



Scotland's Third Sector
Governance Forum

A Recipe for **SUCCESS**

A collection of governance guides
from Trustees' Week 2019

Supported by:



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A Recipe for GOOD GOVERNANCE

To ensure good governance, the Scottish Governance Code sets out five core principles that voluntary organisations are encouraged to follow and improve their governance. By using these ingredients, you'll have a recipe for good governance.

ORGANISATIONAL PURPOSE



A *well-run board* is clear about its role and responsibilities, and provides strategic direction in line with the organisation's purpose vision and values

A *well-run board* is clear about the purpose and values of the organisation and how it will achieve its aims.

LEADERSHIP



BOARD BEHAVIOUR



A *well-run board* will develop and implement appropriate controls to direct and oversee progress and performance of the organisation.

A *well-run board*, both collectively and individually, embraces and demonstrates mutual respect, integrity, openness and accountability.

CONTROL



EFFECTIVENESS



A *well-run board* understands its role, powers and duties and works collectively and proactively to achieve its organisational purpose.

A Recipe for **FUNDRAISING SUCCESS**

By the Institute of Fundraising Scotland

STEP 1

Look Ahead

What does your charity want to achieve over the next three to five years? What projects and activities? Where? Who will benefit? What difference will these developments make? There should be a clear link to your charitable purpose. Think about sustainability – will these projects and activities have an impact on your running costs in the future?

Have a Plan

Be clear about **how** you intend to meet these objectives, including the income you'll need to fund them. How much do you need to raise? Which income sources or techniques are you going to address right now, and what will be developed later? For example, do you expect the bulk of this income to come from grant-making trusts, or the public sector? Do you need to build corporate connections and recruit individual donors in the long term?

STEP 2

STEP 3

Check Your Resources

Do you have the right people with the skills and knowledge you'll need already in place, or do you need to recruit paid staff or talented volunteers to fill the gaps? Do you have a computer system which will enable you to securely store donor data and notify you when quarterly or annual reports become due? What about insurance; policies; procedures; equipment; cash-handling systems etc. Fundraising always needs investment to enable you to reap longer-term rewards.

Follow the Rules

Check that all your fundraising team - including the board, committees, staff and volunteers - know about, and comply with, the Code of Fundraising Practice and any legal requirements around specific fundraising activities eg. Raffles, On-street collections.

STEP 4

STEP 5

Manage the Plan

Regularly review the plan to make sure that you are on track – if anything is beginning to slip, then what contingencies can you bring in? Keep donors, volunteers and supporters up to date with achievements and developments.

Celebrate Success!

Understand and be able to show the difference that your activities are making to the people who use your services. Celebrate this success, and remember to say “thank you” to the supporters, donors and volunteers who have helped to achieve success. Then ask again for their help...

STEP 6



A Recipe for RECRUITING YOUNG TRUSTEES

By A&B Scotland, Hostelling Scotland, and Stellar Quines

STEP 1

Why?

Be sure of why you want to recruit young people for your board. Are you hoping to have a better representation on your board of the communities you serve? Do you want to have a fresh voice around the board table? It is good to consider whether or not your board is sufficiently diverse, but never recruit a trustee just to tick a box.

How Young is Young?

That depends. If your organisation works primarily with young people then you might want to consider targeting as close to the age-range of your beneficiaries as is practical- perhaps 18 to 25. If you do not just work with young people but across all age ranges, then the age range of your potential new trustees may be a little more fluid –up to 30 or 35.

STEP 2

STEP 3

How are you going to recruit them?

Think about the community you serve –are there potential trustees there, or have they got networks that you can tap into? As individuals who already know your work, they will be the best advocates for it. Are there similar organisations to your own, whose staff and/or network would enjoy and benefit from the governance experience?

TIP



Some employers encourage volunteering opportunities, to demonstrate their support for community activities, while developing staff at the same time. You may also find recruits through university initiatives such as Napier University's Get on Board programme.

STEP 4

Are You Ready For Them?

There must be consensus among your trustees to support the idea. Discuss it, and any potential implications, at board level. Have you someone on your board who is prepared to champion this initiative and potentially act as a mentor to the new trustee/s? Have you considered recruiting more than one new trustee so that they do not feel exposed and isolated?

Have You Considered Your Constitution?

Might you need to make changes to your constitution—for example to ensure the age range is within the rules, or that you have the ability to co-opt the new trustees to the board if required? Are the young people going to join as full trustees, and if so for how long? Be prepared for the possibility that they may not want to join for a long-term period because of their own fast changing working or personal commitments, but still have something to offer in the short term. Perhaps they are going to have an observer role—if so, how are you going to ensure that they feel that they have an active role to play on the board? For example, consider if they may be able to serve on a sub-committee in the first instance, with a view to joining the board itself at a later stage.

STEP 5

What Other Changes May You Have to Make?

Does the time of your board meetings suit the new recruits—for instance are they in full time education or employment and would they find it difficult to make a day-time meeting? Do they have a young family and have childcare challenges for evening meetings? Are your board meetings in an accessible venue?

STEP 6

How Will You Train Your New Trustees?

Ensure that the new trustees receive training in their new role. Do they understand their legal obligations? Do they understand the difference between their governance role as trustees, and the operational role of staff and/or volunteers? Have they had a proper induction about the organisation; its objects, activities, staff, sources of funding etc.

STEP 7

STEP 8

Get Ideas from Organisations Who Have Done It Before

Here are two examples of excellent documents to search for with some ideas about how to go about recruiting young people to your board. Both documents come from the charitable arts sector but many of the principles can be applied across the wider charitable sector.

“*Guided by Young Voices*”. This excellent youth governance guide has been produced by London based theatre company Roundhouse, to ensure that young people are at the heart of their decision making, as well as to spread the word more widely on the benefits.

Scottish based theatre company Stellar Quines created the “*Board Pioneer Programme*”, and following a successful pilot year and considerable public interest, they have published this resource pack to assist other organisations to begin their own Board Pioneer programme.

STEP 9

Welcome Your New Trustees

Don't forget to make sure that there someone that they can go to for advice on an ongoing basis as they settle into their new role.



A Recipe for EFFECTIVE TRUSTEE RECRUITMENT

By the Informed Trustee

At a Network of Chairs' event in 2019, the spotlight was on trustee recruitment practices, good and bad. Julie Hutchison, Founding Editor of The Informed Trustee, highlighted findings from a report from Getting on Board, pointing to 55% of charities not using a skills matrix when recruiting trustees, and 30% offering no induction for new trustees. With over 90% of trustees said to be recruited through word of mouth, its little wonder that boards are accused of, in effect, replicating themselves and not adequately reflecting the communities they serve. Here is Julie's recipe for effective trustee recruitment:

STEP 1

Plan ahead, when you are looking to fill board vacancies. It could take 4-6 months from start to finish, if you are running an open and well-advertised recruitment process.

The key ingredient in the early phase is the creation of a **Trustee Recruitment Pack**. This needs to set out a range of information about the charity, its strategy, links to key documents such as the last Trustees' Annual Report and accounts and governing document, and the skills you are looking for.

STEP 2

In order not to dis-engage potential younger trustees (or indeed potential candidates of any age!) think about **the language** you use in your Trustee Recruitment Pack, when talking about what the charity does and the opportunity for trustees to have an impact.

STEP 3

Who is missing from your board? What groups are under-represented? What do you need to do to reach them? For example, remember that large employers often have a range of employee networks, which could include a **Young Person's Network**. Could you host a lunchtime discussion session in their premises to get the word out about your charity and the trustee opportunities available?

STEP 4

STEP 5

Be clear about your **timeline and key dates** with candidates. The Trustee Recruitment Pack should set out the likely date for interviews, and the forward dates for future board meetings. The time of day of board meetings is also important to mention, which means candidates can gain a clear picture of how attendance might (or might not) fit with their other commitments.

Use digital channels to get the message out about your trustee role adverts. Social media is a powerful tool which enables you to reach a wider audience. LinkedIn, twitter and other options can help you broaden who you are speaking to.

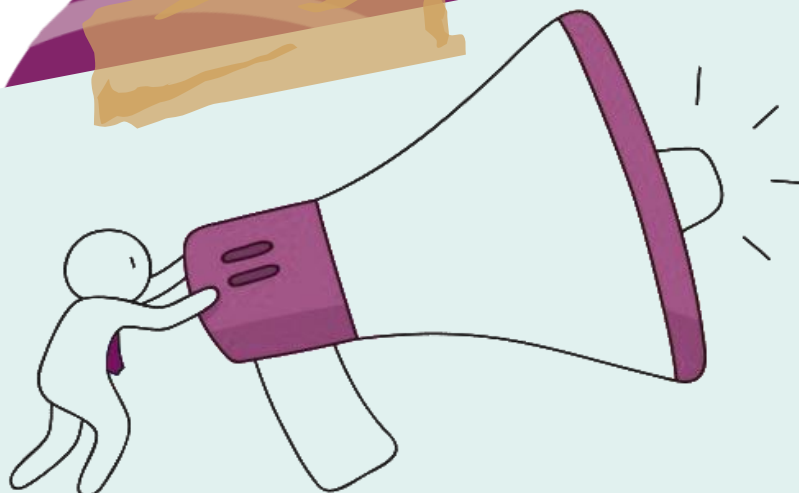
STEP 6

STEP 7

Create a plan for what the new **trustee induction process** looks like, as well as the ongoing training which all trustees can access. A buddy-up or trustee mentoring option could form part of this.

Consider the benefits of having a **'warm bench'**. This means finding ways to keep unsuccessful applicants engaged with the charity—is there a committee role or other volunteering opportunity they could take on, should they not secure a trustee role? In this way, you start to maintain a group of interested individuals for future trustee vacancies.

STEP 8



A Recipe for **STRONG CYBER SECURITY**

By SCVO and ACOSVO

STEP 1

Put Cyber-Security on Your Risk Register

Cyber risks include computer viruses and malware on any of your network or devices, criminal activity (fraud and extortion), and loss of data by accident or a deliberate act. Make sure these topics are on your **risk register** and board agenda, and are discussed regularly.

Manage Administrator Privileges

Staff should only have enough network access as required to perform their role. Use "admin accounts" only for their intended purpose; and use standard user accounts for general work.

STEP 2

STEP 3

Have Robust Mobile-Working Policies

Mobile devices such as phones, tablets, and laptops provide huge advantages in terms of flexible working, but if staff are using personal devices for work purposes, that could be a risk. Make sure your organisation has policies and practices regarding mobile device management software.

Raise Awareness Within Your Staff Team

Make sure staff are thinking about cyber-security too. Consider further training, and/or recruiting any necessary skills through specialised consultants or volunteers.

STEP 4

STEP 5

Have an Incident Management Policy

Post-incident analysis provides insight that can help you reduce the likelihood of incidents occurring in the future and reduce their potential impact. Foster a “no-blame” culture so incidents are reported and learned from.

Monitor Cyber Risks

The Cyber Security Information Sharing Partnership (CISP) is a joint industry and government initiative that shares news and updates about cyber threats. Register your organisation now for free, and ensure members of your staff receive these notifications.

STEP 6

STEP 7

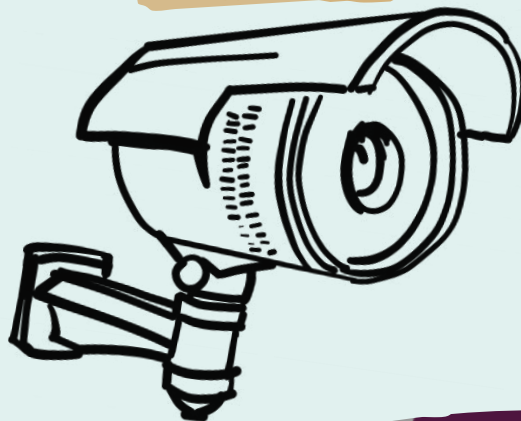
Develop Anti-Malware Policies

Viruses and malware are malicious software that can harm your organisation’s computers. Prevent your network from being infected by using policies that mandate keeping devices up to date, keeping firewalls switched on, and keeping anti-virus and anti-malware software enabled.

Become Cyber Security Accredited

There are many cyber-security accreditations out there, which will take members of your staff and board teams through the essential information they need to know to mitigate risks- one option is “Cyber Essentials”.

STEP 8



A Recipe for **EFFECTIVE CHAIRING**

By Consultants for Good

The role of the chair of a meeting is to ensure **good communication** and **effective decision making**. The chair must make sure the objectives of the meeting are achieved whilst encouraging full participation by meeting members. An **effective** chair needs to:

COMMUNICATE

- Ensure an agenda is drawn up and sent out in good time.
- Start the meeting and set the scene.
- State the objectives of the meeting and/or item.
- Keep to the agenda and encourage sticking to the point.
- Allow freedom of expression.
- Ensure time is used effectively.

CO-ORDINATE

- Summarise regularly.
- Highlight the areas of common agreement.
- Ensure full participation.
- Encourage quiet members.
- Ensure everyone understands what is being discussed and why.

COMPARE

- Weigh up contributions impartially.

CONTROL

COAX AND CLARIFY

A Recipe for **CHOOSING A CONSULTANT** *By Consultants for Good*

STEP 1

Write the Initial Brief

Before trying to identify a suitable consultant, it is important to draw up an initial brief for the work. This could be anything from a short outline of the problem you want to address, to a more elaborate description of the proposed work, complete with provisional costings and timetable.

Identify People with Relevant Expertise

Consultants for Good's directory enables you to search for consultants with key specialisms and who work in certain sectors. You may also wish to use other sources to locate suitable individuals or firms- such sources might include your local third sector interface (TSI) or rural community council, an umbrella or support organisation for your type of work. You might also want to advertise in third sector, local or national media.

STEP 2

STEP 3

Draw Up a Shortlist

From the consultants you have identified choose three to five people who meet most of the criteria on your person specification.

Make Initial Contact and Ask for Information

The purpose of this stage is to explore in some depth your needs and their suitability.

STEP 4

STEP 5

Meet the Person

It is important for you and other relevant people in your organisation to meet the person before making a final decision.

STEP 6

Make the Decision

Your original brief and person specification give the basis for assessing whom you should hire.

Once you have decided, the agreements arrived at should be incorporated into a written contract.

Agree the Contract

STEP 7

Monitoring and Evaluating the Work

While evaluating, try to think about, at least, the outputs, process, and outcomes.

STEP 8

For more information and a long form version of this guide, visit <http://bit.ly/choosingaconsultant>



A Recipe for **WORKING TOGETHER**

By Consultants for Good

The relationship between the Chair and Chief Officer is crucial to effective governance. A strong relationship involves:

- Discussing expectations about what information will be shared (and when).
- Fostering trust and assuming the necessity for systematic 'distrust' (e.g. appraisals).
- Discouraging opportunism and uncooperative behaviour.
- Considering 'trust' in the management of risk: uncertainty combined with dependency can cause 'blind faith'.

- Negotiating who does what (and reviewing it regularly).
- Avoiding collusion: chairs and chief officers can work too closely together.
- Seeing support as a two-way process.
- Developing straightforward ways of acknowledging and managing differences and conflict (e.g. use of third-party facilitators).
- Sharing common values and beliefs.

A Recipe for

FINANCIAL RESILIENCE

By the Charity Commission for England and Wales

A plan of action designed to achieve a long-term overall aim should consider the following questions:

- What effect is the current economic climate having on our charity and its activities?
- Are we financially strong enough to continue to provide services for our beneficiaries?
- Do we know what impact the social and/or economic climate is having on our donors and support for our charity?
- What is our policy on reserves?
- Are we satisfied with our banking arrangements and our current and future investment policy?
- Have we reviewed contractual commitments?
- Have we reviewed any contracts to deliver public services?
- Have we reviewed our pension scheme recently?
- How can we make best use of any permanent endowment investments we hold?
- Are we an effective trustee body?
- Do we have adequate safeguards in place to prevent fraud?
- Are we making the best use of financial benefits we have as a charity?
- Are we making the best use of our staff and volunteers?
- Have we considered collaborating with other charities?
- Are we making the best use we can of our property?

A Recipe for IMPROVING THE TRUSTEES ANNUAL REPORT

By OSCR

You will need:

- A board of trustees who are interested and involved in the running of the charity, committed to telling a coherent story about what the charity does, and willing to consider doing things a little differently this year.
- A good measure of time dedicated to discussion and preparation.
- A large sprinkling of information and statistics on what the charity has achieved in the year.
- A healthy dose of enthusiasm.

STEP 1

The charity trustees should first agree how they want to explain the **story of their charity**. Having an initial discussion about this will help the trustees to be clear about the key messages they want to include in their annual report and what is right for the charity.

The **legal requirements** for the trustees' annual report need to be understood and these will depend on the type of accounts that the charity is preparing –either receipts and payments accounts or fully accrued accounts. The legal requirements are explained in OSCR's guidance.

STEP 2

STEP 3

Often the main body of the report is where trustees struggle to know what to include and this is the part that readers will be most interested in. Trustees should include:

- The purpose of the charity –why it exists, what it aims to achieve and who it aims to help.
- The activities of the charity –what it does to contribute towards achieving its aims.
- What was achieved in the year.
- An explanation of the impact of what the charity has achieved –the difference that has been made to the charity's beneficiaries.

STEP 4

Once the report is drafted, the trustees should consider how the narrative relates to the financial information in the accounts. The two elements need to be consistent with each other so that readers can properly understand what is happening within the charity. The words in the annual report will help to make sense of the numbers.

Charity trustees should consider how they want to present information in their report. Pictures and diagrams can be used to illustrate what the charity has been doing for instance and this can help the report to be engaging and interesting.

STEP 5

STEP 6

Finally the trustees should check that all the legal requirements have been met before approving their annual report and accounts and submitting them to OSCR within 9 months of the charity's financial year end.

The end result should be a Trustees' Annual Report that the trustees can be proud of and use to explain what their charity is all about to other people – funders, potential volunteers and employees and others with an interest in the work of the charity.

A Recipe for **COLLABORATION**

By Partnership for Procurement

When two or more organisations work in partnership, both companies have a stronger, united voice as part of a network they can learn from. The benefits are numerous- risks are shared, income sources are diversified, finances can be saved, and the joined organisations are better able to compete for contracts. Collaboration can be as part of an informal network, a formal partnership via a written agreement or contract, or as a super provider, forming a new legal entity. With this territory comes greater complexity and new challenges, so what's the recipe for success?

STEP 1

Choose the Right Approach

Do you require a joint working agreement or a formal new partnership company? The approach should be appropriate to what you're trying to achieve together.

Choose the Right Partners

Choose partners with a good strategic fit in comparison to yours, and ensure that your values are shared.

STEP 2

Assess the Risks and Benefits

Make sure the organisation has fully assessed the potential risks and benefits of any proposed partnership or collaboration.

STEP 3

STEP 4

Invest in the Approach

Once you have decided to go into partnership/collaboration, you need to invest in the relationship. This is more likely to lead to success.

Review on a Regular Basis

Undertake regular review of the partnership arrangements and relationships – learn about what is working and what needs to improve. Make sure provisions are in place to mitigate any difficulties that may be encountered.

STEP 5

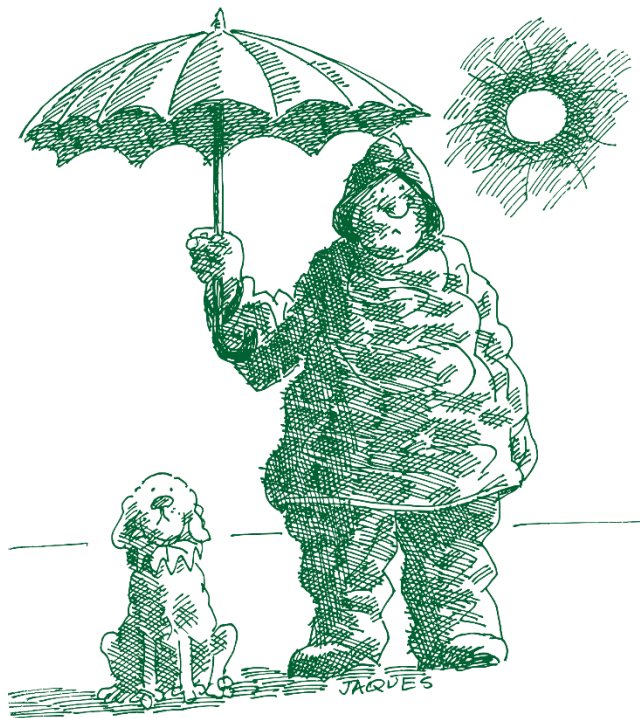
P4P offers events, workshops and online resources such as the P4P Collaboration Toolkit, guidance documents, and templates to support organisations' procurement journey and collaboration. These can be found at www.p4p.org.uk



Ruffer's charity fund

The Charity Assets Trust

Responsible investment approach focused on preserving capital



At Ruffer, we take on the responsibility for allocating a charity's assets, managing risk, and coping with uncertainty. We focus on capital preservation and aim to deliver consistent positive returns, come rain or shine.

Our charity fund follows a responsible investment policy: screening for tar sands, thermal coal, gambling, tobacco, alcohol, pornography and armaments. We monitor the carbon intensity of the fund and have an active engagement plan with the companies in which we invest, particularly in the context of the United Nations Global Compact.

The minimum investment is £500.

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