



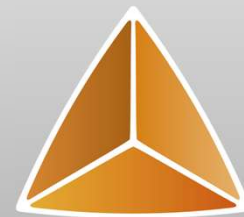
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Good Governance

**Helen Wray
Foundation Scotland**

What is governance and why does it matter?

- Governance enables Organisations to protect their resources and to use them to achieve their purpose – mission and vision
- Charities have to do the very best for the people and causes they support. They rely on their reputations. They need to have the trust of those they aim to help but also the trust of those who provide financial support .
- Legal Obligations



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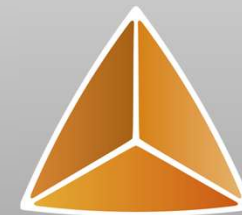
What is Good Governance?

The Scottish Good Governance Code

The systems and processes that ensure an organisation is well run, accountable and sustainable for as long as it is needed

Key Principles

- Organisational Purpose
- Leadership
- Board Behaviour
- Control, Risk Management
- Board Effectiveness



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Organisational Purpose

- Trustees need to be clear and fully understand the purpose of their organisation, and its values and committed to delivering what it was set up to do.
- Ensure this is reflected in the governing documents
- Ensure decisions are made with both the purpose and detail of governing documents in mind
- Stay on track and avoid mission drift



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Leadership

Trustee's Duties

- The trustee's duties are defined in Scot's charity law
- OSCR can investigate perceived breaches of these duties
- You have to report to OSCR annually on your activity and finances



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Leadership

What are the four general duties of charity trustees?

- to act in the interests of the charity and put the interests of the charity before any other
- to ensure that the charity operates in a manner consistent with its purposes
- to act with due care and diligence
- to ensure that the charity complies with the Act and with other relevant legislation



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Acting in the interests of the charity

- trustees are expected to put the interests of the charity before their own interests or those of any other person or organisation
- this includes the interests of any person or body responsible for the appointment of a trustee



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Who is disqualified from acting as a charity trustee?

- unspent conviction involving dishonesty or for an offence under the Act
- undischarged bankrupt
- removed under Scottish or English law or the courts from being a charity trustee
- disqualified from being a company director



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Disqualification: what should trustees do?

- individual responsibility not to act as a charity trustee whilst disqualified
- **BUT** its in the collective interests of all trustees to ensure that none is disqualified
- OSCR recommends that trustees sign a declaration of eligibility before appointment



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Leadership

- Be clear on roles and responsibilities and provide strategic direction in line with the organisations vision and values
- Have a clear understanding of the individual roles of Trustees
- Be clear about what is board level and what is operational
- Skills audits – does the board have the right skills and experience
- Clear decision making
- Equality and Diversity
- Induction



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Board Behaviour

- Integrity, openness and accountability should be at the heart of a board
- The behaviour of Trustees can have an impact on the culture of an organisation and also on reputation and sustainability. Trustees need to ensure their behaviour is aligned with the organisation's vision and values
- Trustees have to put the needs of the charity first.



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Control & Risk Management

- Trustees are legally responsible for the charity and any action taken
- The Board is responsible for having the appropriate structures, financial controls, policies and procedures in place to help the charity identify risks and opportunities in line with its purpose, values, governance and relevant legal and regulatory requirements.



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Policies

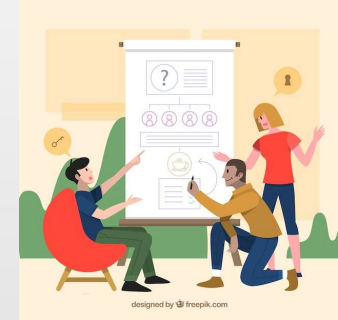
- Safeguarding of children and vulnerable adults
- Conflict of Interest
- Reserves Policy
- Remuneration Policy
- Equality and Diversity
- GDPR – Data protection
- Volunteering
- Donation Acceptance Policy



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Board Effectiveness

- An effective board understands its role, responsibilities, and authority, working collaboratively to fulfill the organisation's purpose. It operates as a cohesive team, drawing on a diverse range of skills and experience to strengthen and enhance governance.
- Put equality, diversity and inclusion at the centre of how you work
- Regularly review board performance
- Set monitoring and strategic direction.



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What will funders focus on in assessment

- Who is on the Board
- What policies do you have and are staff/trustees clear on how these are implemented
- What financial controls do you have in place
- Financial stability
- How you measure success.



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Helpful Resources

Scottish Third Sector Governance Code:
<https://governancecode.scot/> and the SCVO Governance check up:
<https://scvo.org.uk/running-your-organisation/governance/scottish-governance-code-checkup>

Self regulation is still the method for fundraising in Scotland
Code of Fundraising Practice:
<https://www.goodfundraising.scot/code-of-fundraising-practice/>

Charities must have a complaints procedure
Fundraising complaints panel established:
<https://www.goodfundraising.scot/>

Charity Governance Code -
<https://www.charitygovernancecode.org/en/front-page>



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