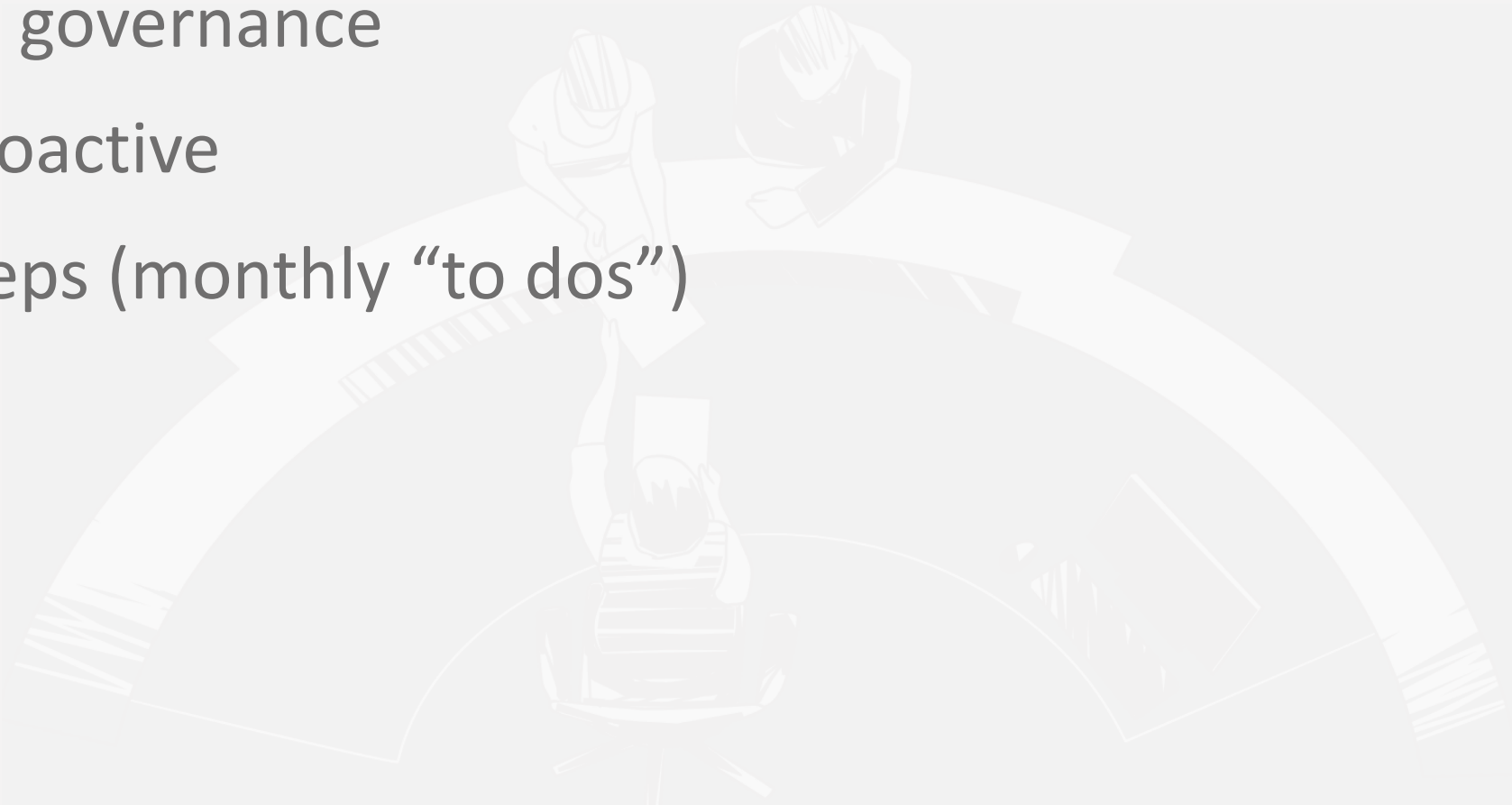


How to improve your governance in 12 steps

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Introduction

- Good governance
- Be proactive
- 12 steps (monthly “to dos”)



Step 1 – undertake a simple internal governance health check

- What is our governing document (e.g. Deed, Rules or Memorandum and Articles of Association)
- Who are the trustees?
- Do we know what the other interests of our trustees are?
- Do we know what the role of our chairperson and other individual trustees is?
- What reports do we present to the board of trustees?
- What board sub-committees do we have?
- How often do we appoint/elect new trustees?
- What skills does our organisation need on the board?
- Is everyone on the board clear about what is expected of them?
- How does the board delegate matters?

Step 2 – review your answers

- List the questions to be addressed / investigated further
- May include some or all of these questions
- Prioritise where appropriate
- Set a timeframe e.g. can you deal with one matter each month?

Step 3 – what is our governing document?

- Will depend on the charity's structure
- Ensure each trustee has a copy
- Are meetings being convened and held correctly?
- Is the governing document fit for purpose?
- Amend if necessary
 - Obtain CC consent for any regulated amendments

Step 4 – who are the charity trustees?

- Appointed in accordance with the governing document?
- Holding/Custodian and Managing Trustees
- Check that filings are up to date:
 - Charity Commission
 - Companies House/FCA
 - HMRC “fit and proper persons”
 - Bank signatories

Step 5 – what other interests do our trustees have?

- Important part of managing conflicts of interest
- Includes “connected persons”
- Maintain a register of outside interests
- Diarise to update this regularly
- *CC29 Conflicts of Interest: A guide for Charity Trustees*

Step 6 – what is the role of the chairperson and other trustees?

- Trustees are collectively responsible for managing the charity
- Some trustees may be selected for specific roles
- Any specific/additional responsibilities must be confirmed in writing e.g. role description for chairperson or treasurer
- Does the chairperson have a second or casting vote?

Step 7 – what reports should be presented to the board of trustees?

- Ensure that staff understand their reporting responsibilities
- What form should reports take?
- How often (e.g. weekly, monthly, quarterly)?
- Set clear roles and responsibilities
- Have set communication channels
- Record in writing e.g. terms of reference or job description

Step 8 – what sub-committees do we have?

- Comply with relevant provisions in the governing document
- How many trustees are required to sit on each sub-committee?
- What are the limits on their decision-making powers?
- Have clear terms of reference in place

Step 9 – How often do we appoint/elect new trustees?

- Check the governing document
- Have trustees been validly appointed/elected?
- Any cap on trustee length of service?
- Diarise any forthcoming changes to allow sufficient time to plan and recruit new trustees if necessary
- Amend governing document if the provisions are no longer practical

Step 10 – what skills does our organisation need on the board?

- Diversity of skills is important for good governance
- Check trustee appointment/election timetable to allow sufficient time to recruit
- What new challenges or projects lie ahead?
- Consider how best to recruit suitable new trustees i.e. where's the talent?

Step 11 – is everyone on the board clear about what is expected of them?

The buck stops with the charity trustees

- Promote charitable purposes for the public benefit
- Undivided loyalty (i.e. compliance with no-profit and no-conflict rules)
- Act in the best interests of the charity and its beneficiaries
- Act within powers
- Act collectively
- Chapter 2 of the Companies Act for trustees of charitable companies
- *The essential trustee: what you need to know (CC3)*

Step 12 – how does the board delegate matters?

- What decision-making powers do senior staff have?
- What are the limits of any delegated authority e.g. maximum spend limit?
- Ensure trustees receive regular reports (i.e. in writing and at meetings)
- Supervision and monitoring

Conclusion

- No quick fix
- Good governance is an ongoing process
- Responsibility of trustees, staff and advisors

Any questions



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