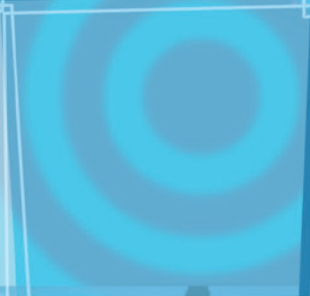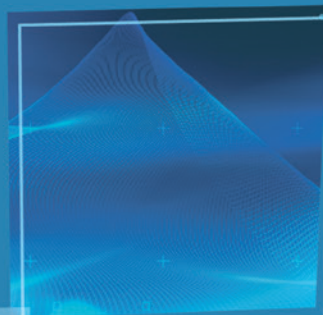# getting to grips with governance

a resource guide for community and voluntary organisations

second edition

Preface

Board of directors, board of governors, board of management, board of trustees, committee, core group, council of management, executive committee, management committee … whatever they are called, governing bodies of community and voluntary organisations have a significant part to play in those organisations.

They must ensure the organisation is both effective and accountable. Members of a governing body are there to oversee and take responsibility for everything an organisation does. It is an important role and one not be taken on without an understanding of what is involved. However, it is not always easy for voluntary governing body members to find out exactly what they should be doing or how they should best carry out their duties.

There is an increasing demand from funding agencies, the state, the public and others, that community and voluntary organisations demonstrate their ability to perform to a high standard. There are also changes in charity regulation, including new codes of practice for governance and fundraising. Organisations must ready themselves for these challenges to enable them to strengthen their impact and build stakeholder confidence.

Getting to Grips with Governance is part of a range of training and guidance services on governance provided by The Wheel. It follows on from our popular publication *Solid Foundations: a resource guide for building strong and effective*

organisations in the community and voluntary sector. It is accompanied by sister publications on risk management, human resources, outcomes and collaboration.

The guide has been designed to help governing body members by:

- Providing information about the functions that a governing body performs

- Assisting individuals to understand more about governing body roles and responsibilities and potential liabilities

- Encouraging the development and improvement of practice

- Signposting to further information and resources.

We hope you find it useful. If you have any additional information for future editions or any comments or questions whatsoever, please do not hesitate to contact us.

Deirdre Garvey
Chief Executive Officer, The Wheel

Publication details

Based on The Wheel gratefully acknowledges the Scottish Council for Voluntary Organisation's permission to base this guide on its 2007 publication *Getting to Grips with Governance* (updated in 2013 as *Guide to Good Governance)*.

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The Wheel is a national support and representative body for community, voluntary and charity organisations across Ireland. It provides a wide range of information and support services, training and advice to individuals and organisations involved in community and voluntary activity. The Wheel also represents the shared interests of its members and the wider community and voluntary sector to government and other decision-makers.

Disclaimer

Our goal is to provide comprehensive, timely and accurate information. This publication contains references and pointers to information kept or provided by other organisations. We therefore cannot guarantee their accuracy. It is our policy to correct any errors brought to our attention. Comments and suggestions are always welcome. Note that this document is not a replacement for seeking legal advice should that be necessary.

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Who this guide for

This guide has been prepared primarily to meet the needs of governing bodies of established organisations that are small to medium in size, as this reflects the vast majority of organisations in the Irish community and voluntary sector. Most of the material is also applicable to new and large organisations, but we recognise that there are some issues for governing bodies of these organisations that warrant particular attention. Further resources for new and large organisations are found in appendices 1 and 2.

The guide has been written primarily for governing body members. However, good governance needs to be embedded in an organisation; senior staff and advisors may therefore also find it useful in their work with governing bodies.

Some people using this guide will be new governing body members, whereas others will be more experienced and may be members of more than one governing body. Regardless of the amount of experience, new situations typically challenge understanding, knowledge and ability, and as a consequence there is always something new to learn, or improve. We hope that everyone using this guide will find something that meets his or her current interest or situation.

How to use this guide

The guide is divided into four chapters:

• One: The role of the governing body

• Two: How the governing body does its work

• Three: Developing the governing body

• Appendices: What next?

Each section contains a general discussion of the area, with 'top tips' and questions (in speech bubbles) to help readers relate the topics covered to their own experience. The final section provides a list of useful resources and publications, a glossary of relevant terminology and a checklist. Detailed contents pages are also provided.

You may want to read the guide from beginning to the end, but it is anticipated that many readers will find it most useful to dip in and out, referring to information as and when needed. You may wish to commence by completing the governance checklist in appendix 4 to assess where your main information needs are.

CHAPTER 1 :
The role of the governing body
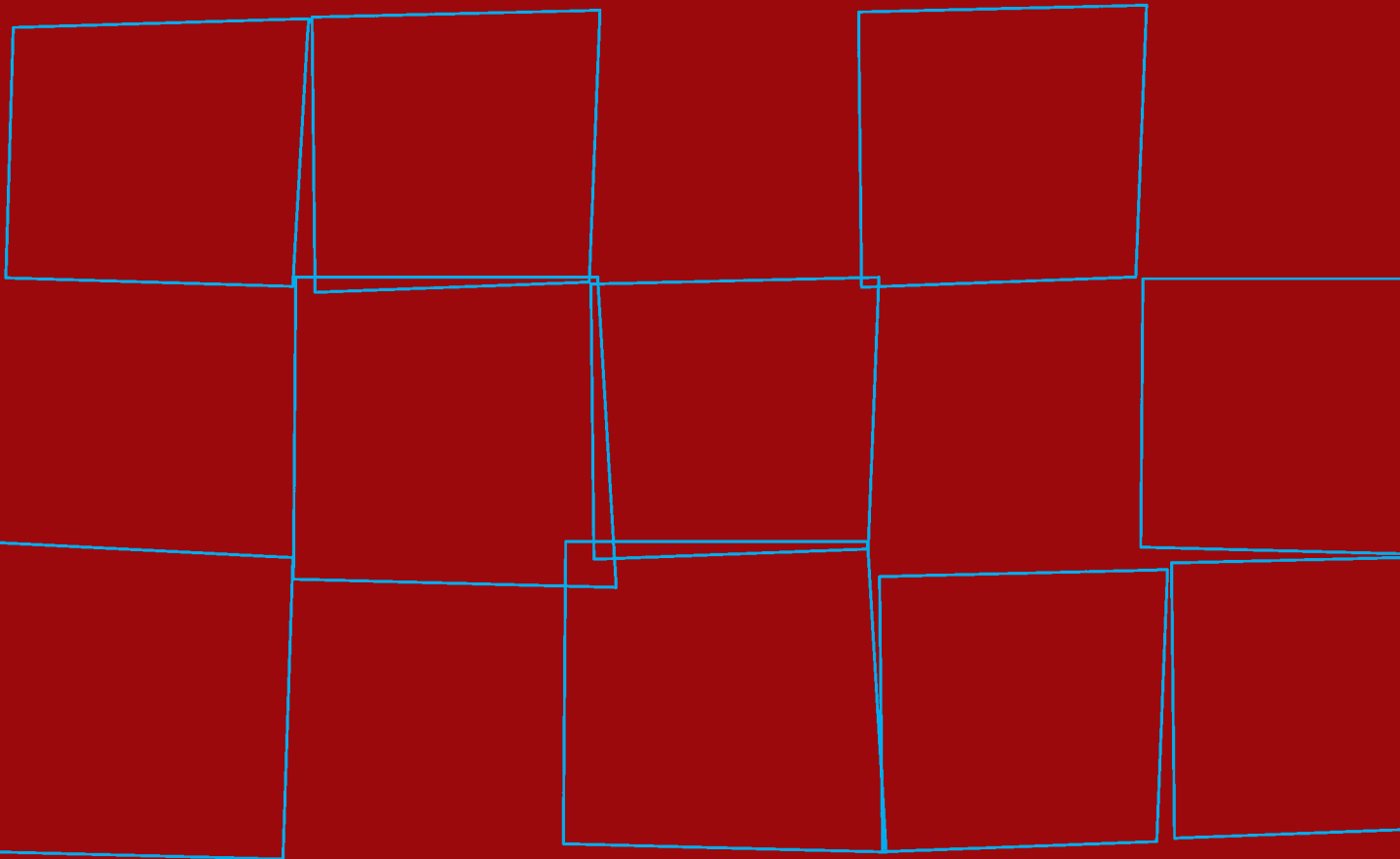
1.1 Introduction

The role of the governing body is to ensure that the organisation meets its mission as efficiently and effectively as possible. This chapter begins by defining what governance is. It then sets out why it is necessary to have a governing body and what it should do. It considers the responsibilities both of the governing body as a whole and of the individuals involved, including those holding specific posts. Finally, it explores the need to steer a course between different (sometimes competing) interests to meet the expressed goals of the organisation.

1.2 What is governance?

1.2.1 Defining governance

Governance (sometimes referred to as 'corporate governance') can be described as the system that ensures the fit between the organisation's mission and its performance. In essence, governance is about being in control and taking overall responsibility for the work and actions of an organisation. Good governance occurs when an organisation uses transparent decision-making processes to direct its resources and exercises power in an effective and accountable way. The governing body is there to account for what the organisation does and how it does it; the 'buck stops' with those who govern an organisation.

1.2.2 Governors

The prime governors of an organisation are members of the governing body. Whether these individuals are called 'management committee members', 'directors', 'trustees' or something else, will depend on the legal status and custom of the organisation. Their titles matter little. What is more important is that the individuals involved, and others in the organisation, are clear about the duties and liabilities associated with their governance role.

1.2.3 Clarifying which part of the organisation governs

In some organisations with complex structures, there is the possibility of confusion about which part of the organisation is in fact the governing body - if, for example, they have both a management committee and an executive committee, or both a council and a board. It is imperative that everyone is clear which part of the organisation is the governing body.
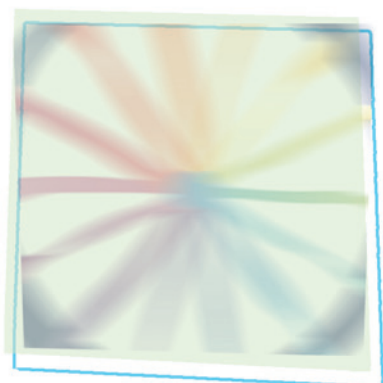
1.3 Why the governing body is necessary

1.3.1 A long-term vision

The governing body makes a unique contribution to an organisation by focusing on the achievement of long-term aims. Whether the organisation is about making a difference in a specific geographic area, changing perceptions and attitudes, delivering a much-needed service, or improving the quality of life for a particular group, the governing body is there to help the organisation realise its overall vision and its specific goals.

1.3.2 Overall responsibility

The governing body is that part of the organisation with formal power and responsibility. The powers and responsibilities are contained in the governing document (called either the 'constitution', 'deed of trust', 'rules' or 'memorandum and articles of association') and are backed up by law. If things go wrong, it is the governing body that will be called to account. Members of the governing body need to be aware of this and act always in the best interests of the organisation, following all requirements of legislation and regulation. This is sometimes referred to as the need for 'due diligence'.

1.4 Governance, management and operations

1.4.1 Understanding the differences

The governing body must govern; that is, it must provide leadership and strategy and must focus on the 'big picture'. Governance is about planning the framework for work and ensuring it is done. As such, it is distinct from management (organising the work) and operations (doing the work). As far as possible, the governing body should therefore steer clear from making managerial decisions and getting involved in the day-to-day implementation of strategy.

This is easier said than done. The lines between governance, management and operations are easily blurred, as they are of course closely inter-related.

1.4.2 Marking the boundaries

The larger an organisation is, the easier it is to define the boundaries. The governing body governs, the chief executive officer/senior management team manages, and the rest of the staff and volunteers engage in operations (see table). However, in smaller organisations, especially in those organisations without paid staff, it is easy for the governing body to get

Governing body volunteers	Other volunteers and paid staff
• Overview of organisation as a whole	• Day-to-day operation of programme/projects
• Long-term direction	• Short- to medium-term implementation of plans
• Frameworks for effective working	• Detailed planning and supervision
• Accountable for actions and decisions	• Responsible for delivery

'bogged down' with questions of short-term management and operations and to lose sight of the need to focus on strategy for the longer-term. In these situations, it is essential to find an effective way of balancing the demands for governance, management and operations, which are all crucial to the organisation's ultimate success. As small organisations grow in size and begin to take on paid staff, it is vital for governing body members, who are likely to have been used to 'pitching in', to concentrate on their governance role and to allow staff to get on with the jobs for which they have been recruited.

How does your organisation ensure sufficient attention is paid to long-term direction?

Can you identify overlaps in governance between the governing body and paid staff?

If so, what processes does your organisation have for joint working in those areas?

*** TOP TIPS ***

For organisations without paid staff, try:

Dividing the governing body's meeting agenda into two sections, so there is always a slot for issues that concern progress towards outcomes, overall accountability and financial sustainability,
or

Setting up a subcommittee of the governing body to focus on work programmes, delivery or operational matters. This could be open to volunteers who do not currently serve on the governing body, as long as you have terms of reference that allow you to do this. Refer to the governing document if in doubt.

1.4.3 Dealing with multiple roles

It is common, especially in smaller organisations, for volunteers both to govern and get involved in management and/or operations. For example, an individual might be a member of the governing body and, in that role, be responsible for employing staff and deciding on the budget for the summer play scheme. At the same time, the person may also be a volunteer working on that scheme. If a paid manager has responsibility for the volunteers working on the scheme, then the volunteer would find her/himself both accountable to, and accountable for, the paid staff member. Such combining of roles is characteristic of the way many organisations in the community and voluntary sector operate. It is recommended to try and avoid the wearing of more than one hat, but if this is not possible, then it is vital to keep roles and expectations as clear as possible.

1.5 Core duties of the governing body

There are six core duties of the governing body:

1.5.1 Values and principles

Governing bodies must safeguard and promote the values and principles at the heart of the organisation

This means that members of the governing body should:

- Be familiar with the objects and values/ethos of the organisation

- Ensure that the organisation has an up to date mission statement and defined principles that underpin its operation

- Ensure that they and the rest of the organisation adhere to its values, both in terms of deciding priorities and how they are implemented.

*** TOP TIPS ***

At governing body meetings there is a possibility that people will be contributing from a number of different perspectives, not just as governing body members, but possibly also as a day-to-day volunteer, service user, or representative of a particular group. All contributions at board meetings should be given as members of the governing bodies as opposed to any other roles members may have.

1.5.2 Clarity of direction

Governing bodies must ensure that the organisation has clear direction, plans, structure and resources for its present and future work

This means that members of the governing body should:

- Ensure that the organisation has a clear, informed and up to date framework for the direction of the work in the form of a strategic plan

- Ensure that the organisation has the resources to meet its commitments; for example, through funding agreements

- Ensure that there are internal arrangements for managing the performance of volunteers and/or paid staff.

1.5.3 Accountability

Governing bodies must ensure the organisation has policies and procedures in place to operate in a responsible and accountable manner

This means that members of the governing body should:

- Ensure that the organisation has a clear and lawful structure for its governance and management; that it is run responsibly and according to the governing document; and that it complies with all the relevant laws and requirements of regulatory bodies

- Ensure that the organisation creates and reviews procedures for managing risk, finances, staff, etc

- Ensure that the organisation invites scrutiny by, and accounts accurately to, funders, regulators, members and other stakeholders, for its activities and its financial affairs.

1.5.4 Human resources

Governing bodies must seek to have and maintain good relationships with volunteers and paid staff

This means that members of the governing body should:

- Invest in ways of working that enhance communication and coordination with volunteers and paid staff

- Make certain that arrangements for supporting and overseeing the activities of volunteers and paid staff are in place and regularly reviewed

- Tackle concerns about the behaviour or performance of volunteers and paid staff with respect to, and in accordance with, proper procedures.

1.5.5 Liaison

Governing bodies must establish and maintain links with key stakeholders and associated organisations

This means that members of the governing body should:

- Ensure that the organisation has the required liaison with service users, members, funders, local and national government and local and national umbrella bodies

- Actively promote a good reputation of the organisation
- Provide the organisation with information about opportunities and threats in the external environment, including appropriate feedback on the reputation of the organisation.

1.5.6 Teamwork

Governing bodies must work as a team through good and bad times

This means that members of the governing body should:

- Understand their role, responsibilities and liabilities, including particular responsibilities such as secretary or treasurer
- Invest in well-run meetings with helpful paperwork and proper recording
- Ensure that new members are given a full induction and have the necessary training and support to perform their role
- Respect each other and have constructive arrangements for responding to disputes and complaints about each other.

Do all members understand the role of your governing body?

Does your governing body fulfil the six core duties?

What are the strengths and weaknesses of your governing body?

1.6 Collective responsibility

An essential feature of governing bodies in the community and voluntary sector is that responsibility is collective. The governing body only has authority when it acts as a whole.

1.6.1 Understanding the implications of collective responsibility

For decisions made by the governing body to be binding, proper meetings must be held, and these must be 'quorate' (that is, have an agreed minimum number of members present, as defined by the governing document). When members act alone or in small groups, they do so merely in an advisory capacity. It may be appropriate for a governing body, on a case-by-case basis, to authorise the chairperson, and usually at least one other governing body member, to act in a particular situation between meetings and to lay down the parameters within which they may act.

Should there be any legal or financial repercussions from decisions made by the governing body, then all members of that group are legally liable in equal proportions. It follows then that the behaviour of one member of a governing body is the concern of all the others, and may possibly have to be explained or accounted for by them. This means that if a member of a governing body is absent from a meeting, or series of meetings,

they are still responsible for decisions made when they were not present. Their absence does not absolve them from responsibility or liability.

Organisations must try to do everything that is reasonably possible to fulfil their responsibilities. However, it is also important to remember that if you do the right things, in good faith, it is unlikely that you or your governing body will be taken to task for any genuine errors that may occur.

1.6.2 'Non-governors' playing a governance role

Although governance is the responsibility of the governing body, there are times when the boundaries get blurred. This is especially true in the case of the most senior member of staff (such as the chief executive officer), who will frequently attend meetings of the governing body, usually in a reporting and/or administrative capacity.

In order to maintain integrity, governing body members should not derive personal profit from their roles. It is therefore not considered good practice to have paid members of staff on the governing body (and for organisations with a CHY number this is expressly disallowed, except in very limited instances approved by the Revenue Commissioners).

Another grey area is that of external representatives on the governing body, for example, from other community or voluntary organisations, from the private sector, or from statutory agencies such as local authorities,

government departments, and so on. There is great potential for conflicts of interest/loyalty in these situations. It should be made clear from the outset whether they are attending meetings as observers or if they are there as governors of your organisation, with all the rights and responsibilities that go hand in hand with that. The members of the governing body should always act in the best interests of the organisation, not in the best interests of any other organisations. If individual members of the governing body have a conflict of interest/loyalty they should declare it and abstain from the discussion and any vote. If a person is attending as an observer, then although the governing body might ask for that person's views on a particular matter, it should maintain its independence and do what is best for the organisation.

Directors of a company are legally required to act in the best interests of the company. In addition, the Office of the Director of Corporate Enforcement states that anyone who takes part in decision-making about the management of a company may be deemed to be a '*de facto* director' or 'shadow director', and, as such, shares in the legal responsibilities of the named directors.

1.7 Individual responsibility

It is vital that all individuals on the governing body are aware of their individual responsibilities to the organisation. The core remit for individual members is:

- Know and understand the duties and activities required to fulfil the role, including the legal obligations that underpin them

- Actively contribute to the work of the governing body, for example, as an office bearer and/or as a member of a subcommittee or working group

- Prepare for, and participate fully in, meetings, training events, planning sessions and reviews

- Give each other support and help, and do whatever is possible to manage differences constructively

- Seek to have positive respectful communication and coordination with the volunteers and paid staff; and when necessary use the appropriate procedures for managing concerns about performance and for responding to grievances or complaints

- Act with integrity, avoid conflicts of interest and be worthy of the trust invested in the role by ensuring that all decisions are made solely in the interests of the organisation.

1.8 Responsibilities of office bearers

It is customary for a governing body to have several specialist roles, and these are ordinarily mentioned in the governing document. They have the authority to carry out work that is delegated to them. The roles of 'office bearers' or 'honorary officers' can vary widely between different organisations, and can change to reflect different periods of development. For example, for an organisation run solely by volunteers, it is particularly helpful if every member of the governing body takes on a defined role, as this helps to reduce individuals' workloads. Although office bearers may delegate some of their tasks to others (for example, to paid staff), they remain responsible for ensuring that the tasks get done. Example duties for several common roles are outlined below - these are not set in stone, however, and may need to be adapted for your own organisation.

*** TOP TIPS ***

Although it is not a requirement, it is good practice for governing body members, and in particular office bearers, to have written descriptions of their role and the tasks they undertake on behalf of the governing body. A written description makes explicit the expectation of each person and the tasks for which they can be held accountable.

1.8.1 Chairperson

The chairperson is the leader of the governing body. Leadership should not be confused with control. Good leadership provides a framework that enables all members of the governing body to take part in debate or discussion and make decisions in the best interests of the organisation.

The effectiveness of the chairperson depends on creating an atmosphere where all views are expressed and where differences enhance, rather than damage, collective working. Please note that the chairperson has no more authority than any other member of the governing body, unless this is specified in the governing document (for example, by being able to give a 'casting vote').

The chairperson is also responsible for building mutual confidence between the staff and the governing body, and the importance of building a strong positive relationship with the most senior member of staff is crucial in this respect. Effective reporting from the staff (and other volunteers) to the governing body is vital (it has been said that the governing body is only as good as the information it gets!).

The chairperson is required to undertake specific tasks associated with:

- Ensuring that information and advice are made available at the right time to governing body members

- Planning meetings and developing the agenda in conjunction with the secretary and/or the most senior member of staff

- Chairing effective meetings, ensuring strict time-keeping, thorough discussion and clear decision-making

- Ensuring that decisions made at meetings are implemented

- Taking action outside meetings, when a decision has to be made with urgency

- Resolving conflict within - or on behalf - of the governing body

- Acting as a spokesperson for the governing body and/or the organisation

- Acting as a signatory on cheques, funding applications, accounts, etc

- Undertaking the recruitment, supervision and appraisal of the most senior member of staff.

It is also good practice to have a vice chairperson, whose primary role is to stand in for the chairperson if s/he is away, but who might also take on some of the duties mentioned above.

1.8.2 Secretary

The role of the secretary at its most basic is to keep accurate minutes of meetings although, her/his responsibilities are frequently wider and more substantial. Not all governing bodies will have a secretary; in organisations with paid staff it is common for an employee to do the administration for the meetings. The duties of the secretary usually include:

- Helping the chairperson to plan meetings of the governing body

- Organising the logistics of meetings

- Taking and distributing the minutes of meetings

- Dealing with governing body correspondence

- Acting as company secretary if this is not a separate role.

Companies limited by guarantee (but no other type of organisation) must have a company secretary, whose role involves ensuring that the organisation complies with the rigorous demands of company law and the organisation's own memorandum and articles of association. Some organisations choose to appoint a member of staff or an external person to act as their company secretary, whereas others choose to have one of their directors take on this role.

1.8.3 Treasurer

The main role of the treasurer is to assist the governing body in its duty to ensure sound financial management and to meet its obligations to account for the finances. The duties of the treasurer include:

- Overseeing, preparing and presenting budgets, accounts and financial statements

- Preparing and presenting understandable financial reports to the committee

- Ensuring that the financial resources of the organisation meet its needs

- Ensuring that appropriate accounting procedures and controls are in place

- Liaising with relevant people about financial matters

- Advising on the financial implications of any new projects

- Preparing the annual accounts before these are passed to an independent auditor

- Presenting the annual accounts at the annual general meeting.

What specialist roles does your governing body have?

Is it clear what the exact responsibilities of office bearers are?

How confident do you feel of the part you play as a member of a governing body?

1.9 Satisfying internal and external expectations of stakeholders

1.9.1 Stakeholders

'Stakeholders' are individuals and organisations that have an interest, or stake, in how the organisation performs. To be successful in its chosen field, an organisation will need to meet the needs, interests and demands of its stakeholders. The governing body needs to understand what drives different stakeholders and ensure that the organisation can properly balance and satisfy their various expectations (by not just responding to the 'noisiest' parties).

1.9.2 Examples

Donors, for example, will expect that the money they give will be spent for the purposes it was given and that the organisation can account for the way in which it was used. Clients will want services that respond to their changing needs and circumstances. Often, stakeholders will want the same things. Funding bodies and employees, for example, will all want good employment practice. All stakeholders will want sound management, clear strategic direction, transparency and accountability.

The table opposite provides an example of what different stakeholders might expect and how the organisation can work towards meeting those expectations.

Can you identify the different internal and external stakeholders relevant to your organisation's governance?

Do you know what they expect of your organisation?

Do you have a clear idea how you will respond to their expectations?

Stakeholder	Expectations of organisation	Governing body contribution to satisfying expectations
Service users	• High quality services on demand • A voice in service design	• Elect or co-opt service users onto the governing body • Ensure mechanisms are in place for service user feedback
Employees and volunteers	• Clear guidance and support • A safe and well-resourced work environment • A backstop when things go wrong	• Have clear strategic direction and sound management systems • Develop robust personnel policies • Establish clear communication channels
Funders	• Achievement of agreed outcomes • Spending efficient and only for agreed purposes • Positive profile	• Ensure monitoring and evaluation systems are in place • Ensure clear and transparent financial reporting • Develop a reserves policy • Develop systems to ensure funding is properly acknowledged
Donors and supporters	• Contributions marshalled effectively to make a difference • Feedback on impact of contributions	• Ensure systems are in place for effective communication with donors and supporters • Ensure systems are in place for coordinating and maximising financial contributions • Ensure systems are in place for coordinating other supports, such as campaigns
Regulators (for example, Companies Registration Office)	• Timely submission of accounts and forms • Ongoing compliance with regulation and law	• Develop policies and procedures to ensure submissions criteria and deadlines are met • Ensure systems are in place to alert of changes to law and regulatory requirements
Partner organisations	• Coordination of resource bids where appropriate to maximise impact of limited resources • Clarity about what all parties are bringing to, and expect to get, from collaboration	• Have an openness and willingness to consider collaboration

*** TOP TIPS ***

The following is a simple tool that a governing body can use to analyse its stakeholders and assess how best to respond to their needs and expectations.

STEP 1: List all your organisation's stakeholders, both internal and external

STEP 2: For each, complete the following table:

Step 3: Map all stakeholders on the following matrix:

Name of stakeholder

Degree of importance

High ☐ Medium ☐ Low ☐

Degree of influence over us

High ☐ Medium ☐ Low ☐

Stakeholder expectations and needs

Stakeholder attitude to our performance

High

Importance

Low

Low   *Influence*   High
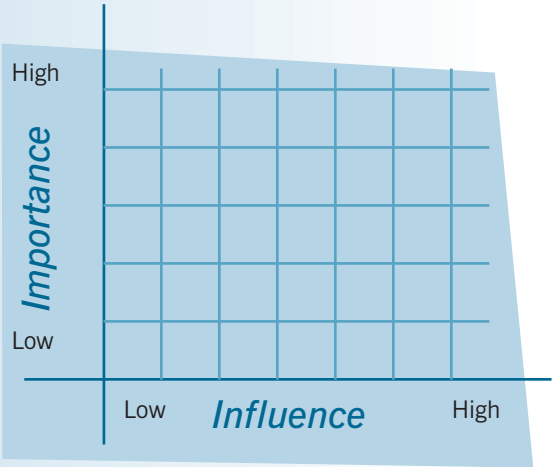
STEP 4: Decide strategies for each stakeholder group depending on where they are on the matrix.

1.9.3 Transparency

In order to instil confidence, it is vital that organisations are accountable to all their stakeholders. Accountability is about being honest, fair, respectful and open to public scrutiny and inspection. Governing bodies have a duty to be as transparent as the organisation's business allows them to be. The focus should be on a 'no secrets' culture, whereby as much organisational information is made public as possible, but where confidentiality is maintained when required. It is essential that an effective communications strategy (for both internal and external communication) is put in place to ensure such transparency.

1.10 Handling competing expectations

Some stakeholders will want different things, resulting in tensions between different groups. Such conflict is not only inevitable, it is also desirable, because it encourages dynamism and counters complacency. For example, staff may want to press ahead with a new area of work before resources have been secured, yet the governing body may feel that this is an unacceptable risk. Continuing our example, a compromise solution may have to be agreed so that work can start when a certain proportion of money has been found.

Moreover, stakeholders' needs, interests and demands will change. For example, funders may decide to

cease giving general grants and link their money to performance targets with a contract, and regulators might introduce new systems for reporting. The governing body will need to adapt. A key role for the governing body is to perform a balancing act by:

- Preventing 'mission drift'
- Holding staff and volunteers to account for their actions
- Ensuring organisational accountability obligations are met
- Ensuring monitoring and evaluation systems are set up to facilitate critical scrutiny
- Anticipating and planning for risks
- Ensuring crises are resolved.

What does your governing body do to ensure that the organisation is developing good governance?

What do you, or can you, contribute to these processes?

How well does your governing body respond to conflict and tensions?

What do you, or can you, contribute to processes for dealing with conflict and tensions?

1.11 Summary

Governing bodies should be clear that they are 'in the driving seat' and responsible for the ultimate effectiveness and accountability of their organisation. They must focus on governing - that is, long-term, strategic matters - and leave management and operations to other volunteers and paid staff (if any). There are six core duties for a governing body, namely:

1 Safeguarding and promoting values and principles

2 Ensuring clear direction, plans, structure and resources

3 Ensuring policies and procedures are in place for accountability

4 Maintaining good relationships with volunteers and staff

5 Liaising with stakeholders

6 Working together effectively as a team.

Governing bodies have collective responsibility, but individual governing body members also have their own responsibilities, including specified responsibilities if they are office bearers. Governing bodies must take account of different stakeholder needs and expectations and address tensions between these.
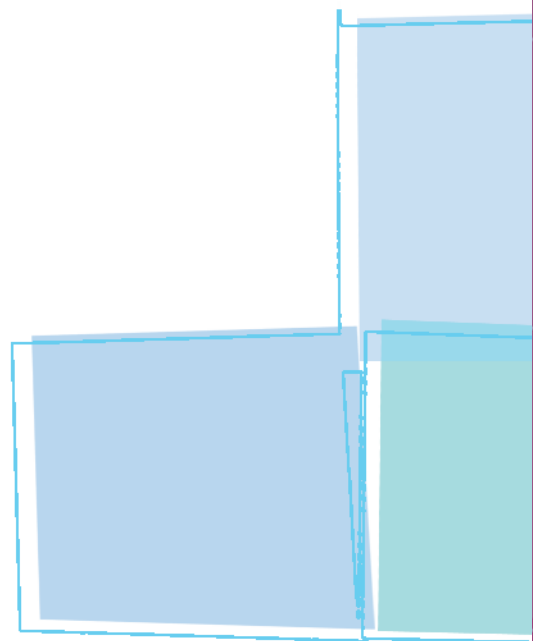
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How the governing body does its work
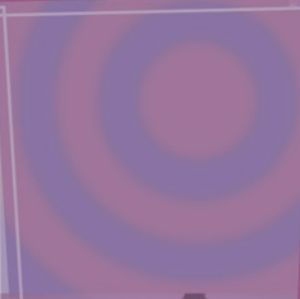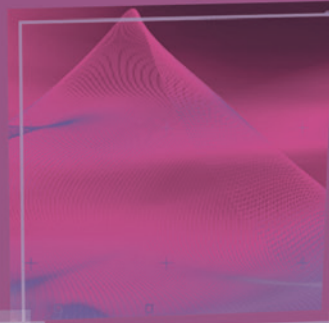
2.1 Introduction

The first chapter set out what the governing body should do. This chapter focuses on how it should do it, by exploring ways to help it to meet its responsibilities as efficiently and effectively as possible.

This work entails adopting an appropriate structure, understanding and using the governing document, seeking charitable status if applicable and meeting the needs of relevant regulators. It also involves planning, agreeing internal policies and ensuring that the organisation's resources are properly managed; specifically, its human and financial resources. As the workload of a governing body is potentially very large, it is suggested that substructures might be put in place. Advice is also given on how to hold effective meetings and how to be creative.

2.2 Adopting an appropriate structure

2.2.1 Unincorporated

Irish law gives adults 'legal status'; it recognises individuals in the legal system and offers them a certain amount of legal protection. However, it does not recognise a group of people as having legal status if they do not have a formal legal structure. This means that each of the individuals who make up the group have full legal liability if something goes wrong.

If your group is very small and informal it may be appropriate for it to remain 'unincorporated' (usually as an unincorporated association, or in limited instances a trust or benevolent society). However, it is usually recommended that you seek a more formal legal structure (or 'personality' as it is sometimes referred to) for the organisation.

2.2.2 Incorporated

The process of 'incorporation' confers a separate legal status on a group, which means the liability of the individuals is limited and the group can commit legal undertakings, such as entering into contracts. The downside with incorporation, either as a company limited by guarantee or an industrial and provident society, is that the organisation is obliged to comply with precise rules and report to a regulator.

2.2.3 Making the right choice

Choosing a structure is the responsibility of the governing body. Any decisions should be based on the organisation's current circumstances and future aspirations and, in particular, a proper assessment of the risks associated with its current and planned activities. These choices should be reviewed from time to time to ensure that they remain the best ones for the organisation.

None of the currently available structures is perfect and it is important for members of governing bodies to weigh up the options, and if necessary,

to get professional advice. Please note that an alternative legal structure for charitable organisations may be made available in the coming years; it is important that you keep abreast of developments in this field.

2.3 Understanding and using the governing document

2.3.1 The governing document

Although it is perfectly possible for a group of people to come together and undertake activities simply by verbal agreement, this is unlikely to work on a long-term basis. It is important, therefore, that community and voluntary organisations, led by the governing body, develop a written governing document (known as a constitution, deed of trust, rules or memorandum and articles of association) that establishes a structure to hold the organisation together and set clear boundaries on its activities. The governing document is the formal 'user manual' for the organisation, setting out defining information about it and establishing basic house-rules for how it will go about its business, including:

- Purpose and objects (why the organisation exists)

- Powers (everything that the organisation is entitled to do)

- Membership (who can and cannot become a member, and how)

- Governing body (how it is chosen and how it operates).

2.3.2 The governing body's responsibilities in relation to the governing document

Developing the initial governing document is the responsibility of the governing body. Subsequent members of the governing body should familiarise themselves with its contents, even though it is often couched in legal terminology. If you find your organisation's governing document difficult to interpret, it is recommended that you seek specialist help from someone who is familiar with legal language.

The governing document must be followed at all times. It is the responsibility of the governing body to ensure that this indeed happens.

The governing body should also review the governing document from time to time. If it no longer reflects the organisation's circumstances and aspirations, it will be time to update it. For example, any changes to the mission statement may mean that a change in the purpose section of the governing document will be necessary; check for consistency.

2.4 Having charity (CHY) status

2.4.1 What it means

There is a widely held belief that having a CHY number from the Revenue Commissioners confers a legal status of being a 'registered charity' - this is not so. Currently, it is merely a tax designation, providing certain tax exemptions for organisations (capital acquisitions tax, capital gains tax, deposit interest retention tax, dividend withholding tax, income tax and stamp duty) but not value added tax[1], payroll taxes, or rates remission. Having a CHY number is also very useful for fundraising purposes. It is prudent, therefore, for the governing bodies of eligible organisations to seek CHY status.

2.4.2 Determining eligibility

Both unincorporated and incorporated bodies may apply for a CHY number (although it can be difficult for an industrial and provident society to obtain one, because of the possible distribution of profits to members). If you do seek CHY status it is essential to have a governing document and all your organisation's funds must be spent on charitable purposes, which are presently defined as:

- Relief of poverty

- Advancement of education

- Advancement of religion

- Other purposes of a charitable nature beneficial to the community.

As a charity you may not engage in lobbying, campaigning or party political activity in such a way as to compromise your charitable purposes.

2.4.3 Future changes

The regulatory environment is changing and the 2009 Charities Act provides for a Charities Regulatory Authority - with whom all charities will have to register and report to. Again, it is important for governing bodies to keep themselves updated with developments in this field.

2.5 Meeting the needs of regulators

The organisation's choice of structure and status may put it under the supervision and authority of one or more regulators. In addition to the main regulators referred to below, there are potentially many others under whose regulations your organisation may be required to operate, such as the Data Protection Commissioner, Garda Síochána, Standards in Public Office Commission, etc. The regulatory burden is likely to increase the larger and more complex your operation becomes.

It is the responsibility of all members of the governing body to ensure that the organisation fulfils its obligations to its regulators, and it should put procedures in place setting out who will do this, when and how. Regulators commonly require:

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[1] Limited reliefs may apply.

- Notification of changes to basic organisational information

- Annual accounts

- That approval is sought for certain organisational changes.

Regulators will expect information to be submitted to them in a particular format and according to strict deadlines. Failure to comply with regulatory requirements can have serious consequences. It is therefore important that at least some members of the governing body fully understand and keep up to date with the requirements of the organisation's regulators.

	UNINCORPORATED			INCORPORATED	
Organisational structure	Unincorporated association	Trust	Benevolent society	Company limited by guarantee	Industrial and provident society
Legal personality	No	No	No	Yes	Yes
Governing document	Constitution	Deed of trust	Rules	Memorandum and articles of association	Rules
Can apply for CHY status	Yes	Yes (but difficult)	Yes	Yes	Yes (but difficult)
Main regulator[2]	None	Commissioners for Charitable Donations and Bequests in Ireland	Registrar of Friendly Societies	Companies Registration Office and Office of the Director of Corporate Enforcement	Registrar of Friendly Societies

[2] Any organisations with CHY status also report to the Revenue Commmissioners in respect of specific tax exemptions and will eventually have to report to the Charities Regulatory Authority.

Do you know what your organisation's legal status is?

Are the choices your organisation made for its structure and status still valid?

Is the governing body following the requirements of the governing document?

Is your organisation and its work regulated and if yes, by whom?

Does your governing body have the knowledge and procedures to ensure it can comply with the requirements of regulators?

2.6 Planning

Planning is vital as it prevents wasted resources, haphazard developments and conflict. Planning is one of the main contributions a governing body will make to organisational success. It has responsibility to:

- Agree a strong mission and vision

- From these, establish a focused strategic plan

- Develop a credible and coherent business plan by adding operational and financial detail to the strategic plan

- Assess and manage risks to the plan and to the organisation generally

- Monitor, evaluate and review plan implementation and take appropriate action in response to the results of these processes.

2.6.1 Mission and vision

As a first step, the governing body, in consultation with key stakeholders, should develop, refresh or reconfirm the organisation's mission statement as the lynchpin of the strategy. A good mission statement is short and clearly sets out why the organisation exists and what it is trying to achieve. It sometimes also incorporates a statement of the values or ethos of the organisation.

Some organisations also find it helpful to develop a vision statement that sets out their ideal future; the circumstances in which the mission will be considered 'achieved'. A vision statement can help to crystallise the purpose of the organisation and inspire and motivate those involved with it.

A strong mission is vital to effectiveness as the organisation might otherwise lack identity, cohesion, a clear sense of its unique value and a sharp focus for its activities. It could, for example, try to work on too broad a front and become overstretched. Alternatively, it might be highly successful at opportunistic fundraising only to find it is driven by agendas other than its own (this is known as being 'funding-led').

The mission should therefore act as a clear and unambiguous reference point for setting and maintaining boundaries on organisational activity and establish an ultimate benchmark against which progress can be measured and performance assessed.

2.6.2 Strategic planning

It is essential for the organisation to have a strategic plan that sets out how it intends to achieve its mission and vision. Proper planning will enable the organisation to:

• Direct and coordinate people

• Match resources to activities effectively and efficiently

• Anticipate and deal with difficulties

• Be clear and realistic

• Instil confidence in the organisation among key stakeholders.

The governing body should identify a set of strategic aims (usually three to five) that will help the organisation to achieve its overall mission. These aims will be statements about what the organisation wants to achieve over a given period of time. Setting strategic aims allows the organisation to prioritise the main areas for action and to monitor and review progress against them.

For each aim there should be a series of specific objectives setting out in detail the activities that will be used to pursue the aims. Objectives must meet 'SMART' criteria, that is, they must be:

• Specific

• Measurable

• Attainable

• Relevant

• Time-bound.

Developing strategy involves making judgements about the future based on:

• The needs of stakeholders

• Current and past performance

• Current and potential resources

• Changes in the environment (political, economic, social, technological, natural, etc)

• Assumptions about the effect of various possible actions.

A strategic plan should be medium- to long-term (for example, three to five years) and renewed on a rolling basis. The governing body will need to determine how far into the future it is possible to reliably predict the environment in which the organisation operates and set the timescale accordingly.

Whilst responsibility for strategic planning lies with the governing body, it is important to involve others

who will be key to delivery of the plan and who can provide governing body members with the information they will need to make strategic choices, such as senior staff and service users.

Holding an 'away day' led by an external facilitator can be an effective means of kick-starting the planning process. If the organisation has employees, it can be useful for senior staff to attend. A wide range of participative tools are available to help focus thinking and make strategic choices. Using these will not only improve the quality of the strategy but can also make the planning experience an enjoyable and stimulating one.

2.6.3 Operational planning

A business plan (alternatively called an operational plan) may cover a shorter period (for example, three years), which in turn is applied through an annual plan and budget. Turning the strategic plan into a business plan involves the following additional stages:

- Calculating the cost of implementation

- Identifying how the organisation will meet that cost

- Demonstrating that the organisation is capable of successful implementation

- Setting out details of proposed activities and assigning tasks in a work plan.

The business plan should tell a plausible and coherent story that can be easily understood by someone with no prior knowledge of the organisation.

Graphs, tables and other visual aids can be beneficial where these reinforce the text and are used selectively. Thorough editing is crucial to ensure that the document is clear, focused and at the right level of detail (usually around 15 or so sides of A4). A good layout, including a contents page and page numbering, will also be important. Including supporting information in appendices can help to reinforce messages in the plan without cluttering the body of the text, for example:

- Governing body composition

- Governing document

- Details of key personnel

- Supporting financial information such as the balance sheet and income and expenditure account

- Testimonials and positive press coverage.

Once strategic and business plans are in place, the governing body will have a continuing responsibility to ensure that the organisation follows them. There may, for example, be other strategic or policy documents that need to be altered to bring them into line with the overarching plan. A governing body review of strategic and policy documents might be necessary at this point. Any future documents will also need to be consistent.

	Governing body	Staff	Jointly
Mission and vision statement	Develop/approve	Inform	Governing body consults staff
Evidence	Assess	Research	Governing body/staff 'away day'
Strategic aims	Set	Inform	Governing body/staff 'away day'
Strategic objectives	Develop/ approve	Develop	Governing body/ staff working group
Plan costing	Approve	Develop	Treasurer works with senior staff
Resources for plan	Identify	Research	Staff brief governing body
Capacity to deliver	Assess/ensure	Assess	Staff brief governing body
Work plan	Approve	Develop	Staff present to governing body

** The table suggests an appropriate division of roles: where there are no paid members of staff, the governing body will need to take responsibility for the whole process.

2.6.4 Risk management

A risk is the chance, great or small, that the organisation will be damaged in some way as a result of a particular hazard. For example, a trailing cable is a hazard with a risk of employee injury, litigation and direct financial costs.

Risk management is sometimes perceived as a highly complex and potentially overwhelming process. Whilst managing some risks can be complex, there are simple tools available to assist the process. Although governing bodies will need to apply time and care to risk management, they should not be put off by a concern that they might not get it 100% right. A partially effective risk management strategy is infinitely better than none, and by virtue of going through a risk management process, you will gain valuable insight into the environment in which your organisation operates.

Risk management is a cyclical process that involves identifying risks, analysing them, controlling them and monitoring them. Developing a strategy for managing risk, that includes seeking appropriate insurance cover, is essential. The risk strategy should correlate with the organisation's strategic and business plans and be reviewed when changes to these documents take place and where major changes in the operating environment become evident.

2.6.5 Monitoring, evaluation and review

A plan needs to be accompanied by mechanisms to review its implementation and determine whether it has had the intended impact. The planning cycle model demonstrates how and where review fits into the planning process.

This is not something that can be bolted onto a plan in the final stages of implementation. To be effective it needs to be built into the plan at the outset and be grounded in the agreed aims and objectives. It is recommended that governing bodies draw up an annual cycle of planning and review.

The governing body has a responsibility to decide what information it requires

in order to monitor, evaluate and review organisational performance. The governing body should decide the set of indicators against which the organisation measures its performance. Assessing performance in a commercial company is likely to be more straightforward as the indicators will primarily relate to financial performance. With community and voluntary organisations, however, performance will be measured largely in terms of 'outcomes' (that is, the immediate changes that take place as a result of your work) and 'impacts' (the broader and more long-term changes that occur as a result of the work that your organisation does).

4 Review   **1 Identify needs**

3 Do   **2 Plan**

1   An organisation identifies the needs to be met (vision/mission)

2   It devises plans to meet these needs (strategic/business plan)

3   It does something practical to meet the needs (implementation)

4   It reviews the extent to which it has been successful in meeting the needs and identifies further needs to be met (review).
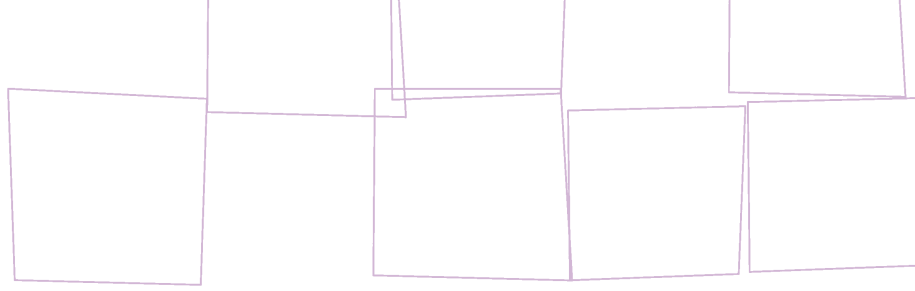
Type	Description	Typical timescale
Monitoring	Ongoing process of collecting and analysing relevant information (for example, numbers of people using a service) to be able to demonstrate that the organisation is doing what it set out to do	Continuous
Evaluation	Regular assessment by the organisation to see whether what it has been doing is really making the difference that it was intended to	Annual
Review	Occasional look at the results of evaluations and deciding whether organisational change needs to take place (information from monitoring may also prompt a review of a small area of the project's work but an effective full review can only take place once a proper evaluation of an organisation's effectiveness has taken place)	At the end of a longer-term project (such as towards the end of a strategic plan)

*** TOP TIPS ***

How to ensure the strategic plan does not gather dust on a shelf:

- Make 'progress of the strategy' a standing agenda item for meetings

- Ensure that all staff and volunteers use the strategy as the basis for their own work plans

- Make sure new people receive a copy of the strategy

- Use the strategy to focus and prioritise when good ideas or urgent opportunities arise, as they inevitably will

- Highlight successes, both internally and externally, when milestones in the strategy have been reached

- Set aside annual evaluation sessions for the strategy.

2.7 Agreeing internal policies

2.7.1 Why have internal policies?

Internal policies are statements of rules that an organisation sets itself to ensure that it works effectively and within the law (as opposed to external policies which are position statements by the organisation on how it views a particular situation outside of the organisation). Most organisations will require policies on general organisational matters such as health and safety, finance, equality/diversity, staffing and volunteers. More specialist policies may also be required, for example, confidentiality, data protection, child protection, etc. To implement policies, it is necessary to back them up with procedures describing how they will be put into action. Clear policies and procedures make planning, prioritising and decision-making far easier for everyone in the organisation.

2.7.2 The role of the governing body in policy-making

It is the role of the governing body to:

- Determine what policies are required by the organisation

- Ensure that these are developed

- Approve final versions

- Ensure policies are accompanied by clear procedures

- Allocate roles and responsibilities for implementing policies

- Monitor policy implementation

- Review and, if necessary, update policy content.

Although it is the responsibility of the governing body to ensure there are up to date policies in place in the organisation, it is not assumed that the members of the governing body are experts in all these areas. It is, however, expected that governing bodies will either have the necessary expertise available to them from within the organisation, or will have sought assistance from outside specialists.

*** TOP TIPS ***

Identify a well-respected organisation that is working in the same sphere or is of similar size and ask if you can have a copy of one of their governance policies. Before preparing your own, work out what you like about the example you have acquired and what you would do differently.

Use this as a basis or structure to prepare your own. Do not, however, fall into the trap of simply adopting another organisation's policy, as each organisation is unique and demands unique policies.

Insert a six or twelve-month review date for new policies to iron out any inconsistencies or problems. All policies should be regularly reviewed, and to ensure this happens a review date should be added to the bottom of each document.

What is the process for developing and writing a strategic plan for your organisation and what role does the governing body play?

Does your governing body have a timetable of key events or an annual cycle for planning and review?

What policies and procedures does the governing body have? Which others might be useful?

Who prepares policies and procedures?

2.8 Ensuring human resources are managed

2.8.1 Duty of care

Ultimately, everyone in an organisation is accountable to the governing body. Governing bodies have a duty of care to their volunteers and paid staff both morally and legally. Governing bodies must fulfil all legal and regulatory requirements and seek, in good faith, to have open and constructive working relationships with people in the organisation. This requires the governing body to:

• Be aware of its statutory responsibilities as the employer of paid staff and/or involver of volunteers

• Ensure policies and procedures are in place for legal compliance and best practice in the recruitment, support, management and development of paid staff and volunteers

• Play its part in formal procedures for tackling complaints, grievances and disciplinary issues for volunteers and/or paid staff, should their behaviour violate the values and policies of the organisation.

2.8.2 Legislation

There is a large amount of legislation dealing with the employment of paid staff, but very little about involving volunteers (other than general health and safety and equality legislation, etc). As employers, it is the responsibility of the governing body to keep up to date with the demands of employment law, which are onerous. Key legal obligations towards employees include:

• Supplying the employee with a written statement of terms and conditions of employment (usually known as a contract), within two months of commencing work

• Notifying the employee within one month of any change to the terms and conditions required by law

- Providing the employee with written information about the organisation's dismissal procedures within 28 days of starting employment

- Giving 28 days' notice of any changes to dismissal procedures

- Providing the employees with proper payslips

- Adhering to the provisions of the Organisation Of Working Time Act 1997

- Providing a Personal Retirement Savings Account facility for the employee after six months (although the organisation is not obliged to pay into this)

- Paying PRSI and Employer's PRSI in respect of the employee to the Revenue Commissioners.

2.8.3 Delegating human resource tasks

The governing body's duty of care for volunteers and staff cannot be delegated, although associated tasks can be (for example, to paid staff). To ensure that specific employment functions are fulfilled and that adequate attention is given to human resource issues, personnel or staffing subcommittees are often set up. Governing bodies should ensure there are open channels of communication with employees and volunteers and consult them on issues of importance.

Tasks that should never be delegated to staff include:

- Recruitment, support, supervision, appraisal and remuneration of the lead employee (chief executive officer or similar)

- Handling grievance and disciplinary 'final appeals'

- Final decision on key staffing issues

- Identification of policy needs and final policy approval.

The governing body should also ensure that it periodically reviews staff structures, roles and remits to check whether they remain right for the organisation.

2.9 Ensuring financial resources are managed

The governing body is expected to make certain that the organisation is always solvent and that its financial affairs are conducted properly. 'Financial affairs' in this context includes raising money, spending money, and recording and explaining such income and expenditure. Governing body approval will be necessary for:

- Budgets

- Annual accounts

- Decisions on bank accounts and signatories to these

- Exceptional expenditure

- The appointment of auditors (if required by any regulators)

- The auditor's report.

*** TOP TIPS ***

Organisations that need audited accounts[3]:

- **Companies limited by guarantee, except in certain limited instances**

- **Organisations with a CHY number with an income in excess of €100,000 per year**

- **Organisations that are required by funding agencies to have audited accounts**

- **Organisations whose governing documents specify the need for audited accounts.**

It is the duty not just of the treasurer, but of the governing body as a whole, to ensure that there is enough money to do the work. It is also vital to ensure that there are sufficient funds held in reserve to deal with the costs of closure should this become necessary. To perform these duties means making certain that:

- Funds are spent for the purposes raised

- There is accurate financial recording with, for example, a cash book for each bank account and for petty cash, and proof for every financial transaction

- There is an assessment of financial risks and financial controls appropriate to the level of risk

- Annual accounts are produced and, if the organisation reports to one or more regulators, these fulfil their requirements (other stakeholders, such as funders and organisational members, will also expect information on financial performance).

Sometimes, members of governing bodies feel less than confident about the financial overview aspect of their role, with the result that they distance themselves from their responsibilities and leave financial decisions to the treasurer or to paid staff. This may be understandable, but is not good practice.

It is essential that members of governing bodies have access to clear and straightforward reports on the organisation's financial situation, at least quarterly. These should include information on money coming in/out, income sources, current bank balances, how much the organisation owes and is owed, and how this picture compares with the annual budget.

A cash flow forecast might also be included to help predict and avoid difficulties. This is a timed forecast of when income will be received compared with planned spending. All reports should be comprehensible to people who are not experienced in financial systems, and the governing body must ensure that any members who need it, receive training and support in the interpretation of financial reports.

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[3] This may change once the 2009 Charities Act is fully implemented.

Financial policies and procedures that the
governing body will need to establish

Policy Area	Key things to include
Accounts	Responsibilities for keeping accounts and for reporting to regulators and funders
Handling cash	Procedures for recording and banking income and for reducing risk of theft
Cheques	Responsibilities for signing outgoing cheques, including for what amounts, and a process for handling and lodging incoming cheques
Budget setting	Responsibilities and timing for preparation and presentation of budgets for governing body approval
Ordering & payment	Responsibilities for ordering supplies and services and authorising payments at various levels and dealing with invoices
Financial reports	Responsibilities and timing for reporting to the governing body, including format
Payroll & expenses	Procedures for dealing with PAYE, Employer's PRSI and claiming, verifying and authorising out-of-pocket expenses
Reserves	Targets and processes for building reserves, based on an assessment of financial risk
Assets	Establishment of an inventory, and a replacement and maintenance schedule, for all equipment
Fundraising	Setting out how and from whom the organisation will raise funds

If you employ staff, is your governing body aware of all relevant employment legislation?

Has your governing body developed appropriate policies and structures to recruit and retain volunteers?

To what extent does your governing body understand the finances of the organisation, particularly the long-term financial position?

2.10 Setting up subcommittees and working groups

To help deal with the range and volume of business, it is common practice for the governing body to set up subcommittees and/or working groups (or panels, taskforces, etc). These can provide an excellent opportunity to involve other people from within and outside the organisation; experts or advisors, users or clients, paid staff or volunteers. They can be a particularly useful 'testing ground' for potential new members of the governing body.

The function of a standing subcommittee is to tackle, as a smaller group, detailed planning or policy development in a specific area, for example, audit or employment. The function of a working group is to do the same for more time-limited projects, for example, fundraising events or campaigns. Any decisions made by subcommittees or working groups need to be approved by the whole governing body since the governing body is responsible for them. To ensure that everyone knows what is going on and that the governing body is accountable, every subcommittee needs up to date terms of reference that clearly describe its:

• Remit (purpose)

• Membership

• Responsibilities and powers (what they can decide and do)

• Reporting procedures

• Relationship to the governing body.

2.11 Holding effective meetings

The vast majority of a governing body's work is carried out through meetings of one kind or another. It is helpful to develop an annual meetings cycle and to specify in clear terms your governing body's approach to meetings (how they are convened, how the agenda is set, how papers are circulated, decision-making procedures, and so on). The minutes of meetings of a governing body (and any of its subcommittees) are legal documents, and could be requested by statutory bodies; for example during an investigation by the Director of Corporate Enforcement. They must therefore be kept in a proper manner.

2.11.1 The 'Four Ps'

It is imperative that meetings are effective, by focusing on the 'Four Ps':

- Purpose (being clear about the goals and priorities for a particular meeting)

- Preparation (ensuring the right people are invited and have the necessary information prior to the meeting)

- Participation (working together, listening actively and managing differences constructively)

- Paperwork (ensuring that the agenda is useful and that clear minutes are produced and circulated in time).

2.11.2 Confidential matters

It can be helpful for staff and/or other volunteers to attend governing body meetings. Indeed they are often required to do so, and depending on the governing document, may or may not have voting rights. However, there are times when it is inappropriate for paid staff or others to attend the meetings of the governing body; for example, when there is a confidential discussion of personnel issues. Governing bodies should ensure there are ways for confidential matters to be recorded, and minutes to be filed securely.

2.11.3 Making meetings less dreaded

Finally, it is not unusual for people to groan at the thought of meetings, and for new members of governing bodies to find them intimidating. Some people may find it difficult to engage with some of the issues because of the form of presentation. For people to be able to participate and contribute to discussion and decisions, it is important that information is presented in a way that is accessible to them. Consideration should also be given to the rooms the meetings are held in, the time they are held, the provision of refreshments, etc. Taking a creative approach to meetings could mean that they not only become more efficient, they might even become fun!

2.12 Being creative

Every successful organisation can trace its beginnings to an energetic group of people with exciting ideas who decided to make them happen. As ideas progress to action, an organisation is formed. As the organisation grows, acquiring new resources (members, money and perhaps staff), it is necessary to develop a more structured approach.

In becoming increasingly formal, governing bodies sometimes lose their ability to think and act creatively. Structures that were established as a 'means to an end' can become an 'end in themselves', and servicing the structure appears to become the priority.

It is vital for the governing body to make space to be creative:

- To develop and adopt an ongoing problem-solving approach
- To find new ideas to deal with old problems
- To develop new ways of working
- To fuel a debate about long-term futures
- To encourage new people to join an exciting organisation
- To remain adaptable to a constantly changing environment.

A creative approach can enable an organisation to produce quality plans that incorporate clear direction and strategic thinking. This may involve (calculated) risk-taking. It does not mean gambling with an organisation's funds, but rather a willingness and openness to seek out opportunities that will help the organisation have a greater impact.

Governing bodies trapped in the 'but we've always done it that way' mode of thinking will require a course of action to reintroduce creativity, even if some people are averse to such ideas. It is important that the governing body lifts itself out of its comfort zone; for example, by having special sessions to think about the future of the work, possibly facilitated by someone with skills in promoting creative thought.

How many governing body meetings do you attend?

Are you able to contribute effectively to discussion and decision-making?

Does your meeting practice help or hinder the work of your governing body?

2.13 Summary

An organisation should choose a structure that fits its circumstances and aspirations and, in particular, the level of risk associated with its activities. It is essential that members of the governing body are familiar with their organisation's governing document and periodically review its current and future suitability.

Complying with regulators is the responsibility of the governing body; having a CHY number can be of considerable benefit but will result in an additional regulatory burden. One of the most significant responsibilities of the governing body is strategic/business planning and review. It is also responsible for agreeing organisational policy and ensuring that human, financial and other resources are properly managed.

Subcommittees and working groups can relieve some of the workload of the governing body, provided that remits and lines of communication are clearly understood. As the majority of work of a governing body is conducted through meetings, it is imperative that these are effective with a focus on the 'Four Ps' of purpose, preparation, participation and paperwork. Finally, governing bodies are urged to take steps to promote creative thinking and ways of working.

CHAPTER 3:
Developing the governing body

3.1 Introduction

The assumption that you can sit a group of people around a table and they will then automatically become a highly effective governing body is disappearing. There is increasing discussion about how to create a culture that 'grows' good governance, and some organisations are now beginning to develop structured systems and approaches to ensure their governing bodies are 'fit for purpose'. This chapter focuses on how to create a competent and effective governing body, by focusing on:

- Getting the right people as governing body members

- Supporting governing body members

- Reviewing the governing body.

3.2 Getting the right people on board

3.2.1 Size

Some organisations have a governing body with as few as two members. However, it is usually preferable to have a larger group. Eight to twelve members is appropriate in most cases, although there may be a legitimate reason to have a larger body (for example, in terms of diversity and stakeholder representation). The group should not be so large as to make it unwieldy, however.

3.2.2 Eligibility

In general, any adult can join a governing body. However, some governing documents specify that eligible members may need to fulfil specific criteria, such as living in a particular area. Sometimes membership of the governing body is only open to those individuals who are members of the organisation; in other instances, the net may be cast wider. Certain people are not eligible to join the governing board by virtue of criteria such as having been convicted of criminal offences, having been declared bankrupt or being of unsound mind. If such a situation occurs whilst they are serving on a governing body, they may not be eligible to remain on the governing body. It is important to review eligibility criteria for board membership regularly and ensure it changes as the organisations develops.

3.2.3 Succession planning

The governing body will, and should, change over time with some people leaving and new members joining. Some governing documents specify how long governing body members can be in place. Renewal is vital as changeover prevents the organisation from going stale. It provides a healthy process for fresh ideas, new skills, and outside energy to come in. It also allows existing governing body members the opportunity to move on to other challenges.

The plan for the exit and succession of governing body members should allow:

- Time and opportunity to go through a process of recruitment and selection

- Time to circulate information to the stakeholders and the wider community that the organisation is seeking new people

- Opportunity to get the best possible mixture of representation, skills, knowledge, attitudes and experience

- Staggered replacement, to ensure a certain level of continuity.

Preparing for changes to the chairperson is particularly important. There need to be discussions on the process of phasing out the existing chairperson and the recruitment of a new one. Some organisations recruit their chairpersons from existing governing body members, possibly after having 'groomed' the vice chairperson for this role. Others seek to recruit a person who can bring specific skills and experience to the role. Each organisation's governing document should describe how a chairperson is put in place.

3.2.4 Recruitment

A major challenge for all organisations is how to recruit new people to the governing body.

In recent years, there has been a greater emphasis on open and transparent recruitment practices, both for paid staff and volunteers, including governing body members. In part, this has been driven by the desire to ensure the involvement of a diverse range of people to reflect geographic or interest

communities, users, and people with skills and knowledge relevant to the work that the organisation does. But there is also recognition that the governing body has a serious job to do, so that finding people by 'private invitation' or 'it's your turn' may not be enough.

Governing bodies should spend the same effort in attracting good members for the governing board as they do to finding the 'right' employees and volunteers (and remember that almost all governing body members are volunteers too). The comings and goings of governing body members should therefore be planned, rather than left merely to chance. It is very helpful to adopt a long-term view of the skills, experience and commitment necessary.

The ways in which organisations go about recruiting new people depends, to some extent, on the governing document. People tend to become members of governing bodies in four main ways:

- Election through a members' voting process

- Selection by members of the existing governing body

- Co-option by members of the existing governing body, usually with members' ratification of the co-option at the following annual general meeting

- Nomination by an external agency, such as a local authority or funding body (see section 1.6.2).

The recruitment process may involve application or nomination

forms, interviews or hustings, and taking up references. It is good practice for organisations to have a plan for the recruitment and selection of new governing body members. The process for recruiting new members should include:

- Preparing a role description with a profile of the skills, abilities, experience or knowledge required

- Preparing a pack of information for those who may be interested in seeking nomination or appointment that includes background information on the organisation, along with details of the vacancies (in addition, current governing body members should make themselves available to discuss joining with any potential recruits)

- Deciding how information on the vacancies will be communicated (for example, members' mailing, volunteer centres, advertisements in local papers, posters circulated to key websites, and letters to key individuals who may be able to identify potential members)

- Deciding how the applicant will communicate their interest (for example, annual general meeting nomination form, telephone call to the chairperson, or a letter of application)

- Deciding who will meet or interview the applicants and who will have the authority to make an appointment (for example, members attending the annual general meeting, the chairperson, the governing body).

3.3 Supporting members of governing bodies

Having found the right people for your governing body, you obviously want to keep them with you for a period of time, as rapid turnover can be damaging. Keeping governing body members is a two-way process.

Members of governing boards are required to give much with no material reward, so it is important that they receive something in return. Examples of what governing body members might hope for include: the opportunity to develop skills, the chance to apply existing skills and experiences to a new situation, and the possibility of influencing the development of something they feel passionate about.

It is important to know what motivates members of governing boards when devising a development plan for them. The main ways in which organisations can ensure that they support members of their

Does your organisation have long-term plans for the recruitment and selection of governing body members?

Does your governing body have the range of skills and knowledge required for providing effective leadership and governance of the organisation?

governing bodies are through induction, ongoing capacity development and a governance manual.

3.3.1 Induction

New governing body members must have the opportunity to learn how to carry out their responsibilities and must know what support they can expect. Systems for 'induction' (sometimes called 'orientation') are an essential component of governing body development. An induction process ensures that each new member acquires the necessary information on how the organisation - and particularly how the governing body - works, so that they can play a full part in discussion and decision-making. Good induction will set the ground for future development and learning.

An induction plan might include:

- A welcome meeting, with a brief tour of the organisation to meet its staff and volunteers and to pick up additional literature not provided during the selection process

- A specially arranged meeting with a small group of governing body members, including the chairperson, to brief the new member on what is going on in the organisation, recent key decisions, burning challenges, and longer-term plans.

*** TOP TIPS ***

It is useful to construct a checklist of 'need to know' items for new members (ask existing members, particularly those who joined most recently, what they would have liked to have known when they started).

Consider teaming up a new member with an existing member for a specific period (for example, six months). 'Buddying' can give new members of the governing body an anchor in the early days. By meeting up even briefly prior to meetings to go through the agenda and by sitting together at meetings a new member's learning curve can be shortened.

Do you have a way of identifying why individuals joined the governing body?

What does your governing body induction process consist of?

Who is responsible for making induction happen?

3.3.2 Enhancing capacities

Every governing body should reflect on the skills and abilities that are needed to ensure competence and effectiveness. There are core skills relevant to every governing body:

- Being able to work as a team

- Thinking and acting strategically

- Devising and implementing a planning process

- Analysing financial information

- Setting financial and other targets

- Monitoring and evaluating performance against targets

- Identifying and drawing upon a broad range of knowledge and skills as required, such as marketing, public relations, project management and employment legislation.

In addition, the governing body needs to include (or have access to) people that have an in-depth knowledge and understanding of the particular field or sector in which the organisation operates; for example, health, community development or the arts.

The governing body needs to look at the combined skills, knowledge and experience of its members and compare these with the skills, knowledge and experience necessary for it to be a competent body. It is important to work out if there are any gaps, and where they are, so that the governing body can implement a strategy for filling these gaps. This may involve recruiting or co-opting new governing body members and/or training existing ones.

Capacity development needs to consider both the needs of individual members of the governing body and the governing body as a whole. It should include opportunities for individuals to learn or improve their skills; for example, in chairing meetings or reading financial reports. It should also identify activities that will contribute to the development of greater competence and effectiveness from the governing body as a whole; for example, teambuilding or staying up to date with changes in legislation. Capacity building can be delivered in a range of ways: internal training, external training, seminars, conferences, coaching, etc.

*** TOP TIPS ***

Do a review of skills and experience before the recruitment or election of new governing body members. The results of the review will help identify the training and development needs of current governing body members as well as inform the process for attracting new members.

3.3.3 Governance manual

A governance manual can assist in the development and overall effectiveness of the governing body's work. The governance manual, usually held in a ring-binder file to allow for regular updates, might contain some or all of the following depending on the nature of the organisation, its work and size:

- Contact details of governing body members and key personnel

- Calendar of meetings and key events

- Copy of the governing document

- Mission and vision statement

- Organisational chart

- Role description for governing body members generally

- Role descriptions for specific office bearers

- Procedures for appointment and selection of governing body members, including office bearers

- Procedures for governing body development and training

- Procedures for monitoring and evaluating the performance of the governing body

- Code of conduct for the governing body (covering issues such as ethics, conflicts of interests, confidentiality, etc)

- Terms of reference for governing body

- Terms of reference for any subcommittees and working groups

- Procedures for the recruitment and selection of senior staff

- Copy of personnel manual

- Copy of latest audited accounts

- Current projected income and expenditure statements or budget

- Procedures for payment of allowances and expenses

- Procedure for declaration of conflict of interest

- Copies of policy statements.

The governing body should agree who will be responsible for the production of the manual and its updating.

Do you have a governance manual containing all the information that your governing body needs?

Who takes responsibility for producing and maintaining your governance manual?

3.4 Review

Governance itself should be subject to periodic review to ensure that the governing body functions as it should. It is essential that every governing body should allow time for individual members of the governing body to ask and answer 'why am I here?' and for the group as a whole to ask 'how are we doing?'. This should happen at least every two years.

3.4.1 Performance reviews

As a part of the drive for performance management within voluntary organisations, governing bodies are being encouraged to measure their performance against targets that they have set. A performance management system can be a useful tool; it provides a focus for development and can help an organisation to consider what standards it wishes to set.

Performance reviews can help to identify areas of weakness, where improvement is necessary, or even critical. As a result of a performance review, a governing body will establish a set of standards or targets it intends to achieve in order to strengthen or improve areas identified. Having identified areas for improvement, the governing body must be willing to take action to address these. Hoping that 'things will get better' is not a realistic option. If there is a problem, it is likely to get worse unless it is addressed.

Factors that might be assessed in a governance performance review

Extent to which individual members of the governing body:	Extent to which the governing body as a whole:
Attend meetings on a regular basis, and are adequately prepared for such meetings	Fulfils its core roles and responsibilities
Take part in subcommittees and/or working groups and/or other tasks such as external promotion of the organisation or induction of new members	Brings a broad framework of understanding and experience to the governing body
Take part in discussions and decision-making	Ensures a realistic and achievable strategic plan for the organisation
Understand their roles and responsibilities	Ensures limited human and financial resources are effectively managed
Understand the detail of the work of the organisation	Has put in place effective subcommittee structures
Have the skills, knowledge and understanding to provide effective scrutiny and monitoring	Operates as an effective team

3.4.2 Review days

Another method favoured by many organisations is the annual review often referred to as the 'away day'. The purpose of such a day is to review the organisation's progress towards its objectives and the contribution that the governing body has made. A well-structured review day can be a highly effective tool for identifying success and achievement, as well as identifying areas that require attention and improvement. A review day is structured to answer specific questions raised. These often examine:

- Internal strengths and weaknesses of the organisation

- External opportunities and threats for the organisation

- Attainment of current objectives and targets

- Current plans' contribution towards long-term aims.

A review should include an examination of the governance systems and practices to ensure that these are appropriate and support the organisation in achieving its objectives.

3.4.3 External facilitation

Governing bodies may choose to get the help of an advisor, facilitator or consultant (paid or voluntary) to help them through the review process. An objective outsider can help to put performance into perspective. The methods used will vary but generally a framework that takes into account the stage of organisational development, the level of resources available to the organisation and the scope and scale of its plans for the future is used. If an external facilitator is to be used, the governing body should agree a clear brief that identifies key questions that the governing body wants to answer and describes what is expected of the facilitator.

Does your governing body have the necessary arrangements for reviewing its performance and filling gaps in competence or skills?

When did your governing body last undertake a performance review?

3.5 Summary

Developing the governing body
involves getting the right people on
board, supporting them and reviewing
them. Recruiting and selecting the 'best'
people to be members of a governing
body is the starting point.

The role of chairperson is pivotal, and
much attention should be given to
recruiting the right person for the job.

It is necessary to induct all new people so
that new members of the governing body
can take a full part in the discussions and
decision-making.

It is important to provide continual
learning opportunities for members of
the governing body and for the body
as a whole.

A governance manual is very important.

Regular reviews of work are necessary to
ensure the governing body is working for
the maximum benefit of the organisation.

APPENDICES: What next?

As a result of using this guide you may decide that further information, advice or support would be helpful. The following appendices provide key signposts to assist you in that search, in the form of useful organisations, publications and web sites. Resources from both the Republic of Ireland and the United Kingdom are listed. A glossary of terms (Appendix 3) and governance checklist (Appendix 4) is also provided.

Governance Code

One of the most significant and exciting developments in the Irish community and voluntary sector over recent years is the development and roll-out of the Governance Code. This principles-based code, which was developed collectively, has been designed in such a way as to make it proportionate and user-friendly for all organisations in the sector, no matter what their size or stage of development. Organisations decide which of the three organisational types best reflects their reality, before working their way through the code. They then publicly state if they comply fully with the code, or if not, explain why they are not currently in a position to do so and what actions they will take to work towards full compliance. For further information, see section 1.4.

APPENDIX 1: Resources from the Republic of Ireland

1.1 Boardmatch Ireland

01 671 5005

www.boardmatch.ie

- Especially useful if searching for new board members

1.2 Carmichael Centre for Voluntary Groups

01 873 5702

www.knowledgenet.carmichaelcentre.ie

- Various articles related to governance

1.3 Corporate Governance Association of Ireland

01 661 3515

www.cgai.ie

- Developed a *Code of Corporate Governance for Irish Development NGOs* in partnership with Dóchas (http://www.dochas.ie/Shared/Files/4/CGAI_Governance Code FINAL.pdf)

1.4 Governance Code

www.governancecode.ie

- Launched in 2012, this is the most significant governance resource for community and voluntary organisations in Ireland

1.5 Irish Charities Tax Research Limited

01 400 2100

www.ictr.ie

- *Statement of Guiding Principles for Fundraising,* 2008

1.6 Prospectus

01 260 3122

www.prospectus.ie

- Prospectus, *The Management of Management: A Practical Guide to Corporate Governance,* 2004

1.7 The Wheel

01 454 8727

www.wheel.ie

- Many services and resources, including the *Solid Foundations* series of good practice guides (of which this is one)

Is your governing body fully aware of all the available resources that can help it in its role?

Does your governing body take care to avoid using too much jargon?

2.1 Association of Chief Executive Officers of Voluntary Organisations

0044 20 7014 4600

www.acevo.org

- ACEVO, *Leading the CEO and Chair to Effective Governance*
- ACEVO, *A CEO's Guide to Board Development,* 2007
- ACEVO, *Your Chair and Board: a survival guide for CEOs,* 2008
- ACEVO, *Recruiting a Chief Executive, Chair and Trustee,* 2009

2.2 Directory of Social Change

0044 8450 77 77 07

www.dsc.org.uk/publications

- Butcher, Mark, *Create: a toolkit for creative problem solving in the not-for-profit sector,* 2005
- Eastwood, Mike, *The Charity Trustee's Handbook,* 2010
- Farmer, Claire, *Codes of Conduct for Trustees*, 2008
- Hudson, Mike, *Managing Without Profit,* 2009
- Hudson, Mike and Ashworth, Jacinta, *Delivering Effective Governance: insights from boards of larger charities,* 2012
- Lawrie, Alan, *The Complete Guide to Business and Strategic Planning for Voluntary Organisations,* 2007
- Morgan, Gareth, *The Charity Treasurer's Handbook,* 2012

2.3 National Council of Voluntary Organisations

0044 20 7713 6161

www.ncvo.org.uk

- Akpeki, Tesse, *Lost in Translation: a complete guide to chair/chief executive partnership,* 2006
- Akpeki, Tesse, *The Good Governance Action Plan Workbook,* 2005
- Akpeki, Tesse and Woodcraft, Tess, *Good Communication = Better Governance,* 2005
- Blake, Geraldine, Robinson, David and Smeardon, Matthew, *Living Values: a pocket guide for trustees,* 2007
- Crookes, Bill, and Mouradian, Jackie, *The A-Z of Good Governance,* 2006
- Dalton, Dorothy, *Good Governance: a practical guide for trustees, chairs and CEOs,* 2011
- Dyer, Peter, *Good Trustee Guide,* 2010
- Hutton, Ceri and Sexton, Stephanie, *Funding and Costing Workforce and Governance Development,* 2007
- Jones, Les and Akpeki, Tesse, *The Honorary Treasurer's Handbook: a guide to strengthening financial accountability,* 2006
- Lesirge, Ruth, Oakley, Rosalind and Spears, Joanie, *Good Practice in Trustee Recruitment Toolkit,* 2006

*** TOP TIPS ***

Also check out www.boardsource.org and www.blue avocado.org/category/topic/board-cafe for American resources and www.ourcommunity.com.au/boards for Australian resources.

APPENDIX 3: Glossary of terms

Activities ▶ The actions, tasks and work an organisation carries out

Accountable ▶ Responsible; able to account for policies and actions undertaken; open and transparent

Agenda ▶ An outline for a meeting, with items to be noted, discussed and voted upon

Aims ▶ The specific changes/benefits an organisation plans to bring about

Appraisal ▶ A review, usually annual, especially of staff performance

Articles of association ▶ Legal document for establishing a company, containing the rules that apply for running that company (also see memorandum of association)

Audit ▶ An examination to ensure appropriate accountability of an organisation, especially finances

Benevolent society ▶ A type of friendly society used as a structure by a minority of voluntary organisations

Business plan ▶ A document to project future opportunities and map financial operations, marketing and organisational strategies that will enable the organisation to achieve its goals

CHY number ▶ A registration number provided by the Revenue Commissioners to organisations with charitable purposes granting certain tax exemptions

Code of conduct ▶ A set of principles and expectations that are considered binding on any person who is a member of a particular group

Company limited by guarantee without share capital ▶ An organisation incorporated under the Companies Acts and registered with Companies Registration Office with members rather than shareholders

Company secretary ▶	By law a company must have a company secretary who is responsible for ensuring that all legal requirements of the company are met
Conflict of interest/loyalty ▶	Applied to individuals when their different interests clash as a result of 'wearing more than one hat'; in particular where a personal or professional interest may get in the way of making a decision in the best interest of the organisation
Co-opt ▶	To appoint to a governing body by invitation of the current members
Deed of trust ▶	Governing document of a trust
De facto director ▶	A person who has not been validly appointed but who acts as a director and is deemed a director for company law purposes (see also shadow director)
Delegate ▶	To entrust work to another; a person authorised to act as a representative for another
Director ▶	One of a group of persons chosen to govern the affairs of a company
Ethos ▶	The distinguishing values, beliefs and character of an organisation
Evaluation ▶	Using information from monitoring and elsewhere to judge the performance of an organisation
Friendly society ▶	An organisation established under the Friendly Society Acts for various purposes
Governance ▶	The systems and processes concerned with ensuring the overall direction, supervision and accountability of an organisation
Governing body ▶	The grouping of people in an organisation who undertake the governance role
Governing document ▶	A formal, written document that sets out the organisation's purpose and how it will be run
Incorporation ▶	The process whereby an organisation takes on legal status

Induction ▶	A formal process of introduction to a new job or position within an organisation (see also orientation)
Management ▶	Organising the work of an organisation
Memorandum of association ▶	Legal document for establishing a company, containing the aims and powers of that company (see also articles of association)
Minutes ▶	Written record of the proceedings of a meeting
Mission statement ▶	A short statement on the overall purpose of the organisation, usually concentrating on the difference it wants to make and defining the values that it will work by
Monitoring ▶	Routine and systematic collecting and recording of information that can be used for evaluation purposes
Nominate ▶	To propose a candidate for election
Objects ▶	Statement of an organisation's purpose set out in its governing document
Objectives ▶	The areas of activity or practical steps a project or organisation plans to accomplish its aims
Office bearer ▶	Also known as 'officer', this is a governing body member with a specific title and role, such as treasurer
Orientation ▶	A formal process of introduction to a new job or position within an organisation (see also induction)
Outcomes ▶	The changes or benefits resulting from an organisation's activities
PAYE ▶	Pay As You Earn: the way employees pay income tax through their employers
Personal Retirement Savings Account ▶	A simplified type of pension
Policy ▶	A clear statement of intent about how an organisation will behave in relation to certain issues
Procedures ▶	A written statement that describes the way in which a policy will be implemented

PRSI ▸	A social welfare tax paid by employees and employers
Quorate ▸	A meeting is quorate if it has the required minimum number of members (quorum) present in order for it to transact business legally
Ratify ▸	To give formal consent to a decision, thereby making it officially valid
Regulator ▸	A person or body empowered by law/statute that supervises a particular industry, business activity or other sphere of influence to ensure that public benefit is maintained
Remuneration ▸	Paying for work
Resources ▸	Everything a project or organisation draws on to carry out its activities (including people, equipment, money, services, time, knowledge, etc)
Rules ▸	Governing document of a friendly society
Scrutiny ▸	Critical observation or examination
Shadow director ▸	Any person other than a professional advisor, with whose instructions the directors of a company normally comply (see also de facto director)
Stakeholder ▸	Any person or body that has a legitimate interest in what an organisation does
Strategic plan ▸	The goals for the future of the organisation and the steps necessary to achieve these over a defined period of time
Strategy ▸	A broad course of action with identifiable outcomes
Subcommittee ▸	Smaller committee dealing with specific issues that must report back to the main committee/governing body
Succession ▸	A process of one person leaving a job or position and another replacing that person
Target ▸	A defined level of achievement which an organisation sets itself to meet in a specific period of time

Terms of reference ▸	A brief written document outlining the purpose and parameters of a committee
Transparency ▸	The state of being open and accountable for actions and decisions
Trust ▸	A body without separate legal status, usually set up to hold funds or property on behalf of a group
Trustee ▸	A person legally charged with responsibility for a trust and its funds
Unincorporated association ▸	An organisation that has no legal status of its own in the eyes of the law
Values ▸	A set of principles which the organisation seeks to apply, both in setting its mission and aims and in its day-to-day operations
Vision statement ▸	A brief statement outlining the ideal state an organisation wants the world to be in
Volunteer ▸	A person who, of their own free will, undertakes unpaid work for the benefit of others
Working group ▸	A time-limited group set up to progress a specific issue

APPENDIX 4: Governance checklist

If the answers to any of the questions in this checklist are either 'no' or 'don't know', it is your responsibility to put in place a plan of action to address these matters as soon as possible.

The role of the governing body

Questions for the organisation	Yes	No	Don't know
Is there absolutely clarity about which part of your organisation is the governing body?			
Does your governing body ensure sufficient attention is paid to long-term direction?			
Are the boundaries between governance, management and operations clearly demarcated in your organisation?			
Does your governing body fulfil its six core duties?			
Do all your governing body members, including office bearers, understand their role?			
Can you identify the different internal and external stakeholders relevant to your organisation's governance?			
Do you know what stakeholders expect of your organisation and do you have a clear idea how you will respond to their expectations?			

| Questions for the organisation	Yes	No	Don't know
Do you know what your organisation's legal status is (including whether or not it has CHY status)?			
Are the choices your organisation made for its structure and status still valid?			
Is your governing body following the requirements of the governing document?			
Do you know who your all organisation's regulators are?			
Does the governing body have the knowledge and procedures to ensure it can comply with the requirements of its regulators?			
Do you have an up to date strategic plan with an associated review process?			
Does your governing body have adequate processes in place for managing risk?			
Do you have internal policies and associated procedures for all key matters?			
If you employ staff, is your governing body aware of all relevant employment legislation?			
Has your governing body developed appropriate policies and structures to recruit and retain volunteers?			
Does your governing body properly understand the finances of the organisation, particularly the long-term financial position?			
Does your meeting practice help the work of your governing body?			

Questions for the organisation	Yes	No	Don't know
Does your governing body have the range of skills and knowledge required for providing effective leadership and governance of the organisation?			
Does your organisation have long-term plans for the recruitment and selection of governing body members?			
Do you have an appropriate process for the induction of new governing body members?			
Do you have a governance manual containing all the information that your governing body needs?			
Does your governing body have the necessary arrangements for reviewing its performance and filling gaps in competence or skills?			
Is your governing body fully aware of all the available resources that can help it in its role?			

The Governance Code

Questions for the organisation	Yes	No	Don't know
Has your organisation signed up to the Governance Code?			

Summary

You and your governing body are not alone. There is a plethora of resources available to assist you in your governance role, whether you are a committee in a local community group or a board of directors in a large not-for-profit organisation. There is a particular wealth of information from the United Kingdom, but in the Republic of Ireland there is now also a growing body of organisations that provides support with governance matters. The Wheel wishes you every success in getting to grips with governance.
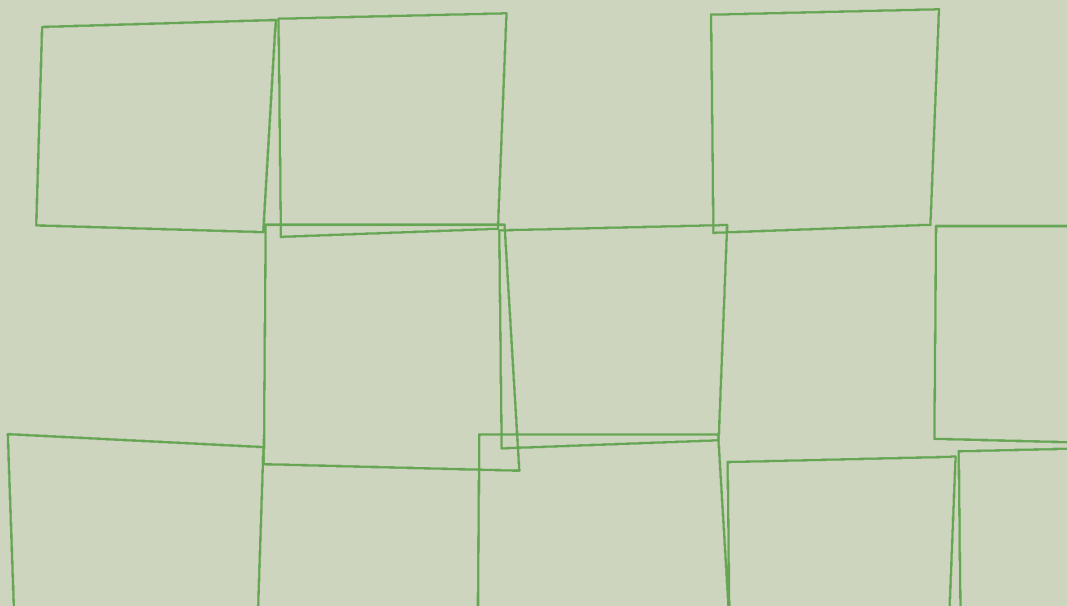
Whatever the governing board of a community/voluntary/
charitable organisation is called, it has a hugely significant part
to play in the success of the organisation. It must ensure that
the organisation is both effective and accountable; membership
of such a board is an important one, not to be taken on without
an understanding of what is involved.

This 'Getting to Grips with Governance' guide is part of a range
of good practice guides produced by The Wheel in its Solid
Foundations series and is designed to help members of a
governing body by:

- Providing information about the functions that a governing
  body performs
- Assisting individuals to understand more about governing
  body roles and responsibilities and potential liabilities
- Encouraging the development and improvement of practice
- Signposting to further information and resources.

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