

# Basic Checks for Community Groups and Charities

On the basis that a community organisation or charity is established by its constitution and the committee is responsible to its members for managing activities and so that it does the good it is supposed to do, here is list of basic checks for committees.

The committee

1. understands its role
2. understands the charity's purpose
3. makes decisions together, records them, works as a team, individuals take on defined responsibilities and reports back, committee do training and welcome new members
4. has policies or other ways of working so that it is effective and works within the law
  - a. Risk management is implemented for all activities
  - b. Legislation is adhered to
  - c. Relevant insurance cover is in place
5. strives to meet the needs of its beneficiaries and manages conflicts of interest
6. is open and accountable, provides its annual report and statement of public benefit and accounts

Further detail for these is given in the Code of Good Governance – on the next couple of pages.

These principles can be framed using the Got it Right checklist

- Has constitution
- Open and welcoming
- Governed in trust
- Accounts for money
- Plans
- Safeguards
- Undertakes training
- Publicises benefit

More detail for this is on the Got it Right Information sheet from Community Action Fareham.

# Code of Good Governance

## Principle 1

**An effective board will provide good governance and leadership by understanding their role.**

Members of the board will understand their role and responsibilities collectively and individually in relation to:

- their legal duties
- their stewardship of assets
- the provisions of the governing document

- the external environment
- the total structure of the organisation

and in terms of

- setting and safeguarding the vision, values and reputation of the organisation
- overseeing the work of the organisation
- managing and supporting staff and volunteers where applicable.

## Principle 2

**An effective board will provide good governance and leadership by ensuring delivery of organisational purpose.**

The board will ensure that the organisation delivers its stated purposes or aims by:

- ensuring organisational purposes remain relevant and valid

- developing and agreeing a long term strategy
- agreeing operational plans and budgets
- monitoring progress and spending against plan and budget
- evaluating results, assessing outcomes and impact
- reviewing and/or amending the plan and budget as appropriate.

## Principle 3

**An effective board will provide good governance and leadership by working effectively both as individuals and as a team.**

The board will have a range of appropriate policies and procedures, knowledge, attitudes and behaviours to enable both individuals and the board to work effectively. These will include:

- finding and recruiting new board members to meet the organisation's changing needs in relation to skills, experience and diversity
- providing suitable induction for new board members
- providing all board members with opportunities for training and development according to their needs
- periodically reviewing their performance both as individuals and as a team.

## Principle 4

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**An effective board will provide good governance and leadership by exercising effective control.**

As the accountable body, the board will ensure that:

- the organisation understands and complies with all legal and regulatory requirements that apply to it
- the organisation continues to have good internal financial and management controls
- it regularly identifies and reviews the major risks to which the organisation is exposed and has systems to manage those risks
- delegation to committees, staff and volunteers (as applicable) works effectively and the use of delegated authority is properly supervised.

## Principle 5

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**An effective board will provide good governance and leadership by behaving with integrity.**

The board will:

- safeguard and promote the organisation's reputation
- act according to high ethical standards

- identify, understand and manage conflicts of interest and loyalty
- maintain independence of decision making
- deliver impact that best meets the needs of beneficiaries.

## Principle 6

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**An effective board will provide good governance and leadership by being open and accountable.**

The board will lead the organisation in being open and accountable, both internally and externally. This will include:

- open communications, informing people about the organisation and its work
- appropriate consultation on significant changes to the organisation's services or policies

- listening and responding to the views of supporters, funders, beneficiaries, service users and others with an interest in the organisation's work
- handling complaints constructively, impartially and effectively
- considering the organisation's responsibilities to the wider community, e.g. its environmental impact.

**When looking at further detail for committees' governance self-review, trustees should include these items**

The Trustee Code of Conduct including the Nolan Principles (standards in public life as adapted for charities)

Trustee declaration

Trustees should also have read Charity Commission Document CC3 "The Essential Trustee"

Simple Quality System – Got it Right

List of Usual Policies including a management system

Hallmarks of a Well-run Charity – Charity Commission

The Charity Trustees Handbook (published by DSC) has an excellent, very detailed checklist for charity governance.

**Trustees Annual Report and Statement of Accounts**

It is important that the organisation's annual report provides the detail required. There is a standard format from the Charity Commission. It includes who is involved, what activities have taken place, what benefit there has been to the members or beneficiaries, what the committee has done to address risk and what the plans are for the future.

It must contain a statement of accounts that has been scrutinised at the appropriate level with a statement or report from the scrutineer.