



# Governance Workshop

Common Ground Initiative  
Peer Learning Programme  
London July 2011



# **Governance questions:**

- 1. Understanding on role and values**
- 2. Key references:**
  - Compliance (Charity Commission)**
  - Principles (Code)**
  - Standards (Occupational Performance)**
- 3. Managing the Board**
- 4. The 'relational' dynamics**



# 1. A Shared Understanding?

- On what the term ‘governance’ implies?
- Clarity on role and responsibilities:
  - Of the Board?
  - Of the Executive?
- On safeguarding and promoting the values?



# ‘Good Governance’

‘Governance is about leadership and ensuring that an organisation is effectively and properly run. Good governance is the board’s responsibility.. covers more than the board’s duties and responsibilities. Includes how the board is appointed and supported; how it works to ensure decisions are taken properly and the work of the charity is effective and furthering its purposes.....’ NCVO



# Board responsibilities (formal)

1. **Ultimate responsibility** for the affairs of a charity, ensuring it is solvent, well-run, and delivering the charitable outcomes
2. **Compliance:**
  - With charity law and requirements of regulator
  - With rules + charitable purpose of governing document
  - With requirements of other legislation/regulators which govern activities of the charity
  - Act with integrity, avoid conflicts of interest or misuse of funds or assets



# Board responsibilities (formal)

## 3. Duty of Prudence:

- Ensure charity is and will remain solvent
- Use funds & assets reasonably, and only in furtherance of charity's objects
- Avoid activities that might place endowment, funds, assets or reputation at undue risk
- Take special care when investing the funds or borrowing funds

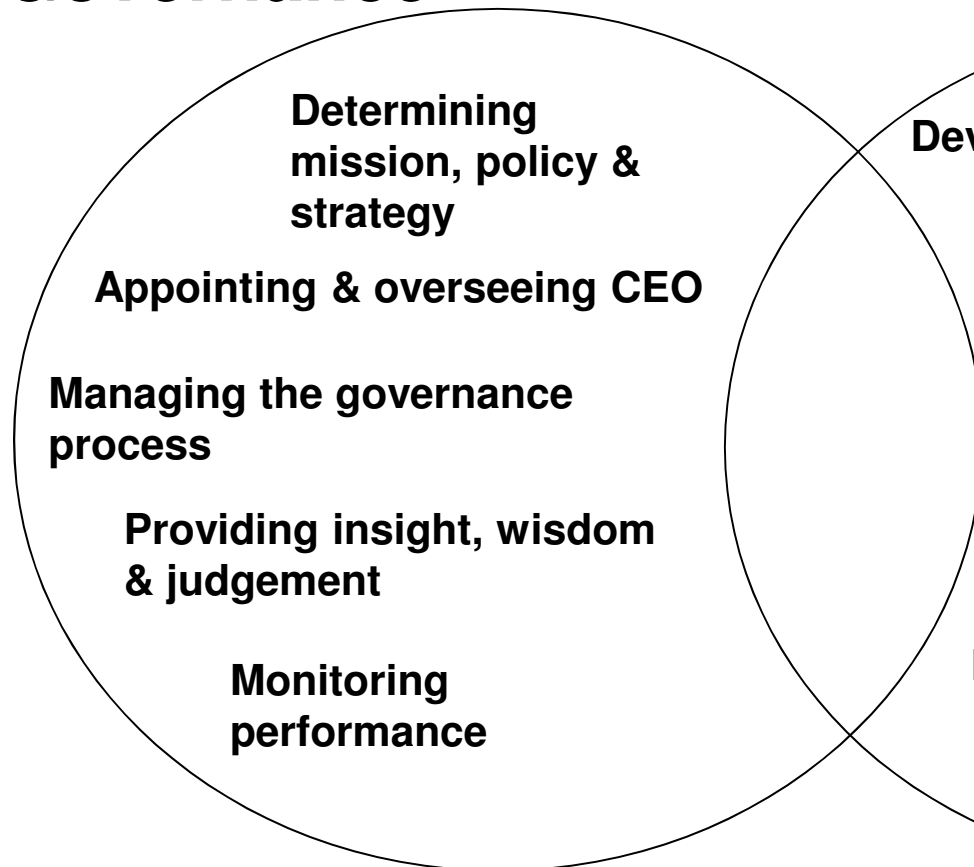
## 4. Duty of Care:

- Use care & skill in work as trustees, and personal skills/experience to ensure charity is well-run
- Consider external professional advice where there may be material risk or breach of duties



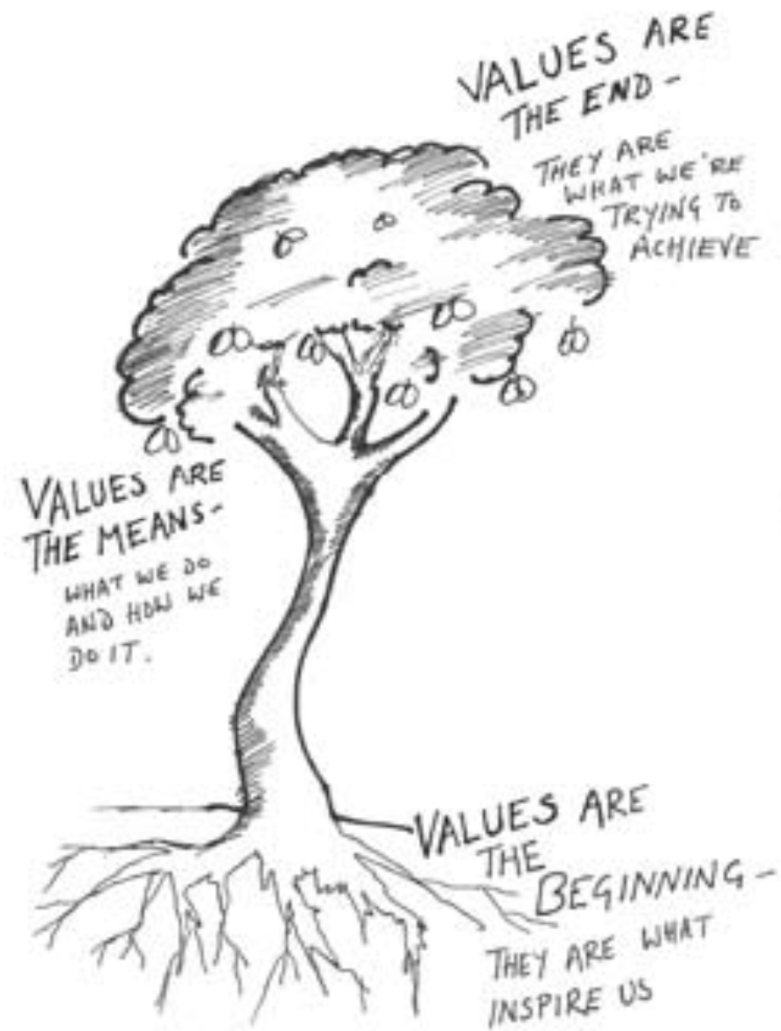
# Boundaries of Board Role

## Governance



## Management







## 2. Sector References

- **Charity Commission** – regulator; advisor; legal complexities
- **Code of Governance** – 2005 by umbrella bodies & revised in 2007; best practice in governance around 6 principles; useful for reviewing effectiveness
- **National Occupational Standards** – 2005 by Workforce & Governance Hubs; competencies of individual trustees; useful for board training and development.



# 3. Board Management

- Checking the ‘menu’ of skills; experiences; perspectives etc.
- Recruitment & Induction
- Trustee Development
- Learning and Reflection
- Who? How?

## 4. The 'relational'



19th July 2011

Brenda Lipson



# The Questions

1. What kind of understanding do you have about ‘good governance’?
2. How are you engaging with the key references that frame and shape the overall approach to governance within the voluntary sector in the UK?
3. In there effective oversight of the Board and its functioning?
4. What about the ‘human’ dimension of governance – how are you managing the diverse working relationships?



# GROUP DISCUSSION: Morning

## 3 common governance scenarios:

1. An 'operational' Board
2. Board 'inactivity' or 'weak engagement'
3. Challenges in the Board/Executive relationship

Q's:

- *What are your experiences of this?*
- *What are the underlying causes or 'triggers'?*
- *What solutions have you found/could you explore?*



# **AFTERNOON SESSION**



# GOVERNANCE CASE STUDY

## *“Towards a Robust and Dynamic Governance”*

- **Background**
- **Governance Issues**
- **Actions taken**
- **What emerged**



# Background

- UK sector, working in HIV-AIDS awareness/prevention
- New CEO + 12 staff (reducing to 10)
- Funding challenges
- Pressures to consider merger
- Strong commitment to stakeholder engagement in governance



# Governance Issues

- ❑ Trustees not engaged in strategy
- ❑ Internal conflict and a 'clique' undermining the Chair
- ❑ Insufficient range of competencies amongst Trustees – reliance on the 'old guard'
- ❑ CEO needing more effective support
- ❑ 1 staff person unclear on boundaries




## Action taken

### *By the CEO:*

- ❑ Cooption to the Board
- ❑ Invest in dialogue with Chair
- ❑ Seek external support (to herself + to the Board)

### *With the Board:*

- ❑ Change the traditional Board induction/training day – design of a 2 day workshop, with time in between for things to settle.



Overall **aim:** To strengthen the capacity of the Board of Trustees to provide strategic direction in a context of change and uncertainty.

2 days:

*‘Our Future: Where are we heading?’* – building understanding in relation to the strategic direction.

*‘Our Future: Leading the way’* – building capacity of leadership team to work effectively in fulfilment of its roles and responsibilities.



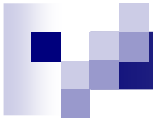
# Components

- ❑ Strategy exercise: ‘newspaper headlines’
- ❑ Models of collaboration: understanding mergers as one option amongst many
- ❑ Understanding on Governance
- ❑ Board self-assessment exercise
- ❑ Individuals and their ‘styles’ in discussions: the ‘6 Hats’ exercise



## What emerged

- ❑ Changes for individuals (CEO + Trustees)
- ❑ A richer 'menu' of Trustees
- ❑ Improved communications
- ❑ Increased awareness of importance of investing in Board reflection and functioning





# **SOME ACTION POINTS TO CONSIDER**

## **1. Building a shared understanding:**

- Review understanding of roles – check the ‘boundaries’ Board/Executive
- Discuss the ‘safeguarding/promoting’ the values + how to put it into practice

## **2. The key references:**

- Identify which are most relevant for you, and how you might work with them.
- Ensure someone has responsibility to monitor and update you on new developments + debates



# **ACTION POINTS Cont:**

## **3. Board Oversight:**

- Build reflection, review and audits into the 'cycle'
- Consider a working group or sub-committee (not just the Chair and CEO)
- Allocate resources for Board development

## **4. The 'relational':**

- Acknowledge the 'human dimension'!
- Discuss and set the 'parameters' e.g. via a Code of Conduct which includes internal behaviours and mutual accountability.