

# TOP TIPS FOR GOOD CHARITY GOVERNANCE

## Factsheet 3

Charity Governance is an imperative. Failures of Charity Governance could lead to a loss of public trust, confidence and could ultimately lead to the forced closure of an organisation. But what are the top tips for Good Governance?

Let's read what Geoffrey Hand has to say on the subject. Geoffrey is a Charity Governance consultant, offering support and training.

### Your charity's governing document matters

Your governing document is both your charity's Bible and its Highway Code. If your charity is doing something different, your charity trustees can be way off track before realising they have set a foot wrong. Check it out regularly, at least once a year, and stay legal.



### Adopt the charity trustee Governance Code

Trustees or Directors have specific responsibilities which they must undertake according to the organisation's constitution and the relevant legislation.

### Ensure charity trustee diversity

Diversity is not just about race, ethnicity, gender, and sexual orientation he states. Every charity trustee board should have its Mr or Ms Grumpy to challenge the common ground and stimulate real debate.

## Insist on fixed trustee terms of office

It's your charity that matters, not a charity trustee's feelings. A three-year term as a charity trustee, re-electable twice (nine years in all) is plenty. Less for the charity Chair: keep up the charity's tempo with three years only, no repeats and no exceptions.

## Adopt trustee appraisals

Appraisals are opportunities for your charity trustees – including your Chair – to receive peer to peer feedback, to reflect on your successes and failures, to identify your training needs and to detect any potential troubles ahead. Include your charity's staff who will rate you on their interfering/wise-counselling scoreboard.

## A dynamic charity strategy

Charities go forwards or backwards, they never stand still. Avoid charity stagnation by having a rolling three-year charity strategy, a yearly charity action plan and a month-by-month charity strategy step-review.

## User-friendly charity financial information

Insist that your charity's finances are presented in a format you and your fellow charity trustees understand – a budget that reflects your charity's strategy and reports that map your charity's progress. Test your treasurer's mettle (and your own understanding) by asking how charity accounts differ from commercial accounts.

## Beware the charity thief

Believe me, even today there are still charities banking on-line with no dual approval and two-signature charities with pre-signed blank cheques. Even the most respected charity trustees – and indeed charity staff – are not immune to personal financial misfortune and the few short steps to charity dishonesty. Charity Fraud happens.

## Accurate charity records

Transparency and accountability are today's charity watchwords. Ensure your charity trustee meetings are accurately minuted, create your own Charity Compliance Checklist and Charity Governance Calendar – two hallmarks of a well-run charity.

## 5-yearly charity governance reviews

Many changes occur in a charity over 5 years, some good some not so good. Policies, practices, and even governing documents become out of date; roles and relationships of staff and trustees evolve differently. An external Charity Governance Review brings objectivity, highlights areas of concern and identifies strengths and opportunities to shape the charity for the future. A top-most tip.

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