HALIFAX FOUNDATION
for Northern Ireland

Developing Governance Group

TRUSTEES' WEEK

Launch of the Revised Code of Good Governance

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Launch of the Code of Good Governance, 3rd edition

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Developing Governance Group

Age NI, Arts & Business NI, Community Arts Partnership, Early Years - the organisation for young children, NICVA, NI Sports Forum, Rural Community Network, Sport NI, Supporting Communities and Volunteer Now

Joint Secretariat: NICVA and Volunteer Now

What is the Code?

- Code sets out the principles and key elements of good governance in an organisation as a whole

- Closely linked to regulatory responsibilities

- Set of standards for governance practice, it is not mandatory

- Endorsed by the Charity Commission

Resources to support the Code

- Printed booklet

- www.diycommitteeguide.org

- Governance health check

Who is the Code for?

- Voluntary and community organisations
- Charities
- Not for profit organisations
- Community amateur sports clubs (CASCs)
- Social enterprises
- Trading subsidiaries
- Community Interest Companies (CICs)

churches   older people   young people

early years   sport   the arts   environmental

historical   overseas development   disability   health

advice   rural   animal welfare   education

community development   recreational   women

community relations   regeneration   poverty

Why a revised Code?

Respondents to consultation in 2019:

- Language appropriate but changes needed with regard to operational overreach

- Content easy to understand

- Content applicable to organisation

- Agreed that the Code resources can help to improve governance practice

Official Launch of the Code of Good Governance

**Punam McGookin,
Head of Charity Services,
Charity Commission for NI**

The Code of Good Governance
5 Key Principles:

1. Understanding its function in delivering organisational purpose

2. Working as an effective team

3. Maintaining control, making effective decisions and managing risk

4. Acting with Integrity

5. Being open and accountable

Principle 1
Understanding its function in delivering organisational purpose

The members of the board are equally responsible in law for governance. They are collectively responsible for ensuring that the organisation remains faithful to its purpose.

The board will lead by:

- Ensuring organisational purposes and rules set out in the governing document remain relevant and valid.

- Setting and upholding the vision, values, and reputation of the organisation.

- Understanding and fulfilling its legal duties.

- Ensuring the stewardship of assets.

- Ensuring appropriate organisational structures are in place.

- Understanding the organisation's operating environment.

- Developing and agreeing a long-term strategy.

- Reviewing and overseeing the work of the organisation in the interests of its beneficiaries and/or members.

Principle 2
Working as an effective team

The board will ensure that it has an effective balance of knowledge, skills, attitudes and behaviours to deliver organisational purpose.

The board will lead by:

- Structuring meetings effectively including preparation, frequency, recording and communication.

- Ensuring that all board members, including office bearers, understand and fulfil their respective roles.

- Providing all board members with opportunities for training and development according to their needs.

- Periodically reviewing their individual contribution and performance as a team.

- Finding, recruiting and retiring board members to meet the organisation's changing needs in line with the governing document, taking into account skills, experience and diversity.

- Providing suitable induction for new board members.

- Accessing external advice when necessary.

- Developing and maintaining a positive working relationship within the board and with volunteers and staff.

- Ensuring that all members are able to participate fully at meetings and carry out their challenge function in an open and constructive way.

Principle 3
Maintaining control, making effective decisions and managing risk

The board has ultimate responsibility for setting the vision and strategy and overseeing the activities of the organisation.

While the board may delegate some of its functions to paid staff, boards must regularly review internal controls, risks, performance, policies and procedures by:

- Developing and monitoring organisational plans and budgets.

- Evaluating results and assessing impact.

- Ensuring proper arrangements/agreements are in place for partnership working and service delivery.

- Understanding and complying with all legal, contractual and regulatory requirements that apply to it.

- Implementing appropriate up to date internal financial and management controls.

- Regularly identifying and reviewing the major risks to which the organisation is exposed including systems to manage those risks.

- Ensuring that delegation to committees, staff and volunteers (as applicable) works effectively and the use of delegated authority is properly documented and supervised.

- Making proper arrangements for the recruitment, remuneration, supervision, support and appraisal of all staff including the most senior member of staff.

- Making proper arrangements for managing and supporting volunteers.

Principle 4
Acting with Integrity

The board should act at all times with honesty and probity in the interests of the organisation and its beneficiaries and members. The board ensures that the organisation's performance and interaction with its stakeholders are guided by the values, ethics and culture put in place by the board.

The board should:

- Act according to high ethical standards.

- Identify, understand and manage conflicts of interest and loyalty both within the board and across the organisation.

- Maintain independence of decision making.

- Adopt a suitable code of conduct.

- Have a clear and effective approach to promoting equality, diversity, inclusion and good relations within the board and throughout the organisation.

- Encourage inclusive and accessible participation of beneficiaries and members.

- Understand and comply with its safeguarding responsibilities.

- Develop and provide a safe and respectful culture for all.

Principle 5
Being open and accountable

The board leads the organisation by being open and transparent, accountable and responsive.

The board should:

- Ensure open and effective communication and engagement with beneficiaries, members and stakeholders about the organisation and its work.

- Consider organisational responsibilities to the wider community, society and the environment.

- Put in place arrangements to deal with complaints constructively, impartially and efficiently.

- Ensure proper arrangements for the management of membership as set out in the governing document.

- Demonstrate public benefit/impact in line with its organisational purposes.

Assessing your governance, why should you bother?

- Protection for the board
- Verification of the relevance and robustness of current systems and processes
- Identify gaps and address/mitigate against risk
- Protection of services
- Opportunity to increase stakeholder confidence
- Comply with charity and other regulation

Next steps

- Print the Code
- Boardroom posters
- Review and redesign www.diycommitteeguide.org
- Information sessions
- Revise Governance Healthcheck

Supported by

Questions? Comments?