



Leading & Managing the Organisation

Ensure the organisation operates in an effective, responsible and accountable manner

What you are responsible for:-

- ◆ Writing and reviewing policies and guidelines.
- ◆ Ensuring that Diversity and Equality is considered in policies and procedures.
- ◆ Ensuring that the organisation has policies that it is required to have by law.

Employing and Managing Staff

- ◆ Recruiting, inducting and managing the senior staff member.
- ◆ Ensuring that employment policy and practice complies with the law.
- ◆ Establishing a clear policy on who has delegated authority to do what.

Financial Management

- ◆ Making sure that money is only used for the purposes for which it was given and only spent on your organisation's objects (as set out in your constitution).
- ◆ Ensuring that your organisation is meeting accounting requirements and (when required by law) the accounts are independently audited annually.

Managing Risks

- ◆ Assessing the risks to your organisation and taking action to prevent those risks occurring

Accountability

- ◆ Communicating with your users, members, funders, the council and other stakeholders
- ◆ Consulting with your users to make sure you're providing services they want and need
- ◆ Protecting the assets of the organisation.

Policies and Procedures

Policies and procedures are rules about how things should be done to make sure that the organisation is working effectively and keeping within the law.

There are some basic policies and procedures that every organisation should have and others that will depend on what activities you are doing, whether you employ staff and how big your organisation is.



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Policies that every organisation should have

- √ Financial Procedures
- √ Health & Safety policy
- √ Equal opportunities and Diversity
- √ Confidentiality
- √ Data protection
- √ Complaints

Policies that may apply to your organisation

- √ Child protection
- √ Protection of vulnerable adults
- √ Recruiting and managing volunteers
- √ Volunteers Expenses
- √ Premises and security
- √ Use of vehicles
- √ Employment policies

There are lots of model policies that can be adapted to your organisation, so you don't have to write them all from scratch. You could ask similar organisations for copies of their policies.

Good Practice in Managing Staff

Who is considered an employee?

Anyone you pay in return for working for you is generally considered an employee, even if they are temporary or work very few hours each week. There are a few exceptions to this, you may need expert advice if it is not clear. Volunteers are not employees and you must be careful not to do things that may be considered to create a contract of employment.

Do not:

- ◆ Pay volunteers a daily expenses allowance or honorarium, instead of out-of-pocket expenses
- ◆ Ask them to sign a "volunteer contract"
- ◆ Ask them to commit to working a minimum amount of time

Even if you only employ one person on a part-time or temporary basis, you must have policies and procedures in place to ensure that you are acting within the law.

Supervision and Management

The most senior member of staff is supervised by the management committee. It is good practice for one committee member to be responsible for supporting and supervising the performance of the senior staff member. This is usually the Chairperson, but can be another committee member. It's good practice to meet regularly, at least once a month to make sure that the committee are keeping in touch with the work of the organisation and that the staff member is being supported in their work.

Training and Development

Staff will need training and development to do their jobs properly. Make sure that you plan for these cost in your budget. Training courses can be expensive, but there are other sources such as books, on the job training, work-shadowing etc.

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Contracts of employment, policies and stuff like that.....

Employment law is very complex and changes frequently. It's best to get expert advice to make sure that you are acting within the law, however you don't have to pay a solicitor for this. There are model employment policies available either from a local employment rights service or from ACAS. ACAS have a phone helpline and a website.

Managing Risk

Managing risk is about identifying the risks to your organisation and taking reasonable steps to try and prevent them from happening.

Risks that you organisation may face are:-

- ◆ Loss of funding
- ◆ Cash flow problems
- ◆ Risks to health and safety
- ◆ No longer a need for you project
- ◆ Staff leaving
- ◆ Not having enough staff or resources
- ◆ Being sued
- ◆ Internal conflict

You can reduce some of these risks by:-

- ◆ The committee being aware of the risks and managing your organisation well
- ◆ Planning your fundraising well in advance of your current funding ending
- ◆ Having good financial procedures in place
- ◆ Having a health and safety policy and training staff and volunteers in it
- ◆ Reviewing how you are delivering your services and adapting to users needs
- ◆ Being realistic when applying for funding
- ◆ Being insured
- ◆ Training staff properly
- ◆ Ensuring that management committee members receive an induction and on-going training.

Fundraising

Most funders have application processes that take months, or sometimes over a year. You need to plan your fundraising well before your money runs out.

It's important to do research before you approach a funder, some funders will only fund registered charities or groups working in a certain geographical area.

There are databases of funders, for example:-

- ⇒ Funderfinder www.funderfinder.org.uk
- ⇒ GRANT finder www.grantfinder.co.uk
- ⇒ Fit 4 Funding www.fit4funding.org.uk



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Financial Management

There are four parts to good financial management. The committee is responsible for making sure that all of these things happen. (Please also see separate **INFORMATION SHEET** on **FINANCIAL MANAGEMENT**)

- ◆ **Planning** - budgeting is planning your income and expenditure for a certain period, usually the next year
- ◆ **Recording** - is keeping accurate records of your income and expenditure (bookkeeping)
- ◆ **Rules and procedures** - Having clear rules about who is allowed to approve spending, handle cash, sign cheques etc.
- ◆ **Reporting** - is about the committee having financial information to enable them to monitor the finances, plan their spending and make financial decisions.

Accounting rules

There are rules about how you should set out your accounts and about when you need to have your accounts inspected or audited. The rules on how to set out your accounts change from time to time, so get advice from the Charity Commission or your Local Community Accounting Service.

Being an Effective Committee

Ensure the effective functioning of the management committee or board

What you are responsible for:-

Understanding the role of the committee

- ◆ Making sure the whole committee understands the roles and responsibilities of being a committee member and understands the roles and responsibilities of the Chair, Vice-Chair, Treasurer and Secretary
- ◆ Writing a role description for committee members and honorary officers.

Make up of the committee

- ◆ Ensuring the committee reflects the community and membership it serves
- ◆ Making sure the committee has a good mix of skills and experience so that it can be effective
- ◆ Making sure that there are policies and procedures for recruiting, selecting, inducting and replacing committee members, in line with the governing document

Functioning of the committee

- ◆ Running meetings efficiently in order to make good decisions
- ◆ Reviewing how well the committee is functioning, including any sub-committees
- ◆ Being aware of potential conflicts of interest and having a procedure for dealing with them

Committee training and development

- ◆ Inducting new committee members so they understand their role and the commitment required
- ◆ Reviewing committee members training needs and organising training and development activities.



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The Role of the Committee

What's the role of the committee?

The committee is responsible for governing the organisation

Governance is about making sure that things get done and that the organisation is doing what it should to fulfil its mission and comply with the law.

Some key areas to recap.

- 1 Giving Direction to the Organisation.** Responsibility for planning the strategy and direction of the organisation's activities
- 2 Accountability.** Being answerable to your users
- 3 Managing People.** Making sure that staff and volunteers are well supported and supervised
- 4 Legal Responsibilities.** Keeping to the law and your constitution
- 5 Managing Resources.** Managing money, property and other resources efficiently
- 6 Managing Itself.** Making sure that the committee functions effectively, that meetings are well run and that all members are involved.

Sample Management Committee Role Description

Expectations

- ◆ To attend a committee meeting every month
- ◆ To read meeting minutes and other papers in preparation for meetings
- ◆ To send apologies when unable to attend meetings
- ◆ To declare any conflicts of interest at meetings

Conduct

- ◆ Be familiar with and agree with the aims and objectives of the organisation
- ◆ Work with the committee as a group to achieve the organisation's aims
- ◆ Make decisions which are in the best interest of the organisation and its users
- ◆ Keep the organisation's business confidential

Responsibilities

- ◆ To keep informed about the organisation's work and the wider issues that affect it
- ◆ To make sure that the organisation has enough money to meet its obligations
- ◆ Developing policies
- ◆ Making sure the organisation stays within the law and the governing document
- ◆ Making sure the organisation is adequately insured
- ◆ To lead the organisation effectively
- ◆ To make sure that staff are properly supervised and supported

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Chair Duties and Responsibilities

Planning Meetings

- ◆ Set the agenda in consultation with the secretary and any staff
- ◆ Make sure that the agenda, minutes of previous meeting and any other papers are sent out prior to the meeting
- ◆ Make sure that all the committee know the dates, times and venues of meetings, as far in advance as possible

Running Meetings

- ◆ Make sure that the meeting starts and finishes on time
- ◆ Make sure the meeting is quorate
- ◆ Make sure that everyone gets an opportunity to contribute their views
- ◆ Keep order at the meeting
- ◆ Conduct votes if necessary
- ◆ Use a casting (second) vote if necessary
- ◆ Rule on any disputes in the constitution
- ◆ Be alert to potential conflicts of interest

Representing the organisation

- ◆ Be a spokesperson for the management committee and figurehead for the organisation
- ◆ Representing the organisation at meetings

Governing the Organisation

- ◆ Monitoring that decisions and action plans are implemented by the committee
- ◆ Supervising the senior member of staff

Secretary Duties and Responsibilities

General Administration

- ◆ Keep a copy of the constitution, meeting minutes and other important documents
- ◆ Make sure necessary documents are completed
- ◆ Keep records of the organisation's membership
- ◆ Notify members of the AGM

Meetings

- ◆ Book the meeting room and arrange refreshments
- ◆ Prepare the agenda with the Chairperson
- ◆ Circulate the agenda and any other papers
- ◆ Check that the meetings are quorate
- ◆ Make sure that the Chairperson signs the minutes when they have been approved by the committee
- ◆ Take, write and circulate minutes
- ◆ Monitor when committee members term of office ends



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Treasurer Duties and Responsibilities

Financial Records

- ◆ Keep accounts (can be delegated.)
- ◆ Produce end of year accounts and arrange for them to be audited or examined as required
- ◆ Make sure that bills are paid promptly and that all income is banked regularly
- ◆ Liaise with the bank and make sure that bank statements are kept securely
- ◆ Check that bank statements reconcile with the cash book

Helping the committee understand the finances

- ◆ Provide financial information to the whole committee
- ◆ Explain the financial situation to the committee in language they can understand
- ◆ Enable the committee to agree an annual budget

Financial Compliance

- ◆ Make sure there are financial systems and policies in place
- ◆ Prepare an annual budget for the committee
- ◆ Report to the AGM on the annual accounts
- ◆ Make sure that an independent examiner or auditor is appointed, as required by charity law or your constitution

Effective Meetings

Tips for making meetings effective

Before the meeting

The chair should:

- ◆ Plan the agenda
- ◆ Make sure everyone knows the date, time and venue and send out agendas
- ◆ Make sure the venue has been booked and refreshments organised

During the meeting

The chair should:

- ◆ Welcome everyone
- ◆ Make sure the meeting is quorate
- ◆ Keep focused on the business and decisions to be made
- ◆ Encourage everyone to participate
- ◆ Make sure decisions are minuted
- ◆ Set the date for the next meeting
- ◆ Finish on time

After the meeting

- ◆ Type up the minutes as soon as possible after the meeting and distribute them
- ◆ Act on the decisions made

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Why take minutes?

Minutes are a legal record of what you discussed and what decisions were made. They do not have to record everything that was said, but the main points and any decisions that were made. They also:

- ◆ Inform people who weren't there what happened
- ◆ Remind of actions supposed to be taken and by whom

What should minutes include?

- ◆ Name of the organisation
- ◆ What type of meeting (e.g. management committee or finance sub-committee)
- ◆ Date time and venue
- ◆ List of committee members present and other people in attendance
- ◆ Apologies for absence
- ◆ Confirmation that the previous meeting minutes are a true record
- ◆ Matters arising from the previous meetings minutes
- ◆ Separate minute form each item discussed
- ◆ Date, time and venue of next meeting

Conflicts of Interest

What is a conflict of interest?

As a management committee member your first priority is to the organisation. All decisions you make must be in the best interests of the organisation and its beneficiaries. Sometimes situations will arise where you may feel your loyalties are divided or it's hard to make an objective decision.

Committee members may "wear many hats" because they are involved in a number of organisations or their family and friends are involved in organisations.

Management committee members should not receive any personal benefit from their role. For example if a committee member has their own business they should not expect contracts to be awarded to them. However, this is allowed if there is a transparent competitive tendering process and the contract is awarded in the best interest of the organisation.

Recruiting New Committee Members

Don't wait until you are down to three committee members before you think about recruiting new ones.

The Governance Hub has produced a toolkit which gives ideas on how to successfully recruit new committee members. www.governacnehub.org.uk

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Committee Induction

Having an induction process for new committee members is a good idea, so that they are clear about their role and are knowledgeable about the organisation. Here's a list of things that may be useful for new committee members to do in their induction.

Activities

- √ Tour of office or other buildings
- √ Introduction to other committee members
- √ Introduction and talks with staff
- √ Introduction to members
- √ Observing the organisation's activities and projects
- √ Reading key information about the organisation

Induction pack checklist

Key documents

- √ Governing document (constitution)
- √ Latest annual report and accounts
- √ Minutes of recent committee meetings
- √ Copy of the Charity Commission's The Essential Trustee : What You Need To Know
- √ Committee member's role description
- √ Pocket Guide to the "Code of Governance for the Voluntary and Community Sector"

Other documents/information

- √ Key policies e.g. health & safety
- √ History of the organisation
- √ Organisational structure
- √ Senior staff job description
- √ Statement of ethos and values
- √ Business, strategic or work plans
- √ Newsletters, publicity material
- √ Dates and agendas of forthcoming committee meetings
- √ Names and contact details of other committee members

Separate **INFORMATION SHEETS** on the ROLES & RESPONSIBILITIES of OFFICERS and other topics mentioned here are also available. Tools to review the GOVERNANCE of your Committee can be obtained too.