

Trustees Week 2019

A Recipe for Good Governance

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GOOD GOVERNANCE

Checkup



What is governance?

“an umbrella term for the systems, processes and behaviours that enable trustees to hold the organisation in trust, steer its work and optimise the benefit to its current and future beneficiaries”



CASS Business School, Centre for Charity Effectiveness

[illegible]

What happens without good governance?



Scottish Governance Code for the Third Sector

- created by the third sector, for the third sector
- statement of best practice



**Scotland's Third Sector
Governance Forum**

Scottish Governance Code for the Third Sector

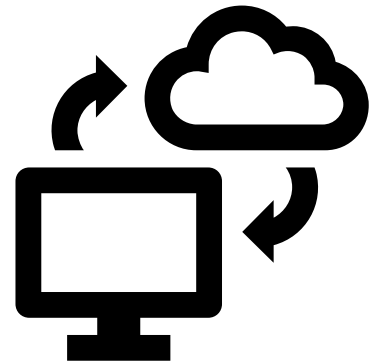
- Accessible and applicable to all
- All of equal importance
- Not a legal or regulatory requirement
- Tool to support continuous improvement
- Standard to aspire to



The five core principles

- Organisational Purpose
- Leadership
- Board Behaviour
- Control
- Effectiveness

<https://governancecode.scot/>



Organisational Purpose

A well-run board is clear about the purpose, vision and values of the organisation and how it will achieve its aims.



Organisational Purpose

As the board we have ultimate responsibility for directing the activity of our organisation and delivering its stated purpose



- **VISION**

What your organisation is for,
long term change

- **MISSION**

What you intend to do to turn that
vision into reality, your purpose

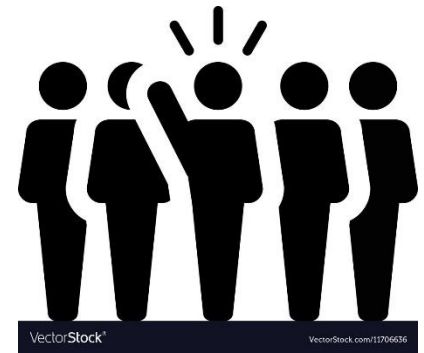
- **VALUES**

Shared Beliefs about the way you should
operate



Leadership

A well-run board is clear about its role and responsibilities, and provides strategic direction in line with the organisation's purpose, vision and values.



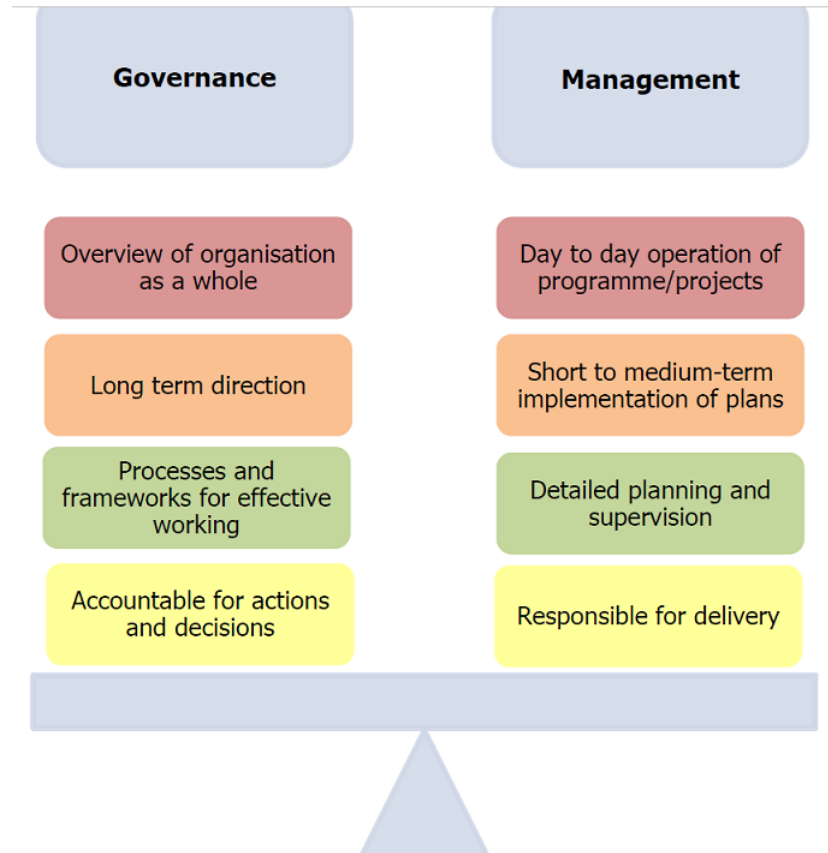
Leadership

As the board we are here to lead our organisation, and we are individually and collectively responsible for our decisions. We need to make sure our organisation has a clear strategy to achieve our purpose.



Governance V Management

what's the difference?



Governance V Management what can help?

- Role descriptions for trustees
- Terms of reference for sub-committees
- Job descriptions for staff
- Scheme of delegation

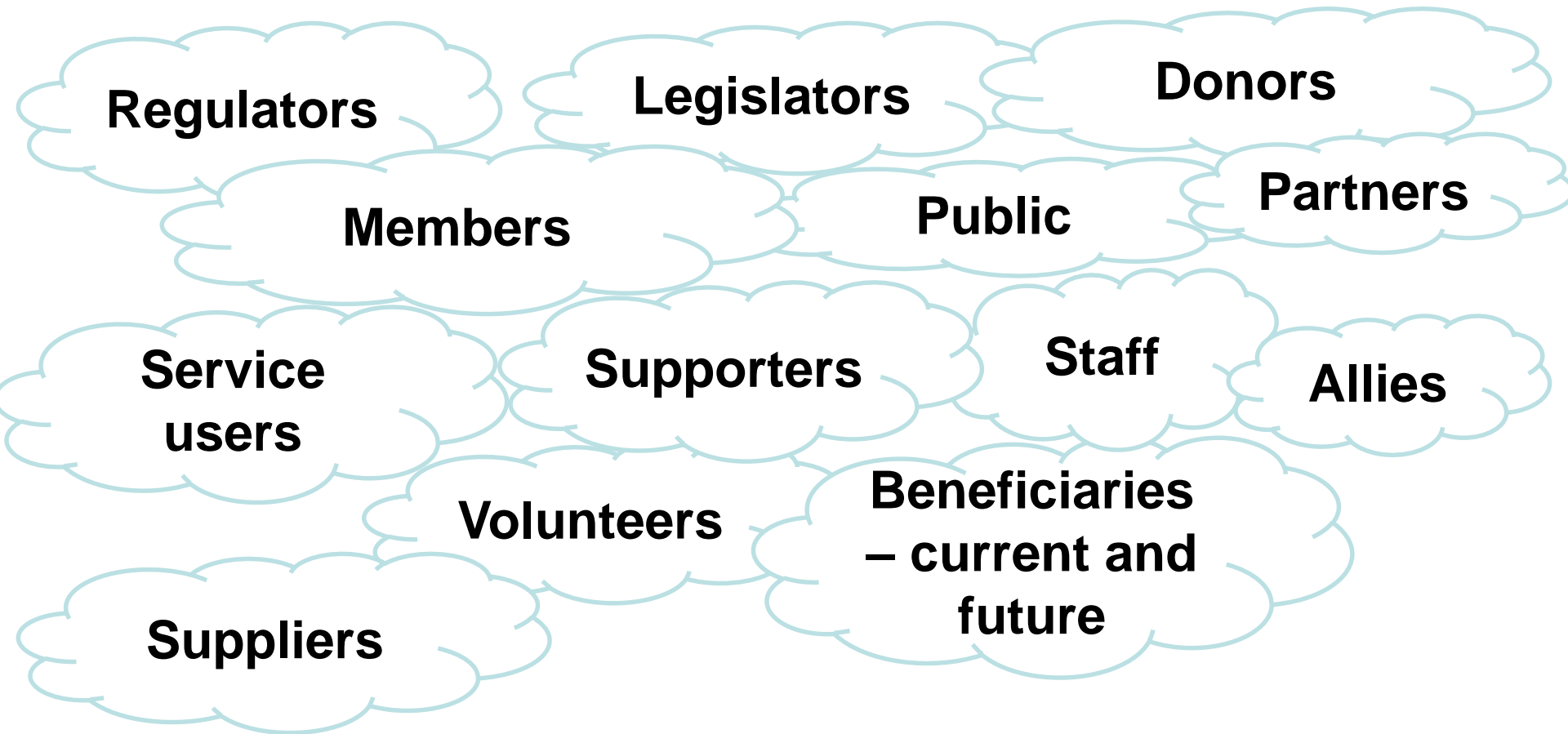


Board Behaviour

A well-run board, both collectively and individually, embraces and demonstrates mutual respect, integrity, openness and accountability.



To whom are you accountable? And for what?



And what might be your stakeholders expectations?

Safeguarding

Pay

**Manage
Conflicts of
interest**

**Investment
choices**

Campaigning

Ethics

Effectiveness

**Financial
management**

Trust

**Good
Governance**

Board Behaviour

As the board we understand that our behaviour can have a far-reaching impact and is fundamental to our organisation's reputation and success. We need to ensure our behaviour is consistent with our organisation's vision and values.



Board Behaviour

- Conflicts of interest
- Conflicts with other trustees
- Code of Conduct
- Collective decision making



Collective Responsibility

- All members of the governing team equally responsible
- No inner circles
- No place fillers or 'making up numbers'



Control

A well-run board will develop and implement appropriate controls to direct and oversee progress and performance of the organisation.



Control

As the board we should put in place appropriate structures, controls and processes to make sure the organisation is run in line with its purposes and values, governing document, and relevant legal and regulatory requirements

The buck stops with you!

- Legal, regulatory, contractual and constitutional requirements
- Policies and procedures
- Risk management
- Safeguarding
- Good reporting
- Fundraising and Finance



Effectiveness

A well-run board understands its role, powers and duties, and works collectively and proactively to achieve its organisational purpose.



Effectiveness

As the board we should be self-aware and work together as a team, with a diverse and appropriate balance of skills and experience to continually improve the governance of our organisation.



Effectiveness

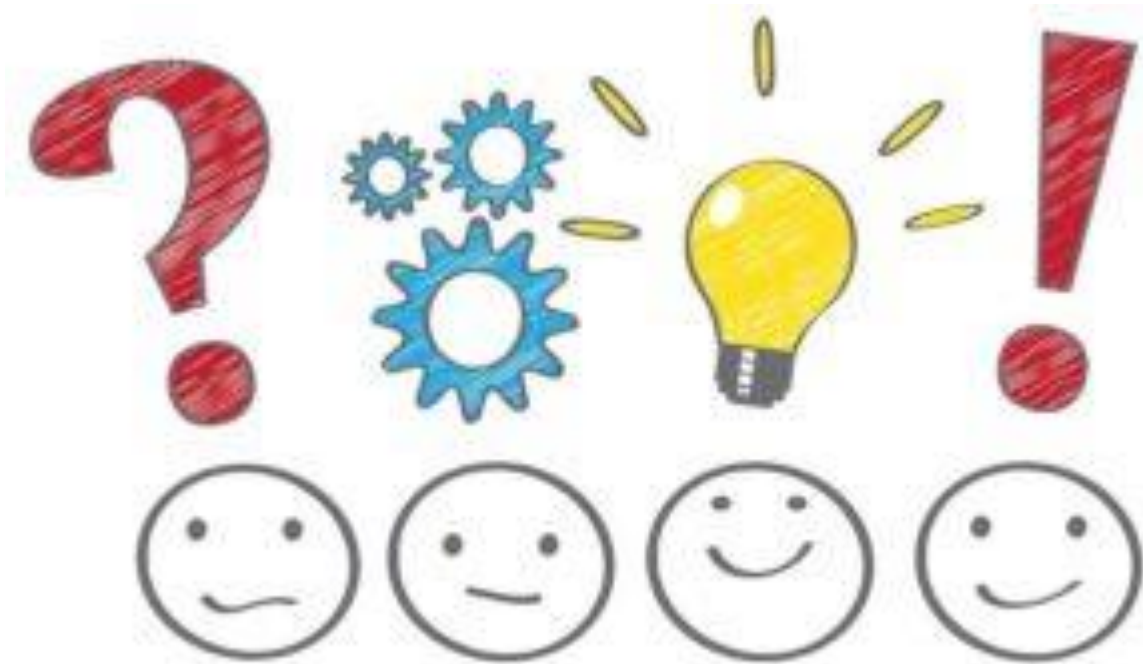
- Trustee Recruitment
- Skills Audit
- Fixed terms of Office
- Succession Planning
- Good Induction
- Training



5 key ingredients of good governance

1. A diverse board that works well as a team
2. A board with the required skills and experience
3. High quality meetings and good decision making
4. Board focusses on strategy rather than operational issues
5. Openness and trust





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