



# Governance

## What is Governance and how does a committee govern according to good practice?

All voluntary and community organisations need to keep the show on the road: make the budgets balance; keep track of legal requirements; plan ahead and show leadership. This role—of governance—is key to running your group and services well. It is the committee or board of trustees who look after the governance of an organisation.

### What does good governance mean to an organisation?

When organisations get it right good governance means a confident, forward thinking organisation, where trustees are abreast of their duties and responsibilities, and activities and services are well planned and managed.

### What does poor governance mean to an organisation?

But poor governance can mean a fragile, chaotic organisation with no sense of direction, in which trustees are unprepared for eventualities and unclear as to how best they can contribute.

These principles may sound high-flying but they are relevant to whatever the size of the organisation, if it is to sustain itself and moving forward in a positive and proactive way and to keep people interested and motivated.

### There are 7 main principles:

#### ◆ Principle 1—Board Leadership

Every organisation should be led and controlled by an effective board/committee, which collectively ensure delivery of its objects (as set out in the constitution), sets its strategic direction and upholds its values. Key principles to ensuring this are: Acceptance of Role and Strategic Direction.

#### ◆ Principle 2— Board in Control

The trustees as a board should be collectively responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent and is complying with all its obligations. Key Principles to this are : Compliance, Internal Control, Prudence, Managing Risk, Equality & Diversity.

#### ◆ Principle 3—High Performance Board

The board should have clear responsibilities and functions, and should compose and organise itself to dispose of them effectively. Key principles here are: Understanding of duties and responsibilities; effective use of time, skills and knowledge, Obtaining information and advice to make informed decisions; Diverse skills and experience; Development and Support to discharge duties.

#### ◆ Principle 4—Board Review and Renewal

The Board should periodically review its own and the organisation's effectiveness and take any necessary steps to ensure that both continue to work well. This involves performance appraisal, recruitment and renewal strategy, and review.

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## ◆ Principle 5—Board Delegation

The Board should clearly set out the functions of sub-committees, staff etc. and should monitor their performance. This means that there will be Clear Roles, Delegation of authority to carry out roles effectively, clear terms of reference and monitoring to keep on track or identify issues.

## ◆ Principle 6—Board & Trustee Integrity

The Board and individual Trustees should act according to high ethical standards, and ensure that conflicts of interest are properly dealt with. So trustees have no personal benefit, conflicts of interest are declared, and there are guidelines re. receipt of gifts etc.

## ◆ Principle 7—Board Openness

The Board should be open, responsive and accountable to its service users, members, partners and others who have an interest in the work. This can be realised by having good communication systems, consulting with users and partners etc. and encourage engagement and involvement by stakeholders in its planning and decision making. It should be open and accountable about its work.

**Further details on this topic are available as well as resources for your committee to review its governance and make improvements. There are also information sheets on involving volunteers and service users in organisational reviews and planning.**

***If you require further information or support on this topic please contact Evesham Volunteer Centre.***

## Disclaimer

The information provided in this sheet is for guidance only. It is not a substitute for professional advice and we cannot accept any responsibility for loss occasioned as a result of any person acting or refraining from acting upon it.



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