RISE development programme toolkit

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Governance

Charities are generally governed by a trustee board that takes overall responsibility for its work. Governance is a term used to describe the trustees' role in:

- the long term direction of the charity, including its objectives or purposes

- implementing policies and activities to achieve objectives

- complying with legal requirements

- accountability to those with an interest or 'stake' in the charity

Good governance should happen throughout a charity. The trustee board is responsible for good governance but they rely on many different people to be able to govern well, including staff, volunteers, advisors and stakeholders.

The Essential Trustee produced by the Charity Commission explains what is required of a charity trustee, including responsibilities to a charity.

Skills of the board

The skills make-up of the board reflects the needs of the organisation. How does the organisation ensure that the make-up of the board reflects the needs of the organisation?

- Trustee boards and their skills

- Finding new trustees

Aims and mission statement

The organisation has a clear and agreed mission, aims and definition of its target beneficiaries which have been defined through community consultation/mapping exercise/evidence of need.

What is your organisation seeking to achieve? Who benefits from this? How is this understood by all concerned?

- What is your charitable purpose?

- Writing your charitable purpose

- Involving beneficiaries

Governing documents

The organisation's governing documents allow it to carry out its trading activities.

Is the power to trade stated in the organisation's constitution?

- [How charities may lawfully trade](#)

- [How to pay less tax as a charity](#)

- [Why social enterprise?](#)

The organisation's governing document manages any potential conflicts of interest that may arise. Does the organisation's constitution describe the process in place to manage any conflicts of interest that may arise?

- [Understanding conflicts of interest](#)

Public benefit

The organisation can demonstrate public benefit. Can charity trustees report on how they have carried out their charity's purposes for the public benefit?

- [Public benefit reporting](#)

Policy decisions

The board makes all the policy decisions. How does your organisation ensure that the board ultimately controls policy?

- [Charity trustees and decision making](#)

Business planning

While the language of business can seem at odds with the aims of voluntary organisations, you still need to plan for the future to get things done, and to be accountable to your members, funders and the public as you carry out your activities.

Research and development

Your business plan clearly describes the product or service, the process and cost of researching and developing your product or service and the operational costs of delivering it.

How fully have you thought through the development of your product or service in order to launch it on the marketplace? How have you benchmarked costs of development and operational delivery?

- [Writing a business plan - Small Charities Coalition](#)

Risk analysis

Your business plan has a full risk analysis of the business (such as technologies, marketplace, micro and macro economic factors and management) and identifies critical success factors.

Are you aware how changes in the external operating conditions may affect your organisation? How have you planned to cope with these changes?

- [Developing strategic options - NCVO](#)

- [Direction - Cass Business School](#)

- [Third Sector Foresight - Drivers](#) (archive site)

Marketing plan

You have a full marketing plan in place that is based on the four Ps of marketing - product, price, place and promotion.

Does your business plan look in detail at the market for your organisation and detail how big your customer base is, exactly who your customers are and how you will reach them, the competition in the marketplace and other risk factors?

- [What goes into a marketing plan? - Media Trust](#)

- [How to create a marketing plan](#)

- [Developing a marketing strategy and marketing plan](#)

Financial plan

Your financial plan includes figures of past, present (where appropriate) and projected performance, including any start-up costs, profit-loss statements, cash flow analyses and balance sheet data and accurate break-even projections.

How detailed is your financial plan? Have you established a break-even figure for your product or service and can competitively price it in the marketplace and still produce a profit?

- [How to set up a cash flow forecast - NCVO](#)

- [Understanding your annual accounts](#)

- [Break even points](#)

Financial management

Financial management is more than keeping accounting records. It is a key element of organisational management and involves planning, organising, controlling and monitoring financial resources in order to achieve organisational objectives.

Financial procedures

The organisation has written financial procedures for bookkeeping, expenses, petty cash etc. with checks and balances to avoid misuse of funds which are regularly reviewed.

How are the financial responsibilities allocated to staff and Board, bearing in mind the Board's ultimate responsibility to ensure that there are adequate operational controls in place for all financial processes?

- [Financial controls for charity trustees](#)

- [How to write a financial procedure](#)

- [Financial Procedures: Sample Document](#)

- [Keeping account: A guide to charity financial analysis](#)

Financial requirements

The organisation meets requirements for dealing with Inland Revenue, VAT, PAYE, pensions and State Aid.

Is there awareness of VAT thresholds; does your organisation monitor its position? How does your organisation deal with Inland revenue and PAYE (including pensions)?

- [How VAT affects charities](#)

- [Claiming Gift Aid](#)

- [Pension rules for charities](#)

- [What is State Aid?](#)

- [PAYE and payroll for employers](#)

Proactive management

The finances of the organisation are being pro-actively managed.

Does the organisation have an agreed budget for the year, against which income and expenditure are regularly reviewed? Are management accounts presented regularly to the Board?

- Managing charity assets and resources

- Financial governance: A gentle guide for the non-financial charity trustee

Funding

The organisation is not overly dependent upon one source of funding.

Is your organisation overly dependent on any one source of funding. This applies to both grants and earned income. Consider the quality of income streams and how your organisation ensures its sustainability through diversification.

- Sustainable fundraising - NCVO

- Writing a fundraising strategy - Funding Central

- What is fundraising - Institute of Fundraising

Financial reserves

The organisation has a policy for accumulating an appropriate level of reserves on its balance sheet.

How does your organisation provide for the need to cover fluctuations in income, current liabilities and unplanned expenditure?

- Managing charity resources

- Charities and reserves

Partnership working

Different organisations within the local voluntary and community sector (VCS) and other sectors seek to promote the interests of the same communities and citizens, and often they provide services to the same communities and citizens.

The challenges of limited resources and increasing demand for services make it clear that we need to get better outcomes from the same resources. There are opportunities for organisations to work in partnership with each other to try and achieve this greater value.

Relevant agency and stakeholder information

The organisation has information about the relevant agencies/stakeholder organisations in its area of operation and key contacts within them.

Does your organisation have knowledge of the key people in agencies? Is it aware of larger organisations that it could work with as a sub-contractor?

- [Connecting to networks - Cass Business School](#)

Networking

The organisation is a member of relevant local networks. Which local networks is your organisation a member of and how are these connections relevant to your organisation?

- [Contact Red Zebra Community Solutions to find out about your local networks](#)

Strategic partnerships

The organisation is aware of the key strategic partnerships shaping development in its area and seeks to influence their policy and practice.

Does the organisation contribute to policy making in local strategic partnerships? Does it discuss how improvements to the partnerships' delivery to its area of benefit can be made?

- [Joint Health and Wellbeing Strategy](#)

- [Canterbury and Coastal Health and Wellbeing Board](#)

- [Healthwatch Kent](#)

- [South East Local Enterprise Partnership](#)

Collaboration

The organisation understands the different ways that they can work in collaboration with partners.

What different agreements could be used? What understanding exists relating to consortia, sub-contracting and being a lead partner?

- [Collaborative working and mergers](#)

- [About collaborative working - NCVO](#)

- [Know your partner - Charity Commission](#)

- [Collaboration - More than the sum of the parts](#) - The Foundation for Social Improvement

Policies and procedures

Your organisation's policies and procedures will define and inform you how your organisation will operate. Do you have all the policies and procedures that are legally required? Do you know where your policies are and do you use them to help shape service delivery. Procedures are the ways that your policies are implemented in your organisation, so if you change a policy it is always useful to check if your procedures are still valid.

For some general information about Policies and Procedures, visit the following:

- Policies and Procedures - NCVO

- Policies and Procedures checklist - Vol Resource

Risk assessment

Risk assessment is regularly undertaken (at least annually). What risk analyses do you regularly undertake and how?

- Charities and risk management

Roles and responsibilities

Staff and volunteers have clearly defined roles and responsibilities. Do you have clear job descriptions for staff? Are volunteers proactively recruited and inducted around clear roles?

- Writing job descriptions

- Volunteer management

Staff training and retainment

The organisation takes measures for retaining and training staff.

How do you measure staff turnover and how does your organisation anticipate changes in environment and develop staff skills accordingly?

- Staff Retention and Loss - NCVO

- Developing effective teams - NCVO

- Training and learning development

- Managing and retaining volunteers

Managing poor performance

The organisation has a policy for managing poor performance of staff and volunteers.

Do staff and volunteers get supervised and appraised according to their roles and organisational structure? How do you manage poor performance?

- Performance and skills development - NCVO

- Managing discipline - ACAS

- Identifying volunteer performance issues - Voluntary Action Leicestershire

Responsibilities of the Board

The board have received formal guidance or training or training as to their responsibilities as directors/trustees.

Do board members undergo an induction process; is there supporting documentation for this process?

- Trustee board: people and skills

- Charity trustee: what's involved

- Trustee recruitment and induction - NCVO

- Governance - Cass Business School

Meetings

Appropriate and timely information covering financial management, governance & Human Resources is provided at regular board meetings.

Is the information supplied to the Board appropriate and timely? Does it comply with legal duties and responsibilities?

- Charities and meetings

- Trustees and decision making (from section 2.3)

- Preparing effective management information for board reports

Health and safety

The organisation has appropriate levels of processes to manage any health and safety risks, safeguarding and equalities considerations.

Do you have policies that are easily accessible with clear procedures to follow? Are they compliant with legislation?

- [A health and safety guide](#)

- [Equality Act: guidance for charities](#)

- [Equality and Human Rights Commission](#)

- [Safeguarding children and young people](#)

Evaluation and outcomes

Monitoring progress and evaluating your outputs and processes is key to constantly improving the performance of your organisation. It enables you to learn about your activities and results, and to support internal planning and development.

Organisations need to demonstrate their effectiveness to funders, commissioners and stakeholders. Charities are now specifically required by SORP (the charity accounting standards) to report the achievements of the charity over the year.

Client interactions

The organisation records client interactions and is able to produce reports from this information.

Social impact and outcomes

The organisation actively collects information relating to outcomes and social impact. Do you collect information about the effect the work you do has on your clients?

Performance targets

The organisation has a social impact framework/social impact targets which they measure against performance targets.

What system do you use to help you show that the work you do is bringing about the change you are planning to bring about?

- [7 Practical tools for improving your outcomes and impact](#)

Using evaluation data

The organisation uses its evaluation data to improve its current activities and develop new services.

How else do you use this information? Does the information shape how you currently and plan to work with clients?

- [Monitoring and evaluation - NCVO](#)

- [Improving quality - NCVO](#)

For further information about support available to your organisation through our range of grants and development opportunities [visit here](#).

The information in this document is for general guidance if you need more detailed advice on organisational development please contact an organisation such as the ones contained in the link above.