



## Policy on Good Governance

In recent years, public trust and confidence in charities has hit all-time lows, according to the Charity Commission. Adopting good governance practices, which enable charities to comply with the law, is central to regaining the public's trust. To help charities develop high standards of governance, a Charity Governance Code steering group, observed by the Charity Commission, updated the Charity Governance Code on 13 July 2017.

The code is comprised of seven distinct sections. While not a legal or regulatory requirement, the code outlines beneficial principles and recommended practices for good governance.

BCC welcomes this code and seeks to abide by its principles and objectives for guidance to our Trustees.

### The Responsibilities of a Trustee

The revised Charity Governance Code clearly outlines the roles of a charity's board of trustees and their importance, which include:

- Trustees are committed to their charity's cause and have joined its board because they want BCC to succeed in its goals.
- Trustees recognise that the charity's work is an ongoing process that requires diligent attention and effort.
- Trustees understand their roles within the charity and their legal responsibilities to it. This includes having read the Charity Commission's guidance, The Essential Trustee and BCC's governing document.
- Trustees are committed to good governance and contributing to BCC's continued improvement.

### The 7 Principles of the Charity Governance Code

The code is organised according to seven distinct principles, with each principle containing key outcomes as well as recommended practices that may differ now but develop as BCC grows from a smaller charity to a larger organisation.

The seven principles of the revised Charity Governance Code are:

#### 1) Organisational Purpose

The BCC Board of Trustees clearly outline the charity's goals and works to ensure that those aims are successfully realised. The key outcomes of this section are as follows:

**1.1)** The board has a shared understanding of and commitment to the charity's purposes and can articulate those clearly.

**1.2)** The board can demonstrate that the charity is effective in achieving its charitable purposes and agreed outcomes.

## **2) Leadership**

The charity has an effective board that provides strategic leadership to ensure that it is able to achieve its goals. The key outcomes of this section are as follows:

**2.1)** The board accepts the collective responsibility to ensure that BCC has a clear, relevant set of goals. Each goal has a detailed strategy on how to achieve it.

**2.2)** The board agrees to the charity's vision, values and reputation. In addition, anyone that represents the charity must positively reflect the organisation's values.

**2.3)** The board ensures that the organisation's values are reflected in all of its efforts. The ethos and culture of the charity must be the basis of all its activities.

## **3) Integrity**

The charity's board acts with integrity by adopting values to create a culture that helps achieve the charity's goals. As the board is accountable for the charity's actions and decisions, it understands the importance of maintaining its members and the public's confidence and trust. The key outcomes of this section are as follows:

**3.1)** The board always acts in the best interests of the charity and its beneficiaries. In addition, the board will not be unduly influenced by special interest groups that place personal interests above those of the charity. Collectively -The board is independent in its decision-making.

**3.2)** The board safeguards and promotes BCC's reputation and promotes public confidence.

**3.3)** Members of the board as well as those representing or employed by BCC act with integrity.

## **4) Decision-making, risk and control**

BCC's board ensures that its decision-making methods are informed, rigorous and timely. This process must be based upon effective delegation, risk management and control while being routinely monitored. The key outcomes of this section are as follows:

**4.1)** The board understands that its central focus is on strategy, performance and assurance, rather than on operational matters.

**4.2)** The board has established an effective decision-making and monitoring framework to help the organisation achieve its charitable goals. In addition, the board is aware of the financial and non-financial risks to the charity and has practices in place to monitor and manage them.

**4.3)** The board promotes a balanced culture of managing resources while understanding that being overcautious can curb innovation.

**4.4)** The board is still responsible for the aspects of its responsibilities that it delegates to committees, staff, volunteers or contractors. This includes any incidents that arise due to oversight.

## **5) Board effectiveness**

The charity's board works as a cohesive and effective team by using a balance of skills, experience, backgrounds and knowledge to make informed decisions. The key outcomes of this section are:

**5.1)** The board's culture, behaviours and processes help it to be effective and resolve challenges and different views.

**5.2)** All trustees possess the appropriate skills along with knowledge on the charity and enough time to be effective in their roles.

**5.3)** The chair enables the board to work as an effective team by developing strong working relationships between the members of the board. This includes creating a culture to air and resolve differences.

**5.4)** The board makes decisions collectively and confidently.

## **6) Diversity**

BCC's board supports an approach to diversity that encourages effectiveness, leadership and decision-making. The key outcomes of this section are as follows:

**6.1)** The board adheres to the belief that it is more effective if it includes a variety of perspectives, experiences and skills.

**6.2)** The board ensures that the organisation adheres to the principles of equality and diversity and goes beyond the legal minimum when appropriate.

## **7) Openness and accountability**

BCC's board leads the charity by being transparent and accountable in its actions. The key outcomes of this section are as follows:

**7.1)** The charity's stakeholders agree with its actions and the impact that they have.

**7.2)** The board ensures that the charity's performance and interaction with stakeholders are guided by the values, ethics and culture established by the board. In addition, the board of trustees ensure that the charity collaborates with stakeholders to promote ethical conduct.

**7.3)** BCC takes its responsibility for building public trust and confidence seriously.

**7.4)** BCC's beneficiaries and stakeholders view the charity as having legitimacy in representing their interests.

## Thorough Guidance Leads to Success

*The revised Charity Governance Code promises to empower our charity and help us achieve our goals. While our charity is not required to adopt the guidance and best practices outlined in the code, doing so can better prepare us for success.*

## Specific Roles for Trustees

Some Trustees are either elected to have or delegated to have specific roles within the Board structure.

Executive trustees are elected between members of the Board and are the Chair, Secretary and Treasurer. Their roles, responsibilities and authorities are defined under 'good charity practices' and adopted for BCC as below.

Other Trustees may take on specific roles as non-executive office bearers and these, for our charity, are to be included:

### Summary of Executive Trustee Roles:

#### 1. Chair

The chair is a trustee with a specific role on the board. The chair is elected to this role as set out in the charity's constitution and whose primary role is to chair the meetings of Trustees.

At BCC the Chair takes on additional responsibilities – these are authorised either by definition within the Constitution or by the board approval of this document

#### Key responsibilities

- Provide leadership to the board and to ensure that trustees fulfil their duties and responsibilities for the proper governance between trustees and of the charity.
- Ensure smooth running of board meetings and ensuring that its decisions are implemented.
- Leading on the development and succession of the board.
- Support, and where appropriate, to challenge trustees with their assigned duties and head of staff.
- Ensure that the board as a whole works in partnership with the charity staff.
- Taking urgent action, or authorising such, between board meetings when it isn't possible or practical to hold a meeting.
- To develop and create third party partnerships for the benefit of BCC and its members. Acting as signatory to approve any such contractual agreements.
- Acting as co-signatory on financial documentation (as appropriate) and as back-up to the Treasurer on banking and key financial matters.
- Acting as a figurehead or spokesperson where required.

#### Duties and tasks to fulfil the key responsibilities

##### A) To guard the long-term future of the charity by ensuring that:

- the board sets the mission, vision, strategy and high-level policies for the charity within the powers and restrictions in its charitable objects and governing instruments
- the board takes steps to monitor the performance of the charity and to ensure that the charity satisfies all regulatory and legal compliance requirements
- major risks to which the charity is exposed are reviewed regularly and systems are established to mitigate these risks without the charity becoming totally risk averse

- the charity's financial dealings are systematically accounted for, audited and publicly available
- internal controls and systems (both financial and non-financial) are audited and reviewed regularly
- the board and the charity are fair and open to all sections of the community in all the charity's activities
- the board and the charity hear the voices and views of key stakeholders, especially beneficiaries.

**B) To ensure the highest possible standards of governance by ensuring that:**

- the charity has a governance structure that is appropriate to BCC taking into account its stage of development, and its charitable objects and that these structures and the governing instruments are reviewed regularly
- the board delegates sufficient authority to its committees, the chair, staff and others to enable the business of the charity to be carried on effectively between meetings of the board
- the board's delegated authority is recorded in writing by means of terms of reference for board committees, role descriptions for honorary officers and for key staff etc, and the board monitors use of these delegated powers
- the board has on it the skills it requires to govern the charity well and these skills are utilised, and that the board has access to relevant external professional advice and expertise
- there is a systematic, open and fair procedure for the recruitment and co-option of trustees, future chairs of the board and staff
- all members of the board receive appropriate induction, advice, information and training (both individual and collective)
- trustees act reasonably, always act in the interests of the charity
- the board of trustees regularly reviews its performance.

**C) To ensure the proper and efficient conduct of board meetings by:**

- chairing trustee meetings effectively, seeking consensus, balancing the need for full debate on key questions with the expeditious despatch of business so as to reach clear and agreed decisions as swiftly as possible
- encouraging all trustees to participate and to feel free to challenge constructively both the chair and the chief executive
- taking an active role in ensuring that board agendas are meaningful and reflect the key responsibilities of trustees
- ensuring that the head of staff (CLDO) and his/her staff provide the board with relevant, timely and accurate information in order to allow the board to discharge its responsibilities. This should include alerting the board to major risks, informing the board of current and future key issues, including significant trends, and informing the board about external changes which may impact on the charity
- ensuring that board decisions are made in the best, long-term interests of the charity and that the board takes collective ownership of these decisions
- ensuring that decisions taken at meetings of the board are implemented
- ensuring that there is an annual programme of board and committee meetings, carefully structured agendas and high-quality briefing papers providing timely information and concentrating on governance.

**D) To support, and where appropriate, to challenge the CLDO and to ensure that the board as a whole works in partnership with the charity staff. Supporting the CLDO by:**

- ensuring there are clear and open processes for the recruitment (and if necessary dismissal) of staff, and for setting and reviewing the remuneration package for all employed staff.
- ensuring that the board focuses on its governance role and does not slip incrementally, or otherwise, into the management role (unless essential to the good governance of the charity)
- arranging regular, but not over frequent, meetings with the CLDO and by developing a very professional relationship with the CLDO within which each can speak openly about concerns, worries and challenges
- providing leadership to the CLDO to ensure that the charity is run in accordance with the decisions of the board and the charity's governing documents and that there is clarity about the charity's objectives at all levels
- supervising the CLDO on behalf of the board (unless other arrangements are made), always remembering that the CLDO is responsible to the board as a whole and not to any one individual trustee or sub-group of trustees
- ensuring the CLDO's performance is reviewed regularly
- ensuring the CLDO and other employed staff have the opportunity for professional development and has appropriate external professional support
- in partnership with the other executive trustees and CLDO, to agree respective roles in representing the charity and acting as spokesperson.

**E) To make sure that the board understands and fulfils its responsibility to hold the CLDO and the executive team to account by ensuring that:**

- when necessary, the chair and the trustees challenge the CLDO constructively and only in the best interests of the charity and as "critical friends"
- the CLDO is clear about the key performance indicators by which he/she will be held accountable
- the CLDO understands his/her crucial responsibility to provide relevant, honest, timely, high-quality information and advice to the board of trustees
- there are appropriate mechanisms, both internal and external, to verify that the board receives a balanced and honest picture of how the charity is doing.

**F) To ensure the board works in partnership with staff by:**

- ensuring through the CLDO, that the staff understand the role of the board and that the CLDO provides an effective link between the board and staff
- ensuring that staff are aware of the board's appreciation of their successes and hard work
- ensuring that, through the CLDO or assigned trustee, a performance evaluation process is in place for everyone in the organisation and that the charity invests in the development of staff
- ensuring that whenever practicable, trustees visit charity events and have informal opportunities to meet staff and beneficiaries – with due consideration for any confidentiality restrictions.

## 2. Secretary

The secretary is a trustee with a specific role on the board. The secretary is elected to this role as set out in the charity's constitution.

The trustee appointed or elected to be secretary takes on specific duties as authorised by or set out in the constitution or by the board approval of this document.

The role of the trustee secretary can vary significantly from charity to charity, within BCC the key role of taking trustee/board meeting minutes may be delegated to a staff member but the trustee secretary or a trustee delegate may be required to take minutes of confidential sections of meetings where employees are not present. The responsibility for delegation of these responsibilities and the responsibility for the performance of such delegated responsibilities remains with the trustee secretary.

### Key Responsibilities

- Administration and compliance.
- Preparing for board meetings.
- Taking meeting minutes.
- Other meetings. While there are no formal qualifications required for a secretary of a charity, the charity trustees need to satisfy themselves that the person has the skills and resources to perform these duties. Where a charity is a company, as is BCC, the secretary has additional duties under company law and common law in his or her capacity as a company secretary, for example preparing and filing annual returns with the Companies Registration Office.

### Duties and tasks to fulfil the key responsibilities

#### A) The general duties and responsibilities of the secretary of a charity are:

- Administration and compliance. The secretary of a charity together with all other charity trustees are responsible for the efficient administration. Due to experience and knowledge the role of ensuring compliance with statutory and regulatory requirements rests with the Treasurer.
- Maintaining the register of any members, the register of trustees / directors and secretaries, the register of trustees' and secretary's interests.
- Being familiar with the charity's governing document, the legal responsibilities of charities under the Charities Act 2009 and the charity's internal governance rules.
- Helping to ensure that charity trustees file all relevant statutory returns and information with the Charities Regulator (e.g. annual reports, changes to the charity's details and/or trustees' details).
- Ensuring that the board of charity trustees are aware of the requirements to comply with the relevant codes such as the charity's Code of Conduct for Charity Trustees and the Charities Governance Code; 4 The role of the Secretary of a charity Charities Regulator Charities Regulator - SE GLS 8.2.1 011 000 Governance Code – The role of the Secretary of a charity
- Ensuring that decisions and actions of the board of charity trustees are accurately recorded and implemented.
- Tracking progress with the charity's risk register/ business plan/ strategic plan and making sure any correspondence for the charity trustees is brought to the attention of the board.

**B) Preparing for board meetings**

A certain amount of preparation is necessary to ensure that board meetings are as effective as possible. The secretary should assist the Chairperson of the board with the planning of and the agenda for each board meeting.

The role of the secretary includes:

- Making sure the timetable of board meetings for the year ahead is agreed.
- Sending out notification of board meetings to charity trustees (and others where applicable);
- Working with the Chairperson of the board to set each board meeting agenda, including the management of any agenda items received from other charity trustees.
- Circulation of board papers/pack at least five days in advance of meetings.
- Dealing with any issues charity trustees have regarding board papers/pack.
- Checking that a quorum is present (and that it is present throughout the meeting if required) and being aware of any proxy voting arrangements if allowed by the charity's governing document.
- Ensuring the venue/room is prepared appropriately for the meeting.

**C) At or after board meetings**

- Taking meeting minutes. The purpose of minutes is to provide an accurate, impartial and balanced internal record of what happened at a meeting. The role of the secretary includes:
- Taking the minutes at board meetings and maintaining the records of all meeting minutes.
- Keeping a record of all issues discussed, decisions taken and any actions required to implement a decision.
- Working closely with the Chairperson to ensure that the draft minutes are accurate; 1 Your charity's quorum is the minimum number of charity trustees required to participate in the meeting for the meeting to be a valid meeting of the board of a charity. Charities Regulator The role of the Secretary of a charity 5 Charities Regulator - SE GLS 8.2.1 011 000 Governance Code – The role of the Secretary of a charity
- Issuing draft minutes to charity trustees for consideration after board meetings and dealing with any subsequent requests for corrections to be made before they are formally approved.
- Ensuring that minutes are stored safely and are accessible by the Chairperson of the board and any other charity trustee if required. Other meetings.

**D) Other key meetings**

- The secretary will normally play a support role in setting up and running any Annual General Meeting (AGM) or Extraordinary General Meetings (EGMs) where required. The secretary may delegate some or all of these duties, but responsibility for the performance of such actions remains with the secretary

**3. Treasurer**

The treasurer is a trustee with a specific role on the board. The treasurer is elected to this role as set out in the charity's constitution.

The trustee appointed or elected to be treasurer takes on specific duties as authorised by and as set out in the constitution or by the board approval of this document.

The Treasurer has a watchdog role over all aspects of financial management, working closely with other members of the Board and staff to safeguard the organisation's finances and works in accord with current best practices.

It is important to note that although the Treasurer ensures that these responsibilities are met, much of the work may be delegated to a paid staff or other volunteers.

## Key Responsibilities

- General financial oversight to ensure short- and long-term charity viability
- Funding, fundraising and sales
- Financial planning and budgeting
- Financial reporting
- Banking, book-keeping and record keeping
- Control of fixed assets and stock
- Legal compliance and advice

Given these responsibilities, the Treasurer typically acts as an information and reference point for the Chair and other board members: clarifying financial implications of proposals; confirming legal requirements for financial and other contractual obligations; outlining the current financial status; retrieving relevant documentation and acting as primary signatory on financially related contracts.

## Duties and tasks to fulfil the key responsibilities

### A) General financial oversight

- Oversee and present budgets, accounts and financial statements to the board.
- Liaise with designated staff about financial matters.
- Ensure that appropriate financial systems and controls are in place so that the charity operates within the financial guidelines set out in current legislation, by the charity commission, in the charity's constitution and by the board.
- Ensure that record-keeping and accounts meet the conditions of funders or statutory bodies.
- identify and bring to the attention of the board, any financial risks facing the charity
- ensure that the charity's financial resources are sufficient to meet the charity's current and future needs, and to advise the board on the board's reserves policy, and to ensure that this policy is reviewed and monitored regularly.

### B) Funding, fundraising and sales

- Advise on the organisation's fundraising strategy.
- Ensure that funding applications meet the charity's requirements and presents financial information accurately to meet potential funders needs.
- Ensure use of granted or donated funds complies with conditions set by funding bodies notably that funding received for specific purposes is separately accounted for and spent for the purposes for which it was given.
- Ensure fundraising and sales complies with relevant legislation and is bound by effective financial systems and controls.
- Ensure effective monitoring and reporting.

### C) Financial planning and budgeting

- Prepare and present budgets for new or ongoing work.
- Advise on financial implications of strategic and operational plans.
- Present revised financial forecasts based on actual spend.
- scrutinise the proposed annual budget, advise and guide the board accordingly.

**D) Financial reporting**

- Present regular reports on the charity's financial position.
- Prepare accounts for audit and liaising with the auditor, as required.
- Present accounts at the AGM.
- Advise on the organisation's reserves and investment policy. Ensure that the charity's financial resources are sufficient to meet the charity's current and future needs, and to advise the board on the board's reserves policy, and to ensure that this policy is reviewed and monitored regularly.
- scrutinise and regularly evaluate the charity's cash flow position, and to inform the board of any concerns

**E) Banking, book-keeping and record-keeping**

- Manage bank accounts – being primary contact and signatory therein.
- Set up appropriate systems for book-keeping, payments, lodgements & petty cash.
- Ensure everyone handling money keeps proper records and documentation.

**F) Control of fixed assets and stock**

- Ensure proper records are kept.
- Ensure required insurances are in place.

**G) Legal compliance and advice**

- To act as BCC's nominated representative to its controlling bodies (OSCR and the Charities Regulator). Filing annual returns to meet their requirements in a suitably timely manner and advising the chair and board on matters regarding statutory and regulatory compliance standards as appropriate.
- To act as BCC's representative to the Information Commission Office (ICO) as the charity's 'Responsible person' for the control and of its personal data collection, record keeping and security – with the chair enacting action on defaults.
- Ensure that appropriate financial systems and controls are in place so that the charity operates within the financial guidelines set out in current legislation, by the charity commission, in the charity's constitution and by the board
- Ensure that appropriate advice is given to the chair and board relating to the charities obligations to comply with charity, employment and company law in terms of constitutional, contractual and operational matters. To monitor such, utilising professional advice where appropriate.
- ensuring that intangible assets such as organisational knowledge and expertise, intellectual property, the charity's good name and reputation etc. are properly valued, utilised and safeguarded.