![VSS - Victims & Survivors Service logo]

VICTIMS SUPPORT PROGRAMME

Guidance Note on Corporate Governance
G3/VSS

Version 1.2   Date Reviewed: January 2023

Contents

1.   Introduction

1.1.   This Guidance Note should be read in conjunction with the Standard Conditions of Grant, the Programmes Operating Manual and all other Good Practice Guidance Notes.

1.2.   The Victims & Survivors Service (VSS) is fully committed to help and support management, committees, executive committees, boards of directors, boards of trustees or any other type of governing body in the Victims and Survivors sector hereinafter called the management committee/board.

1.3.   However, the management committee/board have overall responsibility for ensuring there is robust and sound corporate governance within their organisation.

1.4.   The Guidance Note has been adapted for use in conjunction with the Northern Ireland Good Governance Code that was produced by the Developing Governance Group, which is a group of voluntary and community sector associations, working to improve the quality of governance in voluntary and community organisations in Northern Ireland.

1.5.   The Good Governance Code sets out the seven key principles that form the basis of the Code, together with the most important supporting principles. The Code sets out best practice within the voluntary and community sector.

1.6.   Although the Good Governance Code states in its introduction that the Good Governance Code is not mandatory, the VSS expects all funded organisations to adhere to the seven key principles. A funded organisation's current and future funding will be dependent upon being compliant with the principles as they are set out in the Good Governance Code.

1.7.   This is also in line with the Charity Commission for Northern Ireland's guidance. Further information and other useful tools may be found at their website www.charitycommissionni.org.uk.

1.8.   By virtue of having funding groups should have sound basic governance in place. However improvements can always be made and this guidance note seeks to assist in making these improvements.

2.   Seven Principles of Good Governance

2.1.   The Seven Principles of Good Governance as set out by the Developing Governance Group are described below.

2.2.   The aim of the Seven Principles of Good Governance is to provide committees/boards with the tools to review their governance arrangements, check that they have appropriate systems in place and identify areas where they could improve.

2.3.   Included in **Annex 1** is a Good Governance Checklist that is based upon the following Principles. This is for internal use within funded organisations.

3.   Work Force Training and Development Plan (WFTDP)

3.1.   The VSS has secured funded to provide quality training and development opportunities for organisations funded through VSS. Training is aligned with the CVS Minimum Standards Document and will enable organisations to develop and strengthen corporate governance and ensure that they are up to date with all current best practice.

3.2.   All organisations should complete the checklist in **Annex 1** within 6 months of the issue of this guidance note.

3.3.   A training plan to address any gaps or weaknesses should be developed in conjunction with the VSS Programmes Support Officer.

3.4.   This will be collated by the VSS and incorporated into the overall WFTDP. Weaknesses relating to a specific organisation will not be identifiable in the WFTDP.

3.5.   The purpose of the WFTDP is to promote a culture of learning, sharing and development to ensure quality of services for victims and survivors.

4.   Charitable Status

4.1.   VSS currently funds 51 organisations of which 44 are registered with the Charity Commission in Northern Ireland (CCNI). VSS will work to support the remaining 7 to register during 23/24 and beyond*

* Subject to CCNI timeframes.

5. Principle 1 – Management Committee/Board Leadership

5.1. **The key principle:** leadership is one of the key roles of any Management Committee/Board. Every funded organisation should be led and controlled by a Management Committee/Board which ensures delivery of its objectives, sets its strategic direction and upholds its values.

5.2. **Supporting Principles:**

5.2.1. **The role of the Management Committee/Board:**

Management Committee/Board Members have ultimate responsibility for directing the activity of the organisation, ensuring it is well run and delivering the outcomes for which it has been set up.

Every Management Committee/Board should have a clear understanding of its roles and responsibilities and should provide leadership to the organisation by:

- Setting the strategic direction to guide and direct the activities of the organisation.
- Ensuring effective management of the organisation and its activities.
- Monitoring the activities of the organisation to ensure they are in keeping with the founding principles, objectives and values.

6. Principle 2 - Management Committee/Board's Responsibilities, Legal Requirements and Obligations

6.1. **The key principle:** the Management Committee/Board members are equally responsible in law for committee/board actions and decisions. They are collectively responsible and accountable for ensuring that the funded organisation is performing well, is solvent and complies with all its obligations.

6.2. **Supporting Principles:**

6.2.1. **Compliance**

The management committee/board must ensure that the funded organisation understands and complies with its own governing document, relevant laws, contractual obligations and the requirements of any regulatory bodies.

6.2.2. **Internal Controls**

The Management Committee/Board should maintain and regularly review the funded organisation's system of internal controls, performance reporting, policies and procedures.

6.2.3. **Equality and Diversity**

The Management Committee/Board must ensure that it upholds and applies the principles of equality and diversity and that the funded organisation is fair and open to all sections of the community in all of its activities.

6.2.4. **Prudence**

The Management Committee/Board must act prudently to protect the assets and property of the funded organisation and ensure that they are used to deliver the funded organisation's objectives.

6.2.5. **Managing Risk**

The Management Committee/Board should understand and regularly review the risks to which the funded organisation is subject and take action to manage the risks identified.

6.2.6. **Managing Staff, Volunteers and Sub-Contractors**

The Management Committee/Board needs to understand the distinction between employees, volunteers and sub-contractors and ensure that good practice in the recruitment and management, including payroll management, of staff, volunteers and sub-contractors is in place.

7.   Principle 3 – The Effective Management Committee/Board

7.1. **The key principle:** the Management Committee/Board should have clear responsibilities and functions and should organise itself to carry out these responsibilities effectively.

7.2.   **Supporting principles:**

7.2.1. **Management Committee/Board member duties and responsibilities**

Management Committee/Board members should understand their individual and collective roles, responsibilities and accompanying duties. They should have these clearly outlined in writing for all Management Committee/Board members.

7.2.2. **The effective Management Committee/Board**

The Management Committee/Board should organise its work to ensure that it makes the most effective use of the time, skills and knowledge of Management Committee/Board members.

7.2.3. **Information and Advice**

Management Committee/Board members should ensure that they receive the appropriate advice and information they need in order to make good decisions.

7.2.4. **Skills and Experience**

Management Committee/Board members should have or ensure that they have access to the diverse range of skills, experience and knowledge needed to run the organisation effectively.

7.2.5. **Training, Development and Support**

Management Committees/Boards should ensure that all their members receive the necessary induction, training and ongoing support needed to discharge their duties effectively.

7.2.6. **Staff**

The Management Committee/Board should ensure proper arrangements for the supervision, support, appraisal and remuneration of all staff including the employee in the most senior position.

7.2.7. **Volunteers**

The Management Committee/Board should ensure proper arrangements are in place for the recruitment, supervision and support of volunteers including clearly defined written roles and should ensure a policy is in place to reimburse reasonable out of pocket expenses. Policies and procedures should refer to volunteers as well as paid staff as appropriate.

7.2.8. **Sub-Contractors**

The Management Committee/Board should ensure proper arrangements are in place for the procurement, supervision and management of sub-contractors including clearly defined contracts and effective payment processing.

8. Principle 4 - Performing, Reviewing and Renewing Management Committee/Board

8.1. **The key principle:** the Management Committee/Board should periodically review its own and the organisation's effectiveness and take any necessary steps to ensure that both continue to work well and meet legal requirements.

8.2. **Supporting principles:**

8.2.1. **Renewal and recruitment**

Recruitment of new Management Committee/Board members should be open and focused on creating a diverse, skilled and effective Management Committee/Board. The Management Committee/Board should plan for and have a strategy for its own renewal.

8.2.2. **Review**

The Management Committee/Board should periodically carry out reviews of all aspects of the organisation's work, starting with its governing document, and use the results to inform positive change.

8.2.3. **Performance appraisal**

The Management Committee/Board should regularly review and assess its own performance, that of individual Management Committee/Board members and of sub-committees, standing groups and other bodies.

9. Principle 5 - Management Committee/Board Delegation

9.1. **The key principle:** the Management Committee/Board should set out the functions of sub-committees, officers, staff and anyone performing duties on behalf of the Management Committee/Board in clear delegated authorities and should monitor their performance.

9.2.   **Supporting principles:**

9.2.1. **Effective delegation**

The Management Committee/Board should ensure that staff, volunteers and anyone performing duties on behalf of the Management Committee/Board have sufficient delegated authority to carry these out. All delegated authorities must have clear written limits relating to budgetary, reporting and other matters.

9.2.2. **Terms of reference**

The Management Committee/Board should set clear terms of reference for sub-committees, standing groups, advisory panels, etc.

9.2.3. **Monitoring**

All delegated authorities must be subject to regular monitoring by the Management Committee/Board.

10.   Principle 6 - Management Committee/Board Integrity

10.1.   **The key principle:** the Management Committee/Board should view maintaining the integrity and interest of the funded organisation as a primary overriding duty. They should act reasonably at all times in the interests of the funded organisation and of its present and future beneficiaries, users and/or members. All individual Management Committee/Board members should act according to high ethical standards and ensure that conflicts of interest are appropriately dealt with.

10.2.   **Supporting principles:**

10.2.1. **No personal benefit**

Members of the Management Committee/Board must not benefit from their position beyond what is allowed by their governing document and the law and only when it is in the best interests of the funded organisation.

10.2.2. **Dealing with conflict of interest**

Members of the Management Committee/Board should identify and promptly declare any actual or potential conflict of interest affecting them, including

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conflicting loyalties which may arise when members are appointed as representatives of other funded organisations.

10.2.3. **Probity**

There should be clear guidelines for receipt of gifts or hospitality by Management Committee/Board members.

11. Principle 7 - Management Committee/Board Openness

11.1. **The key principle:** the Management Committee/Board should be open, responsive and accountable to its users, beneficiaries, members, partners, funders and others with an interest in its work.

11.2. **Supporting principles:**

11.2.1. **Communication and consultation**

Each funded organisation should identify those with a legitimate interest in its work (stakeholders) and ensure that there is regular and effective communication with them about the funded organisation.

11.2.2. **Openness and accountability**

The Management Committee/Board should be open and accountable to stakeholders about its own work and the governance of the funded organisation.

11.2.3. **Stakeholder involvement**

The Management Committee/Board should encourage and enable the engagement of key stakeholders, such as users and beneficiaries, in the funded organisation's planning and decision-making.

12. Glossary of Terms

12.1. **Governance** is about leadership and ensuring that an organisation is effectively and properly run. It has been defined as "the systems and

processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation".

12.2. **The voluntary and community sector** is made up of organisations which are governed by voluntary committees/boards. These non-statutory, autonomous, not-for-profit organisations are usually constituted formally and may be charitable.

12.3. **Autonomous** is a self-governing, independent body which is free from external control and constraint.

12.4. **Not-for-profit organisations** may be better described as not-for-*personal*-profit as these organisations may make a profit in line with their objectives. However, they don't distribute the profits among the members but rather use the profits to further the purposes of the organisation.

12.5. **Volunteering** is defined as the commitment of time and energy for the benefit of society, the community, the environment or individuals outside one's immediate family. It is undertaken freely and by choice, without concern for financial gain.

12.6. **Sub-Contractors** are defined as those individuals, suppliers or companies working on behalf of the funded organisation who are not regarded as volunteers or employees, i.e. there will be payment in exchange for a service provided. It is expected that sub-contractors have been engaged following an open procurement exercise.

12.7. **Prudence** is care, caution and good judgement as well as wisdom in looking ahead.

12.8. **Compliance** is the act of conforming to official requirements.

12.9. **Integrity** is used to describe soundness of moral character; this is demonstrated through adherence to moral and ethical principles.

12.10. **Probity** is behaving with integrity, being open, transparent and honest.

12.11. **Equity** is used to mean fairness and impartiality.

12.12. **Diversity** is used to describe the quality of being different.

12.13. **Effectiveness** is being able to bring about the intended or expected result.

12.14. **Accountability** is being liable for one's responsibilities and answerable for one's actions in relation to these.

12.15. **National Occupational Standards for Trustees and Management Committee Members** in the Voluntary and Community Sector have been

developed in order to encourage good governance throughout the voluntary and community sector.

Annex 1 – Good Governance Checklist

Using the governance health check

Although it should not be overly burdensome, it is strongly recommended that an appropriate amount of time is set aside for the committee/board to use this tool. For example, a whole meeting could be dedicated to completing the questionnaire for the first time. This could be reduced on an annual basis to focus on key areas of weakness. It would also be beneficial to appoint at least one committee/board member to lead the process of ensuring the actions are carried forward including organising any training identified.

When the governance health check is being filled out, committee/board members should be mindful that it is an internal document for their organisation and should not feel inhibited about answering the questions honestly. The aim of the questionnaire is to help committees/boards to review their governance arrangements, check that they have appropriate systems in place and identify areas where they could improve. It is a best practice tool - it is not mandatory.

When you are completing this self-assessment tool it is important to consider the evidence to back up where you feel you are on the scale between not met, partially met and fully met:

- Fully Met: You are confident that the procedure is actively in place and you have the evidence to support it
- Partially Met: You partly carry out the practice or the practice needs adapting or improving and you have some evidence to support it
- Not met: You do not carry out the practice and you have little or no evidence

You can then list the practices in the column entitled 'our evidence'. A list of examples under the 'suggested evidence' section has been included to be used as a prompt. Please note that this is not an exhaustive list as it is recognised that different funded organisations, depending on their activities and beneficiaries, will be subject to various regulations and will therefore need to provide additional evidence to certain questions.

Once weaknesses or areas requiring improvement have been identified, the 'actions' box at the end of the questions under each principle should be filled out.

Principle 1: Leadership

The key principle: leadership is one of the key roles of any Management Committee/Board. Every voluntary and community organisation should be led and controlled by a Management Committee/Board which ensures delivery of its objectives, sets its strategic direction and upholds its values.

Leadership	Not Met	Partially Met	Fully Met	Our Evidence	REF per CVS Standards	Suggested Evidence
Are the activities of the organisation in line with the objectives/purposes laid out in your constitution/articles/deed?					C.1.1	Review service offered Needs assessment Satisfaction surveys Awareness of governing document Committee induction
Does the organisation have a long term plan?					C.1.1	Strategic Plan Business plans
Does the organisation have an annual work plan?					C.1.1 C.1.5 C.1.6	Operational plan Work plans Service level agreements
What procedures are in place to help the committee regularly monitor and evaluate the work of					C.1.5 C.1.6	Staff and/or volunteer reports. Reports to funders Financial reporting against

the organisation?						budget.
						Ongoing monitoring systems
Is the committee clear about who the beneficiaries and stakeholders are?					C.1.1 C.1.5 C.3.3	Records of service users Register of Members Funders Statutory bodies Governing document

Actions required to adhere to Principle 1

Principle 2: Responsibilities, legal requirements and obligations

The key principle: the Management Committee/Board members are equally responsible in law for committee/board actions and decisions. They are collectively responsible and accountable for ensuring that the organisation is performing well, is solvent and complies with all its obligations.

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	REF per CVS Standards	Suggested Evidence
Have the rules outlined in the governing document been followed in relation to: - election of committee / board? - co-opting of new trustees? - annual general meeting? - quorum for meetings? - admission of members?					C.1.1	Constitution Articles of association Trust Deed Rules Bye laws Standing orders Procedures at AGM Minutes
Have you reviewed your governing document in the last three years?					C.1.1	Minutes of general meetings Special resolutions Date of adoption on Governing document

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	REF per CVS Standards	Suggested Evidence
How do you identify whether or not progress is being made against agreed plans?					C.1.1 C.1.4	Organisation plans Action plans Staff and volunteer reports and supervision Reviewed, updated policies Minutes of meetings Monitoring and evaluation
Are you aware of your duty of care to employees, volunteers, service users in terms of health and safety?					C.1.1 C.1.2 C.1.4	Health and Safety Policy and notices Fire and Health and Safety Risk assessments Fire alarms, extinguishers, Accident book Insurance policies First Aid Policies and procedures in line with good practice and legislation

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	REF per CVS Standards	Suggested Evidence
Are you aware of the legal and compliance obligations of the organisation?					C.1.1 C.1.5 C.3.1 C.3.3 C.3.5	Letters of offer Insurance Contracts of Employment Leasing agreements Equal opportunities policy Child protection and vulnerable adult policy Charity law Company law and administration requirements Other
Do you recognise, promote and value equality and diversity?					C.2.1 C.3.1	Equal opportunity policy In the makeup of your committee, staff, volunteers, beneficiaries Training
Have you got appropriate financial systems in place?					C.1.1 C.1.6	Budget Cash book

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	REF per CVS Standards	Suggested Evidence
						Cheque Journal Ledger Management accounts Approved written financial procedures Segregation of duties Required cheque signatories Bank reconciliations
Is the financial reporting to the committee clear, transparent, readily understood by all committee members at each meeting?					C.1.1 C.1.6	Agenda of meetings Treasurer input Management accounts Income and Expenditure sheet Adequate guidance/mentoring
Are your annual accounts externally examined?					C.1.1 C.1.6	Full audit Partial audit (accountant's report) Independent examination

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Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	REF per CVS Standards	Suggested Evidence
Do you know who your full members are?					C.3.3	Register of members
If you have premises and other assets, are they used and maintained effectively?						Repairs Fire Security Renewal Sustainability Used fully for the beneficiaries
Does the committee consider risks (uncertainties, threats), both short-term and long-term, in all aspects of the organisation's work?					C.1.1 C.1.2 C.2.3 C.3.6 C.3.7	Governance Operational Financial External Compliance People Staff Reputation Risk assessments carried out Training

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	REF per CVS Standards	Suggested Evidence
Does the committee/board have clear procedures/guidelines to distinguish between staff and volunteer responsibility?					C.2.1 C.2.2 C.2.4	HR Policies Volunteer policies Organisation charts Role descriptions Job descriptions
Do you meet the legal requirements in relation to the recruitment and management of staff?					C.1.4 C.2.1 C.3.1 C.3.5	Equal opportunity Grievance and disciplinary policies Bullying and harassment Dismissal and redundancy Remuneration Leave entitlements Access NI checks Recruitment and selection training

Actions required to adhere to Principle 2

Principle 3: Effectiveness

The key principle: the Management Committee/Board should have clear responsibilities and functions and should organise itself to carry out these responsibilities effectively.

Effectiveness	Not Met	Partially Met	Fully Met	Our Evidence	REF per CVS Standards	Suggested Evidence
Is the role of your committee/board clearly defined?					C.1.1	Written role descriptions
Are your committee/board meetings effective?					C.1.1	Appropriate agenda Quorums met Minutes Regular reports and other info received Held regularly Well attended
Have you got adequate skills and experience on your committee/board?					C.1.1	Skills audit Training e.g. child protection/recruitment Financial acumen Managing meetings

Effectiveness	Not Met	Partially Met	Fully Met	Our Evidence	REF per CVS Standards	Suggested Evidence
Has your committee/board received appropriate information and guidance in relation to its governance role?					C.1.1	Induction pack/materials Governance training Mentoring Governance events/seminars/conferences Regular policy updates
Have you got appropriate staff management systems in place?					C.2.1 C.2.2 C.2.3 C.2.4	Staff contracts Clear roles Job descriptions and accountability Regular supervision of all staff including most senior staff member Training and development Appropriate HR policies

Effectiveness	Not Met	Partially Met	Fully Met	Our Evidence	REF per CVS Standards	Suggested Evidence
Have you got appropriate systems in place for recruitment and management of volunteers?					C.2.1 C.2.2 C.2.3 C.2.4	Volunteer policy Induction Role descriptions Agreements Volunteer expenses policy Training, supervision Support

Actions required to adhere to Principle 3

Principle 4: Performing, reviewing and renewing

The key principle: the Management Committee/Board should periodically review its own and the organisation's effectiveness and take any necessary steps to ensure that both continue to work well and meet legal requirements.

Performing, reviewing and renewing	Not Met	Partially Met	Fully Met	Our Evidence	REF per CVS Standards	Suggested Evidence
Does the committee/board regularly review its own performance and that of its sub-committees?					C.1.1	Committee members survey Consultation Terms of reference Minutes Use of monitoring and evaluation information incl. outcomes
Does the committee work to attract new members in accordance with its governing document?					C.1.1	Rotational board members? Terms of office? Are committee members replaced when their term of office expires? Process for admitting new board members Identify skills gaps

						Advertising skills gaps
						Recruitment policy
						Board induction
Is your governing document limiting/restricting recruitment to the board?					C.1.1	Review and amend governing document
Does the committee regularly review the organisation's effectiveness against plans and targets?					C.1.1	Monitoring systems Evaluations Satisfaction surveys Staff reports Consultation with stakeholders Regularly review and renew organisation wide policies

Actions required to adhere to Principle 4

Principle 5: Delegation

The key principle: the Management Committee/Board should set out the functions of sub-committees, officers, staff and anyone performing duties on behalf of the Management Committee/Board in clear delegated authorities and should monitor their performance.

Delegation	Not Met	Partially Met	Fully Met	Our evidence	REF per CVS Standards	Evidence
Do the board, staff, volunteers and sub-committee members understand their delegated authorities and have they been appropriately trained?					C.1.1 C.2.1 C.2.3 C.2.4 C.3.3	Organisation chart Terms of ref Role descriptions Job descriptions Minutes Policies Training Mentoring
Does the board monitor and review the implementation of delegated authorities?					C.1.1 C.1.3 C.1.6 C.3.3	Minutes of meetings Reports Evidence of decisions taken in line within agreed parameters Fair distribution of work

Actions required to adhere to Principle 5

Principle 6: Integrity

The key principle: the Management Committee/Board should view maintaining the integrity and interest of the organisation as a primary overriding duty. They should act reasonably at all times in the interests of the organisation and of its present and future beneficiaries, users and/or members. All individual Management Committee/Board members should act according to high ethical standards and ensure that conflicts of interest are properly dealt with.

Integrity	Not Met	Partially Met	Fully Met	Our evidence	REF per CVS Standards	Evidence
Do any of the board members receive payments other than out of pocket expenses?					C.1.1 C.1.6	Is this permitted by the governing document? Policy on payments Conflicts of interest register
What procedures are in place to deal with conflicts of interest?					C.1.1	Conflicts of interest policy Conflicts of interest register Agenda item Governing document Minutes
Do you have procedures in place to deal with gifts and hospitality?					C.1.6	Policy Guidelines
Does the committee have a policy to deal with internal					C.2.1 C.3.1	Code of conduct Clear role boundaries

conflicts?						Governing document
						Legislation
						Complaints procedure

Actions required to adhere to Principle 6

Principle 7: Openness

The key principle: the Management Committee/Board should be open, responsive and accountable to its users, beneficiaries, members, partners, funders and others with an interest in its work.

Openness	Not Met	Partially Met	Fully Met	Our evidence	REF per CVS Standards	Evidence
Is the board open, responsive and accountable to the users, beneficiaries, members, partners, funders and other stakeholders?					C.1.1 C.1.3 C.1.6	Information provided is timely, relevant, accurate and good quality AGM Annual report Newsletter Website Consultations Member/user participation Regular meetings Partnership agreements Reports to funders External audit/evaluation Community audit

Actions required to adhere to Principle 7

Annex 2 – Useful Resources

Online Governance Resources

- www.charitycommissionni.org.uk Details on charity regulation from the Charity Commission for Northern Ireland.

- www.diycommitteeguide.org A useful resource of practical help and support for Management Committees/Boards which has been developed further to map the information to the principles in the Code. It is also a signposting directory which includes links to all Developing Governance Group members including the training and support they offer.

- www.communities-ni.gov.uk Best Practice in Finance and Governance in the Voluntary and Community Sector - a directional and support aid developed by Government and the Sector representatives.

- www.nicva.org Specialist human resources, governance and charity law reform sections containing frequently asked questions and various advice notes.

- www.communityni.org Dedicated social networking site which includes training information and events for the sector.

- www.volunteernow.co.uk Specialist information and guidance on all aspects of volunteering.

- www.equalityni.org Information about equality legislation, plus reports and guidance.

- Copies of the Good Governance Code can be accessed from www.diycommitteeguide.org.

- A digital copy of the Good Governance Review Checklist shown above can be obtained on the VSS website www.vssni.org.