**Mother and Baby Institutions
and Magdalene Laundries**

HEALTH AND WELLBEING
SUPPORT AND SERVICES
FOR SURVIVORS
OF
Mother and Baby Institutions, Magdalene Laundries and Workhouses

Guidance Note on Corporate Governance

GN3/MBMLW

Version 1.0

Contents

Please note: in this document "Programme" refers to Health and Wellbeing (HWB) Support and Services for survivors of Mother & Baby Institutions and Magdalene Laundry Workhouses (MBMLW).

1   Introduction

1.1.   This Guidance Note should be read in conjunction with the Standard Conditions of Grant, the Programme Operating Manual and all other MBMLW 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 MBMLW 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 five 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 five 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.   Five Principles of Good Governance

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

2.2.   The aim of the Five 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.   Training and Development

3.1.   The VSS is committed to provide quality training and development opportunities for funded organisations. VSS may provide future training opportunities to 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 your Programmes Officer.

3.4.   This will be collated by the VSS and incorporated into a training and development plan.

4.   Principle 1 – Roles and Responsibilities

An effective board will provide good governance and leadership by understanding its role and responsibilities

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.

4.1.   **Supporting Principles:**

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

The members of the Management Committee/Board are equally responsible in law for Management 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 in terms of:.

- Setting and safeguarding the vision, values and reputation of the organisation.

- The rules set out in the governing document.

- Their legal duties.

- Their stewardship of assets.

- The organisation's operating environment.

- The structure of the organisation.

- Overseeing the work of the organisation

4.2.   **Supporting Principles:**

4.2.1. **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.

4.2.2. **Internal Controls**

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

4.2.3. **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.

4.2.4. **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.

4.2.5. **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.

4.2.6. **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.

5. Principle 2 – Working Together

An effective board will provide good governance and leadership by working well both as individuals and as a team.

The key principle: The board will have a range of appropriate policies and procedures, knowledge, attitudes and behaviours to enable both individuals and the board to work effectively. The board will plan for its own development and renewal by:

- Providing suitable induction for new board members.

- Providing all board members with opportunities for training and development according to their needs.

- Periodically reviewing their performance both as individuals and as a team.

5.1. **Supporting principles:**

5.1.1. **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.

5.1.2. **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.

5.1.3. **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.

5.1.4. **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.

5.1.5. **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.

5.1.6. **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.

6. Principle 3 – Delivery of Organisational Purpose

An effective board will provide good governance and leadership by ensuring delivery of organisational purpose.

The key principle: The board has ultimate responsibility for directing the activity of the organisation and delivering its stated purposes. It will do this by:

- Ensuring organisational purposes remain relevant and valid.

- Providing public benefit.

- Developing and agreeing a long term strategy.

- Developing operational plans and budgets.

- Monitoring progress and spending against agreed plans and budgets.

- Amending plans and budgets as appropriate.

- Evaluating results, assessing outcomes and impact.

- Maintaining a positive working relationship with volunteers and staff including the most senior member of staff.

6.1 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.

6.2 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.

6.3 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.

7.   Principle 4 – Exercising Control

An effective board will provide good governance and leadership by exercising appropriate control.

The key principle: As the accountable body, the board will maintain and regularly review the organisation's system of internal controls, performance, and policies and procedures, to ensure that:

- The organisation understands and complies with all legal and regulatory requirements that apply to it.

- The organisation has appropriate up to date internal financial and management controls.

- It regularly identifies and reviews the major risks to which the organisation is exposed and has systems to manage those risks.

- Delegation to committees, staff and volunteers (as applicable) works effectively and the use of delegated authority is properly supervised.

- Proper arrangements are in place for the recruitment, supervision, support, appraisal and remuneration of all staff including the most senior member of staff.

- Volunteers are managed and supported

7.1. **Supporting principles:**

7.1.1. **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.

7.1.2. **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.

7.1.3. **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.

7.1.4. **Terms of reference**

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

7.1.5. **Monitoring**

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

8. Principle 5 – Being Open and Accountable

An effective board will provide good governance and leadership by behaving with integrity and by being open and accountable.

The key principle: The board will be open, responsive and accountable, acting at all times with integrity, in the interest of the organisation and its beneficiaries. The board will:

- Act according to high ethical standards.

- Identify, understand and manage conflicts of interest and loyalty.

- Maintain independence of decision making.

- Ensure open communication by informing and consulting people about the organisation and its work.

- Listen and respond to the views of beneficiaries, service users, funders and supporters with an interest in the organisation's work.

- Handle complaints constructively, impartially and efficiently.

- Consider organisational responsibilities to the wider community, society and the environment.

- Consider organisational responsibility in promoting good relations.

8.1. Supporting principles:
8.1.1. 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.

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

8.1.3. **Probity**

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

8.1.4. **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.

8.1.5. **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.

8.1.6. **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.

9 Glossary of Terms

- **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".

- **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.

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

- **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.

- **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.

- **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.

- **Prudence** is care, caution and good judgement as well as wisdom in looking ahead. **Compliance** is the act of conforming to official requirements.

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

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

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

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

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

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

- **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.
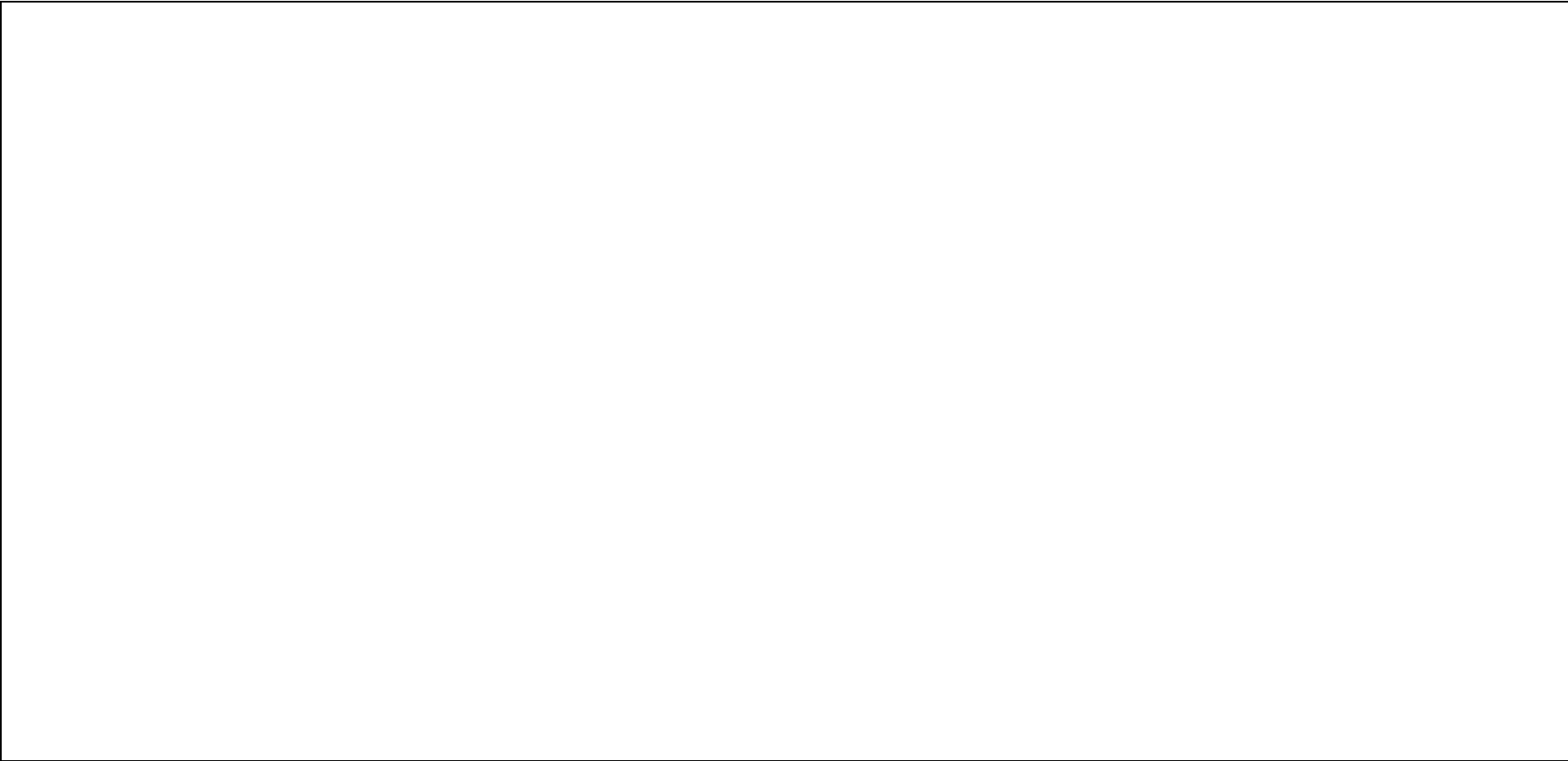
Principle 1: Roles and Responsibilities

The key principle: **An effective board will provide good governance and leadership by understanding its role and responsibilities**

Roles and Responsibilities	Not Met	Partially Met	Fully Met	Our Evidence	Suggested Evidence
Are the activities of the organisation in line with the objectives/purposes laid out in your constitution/articles/deed?					Review service offered Needs assessment Satisfaction surveys Awareness of governing document Committee induction
Is the role of your committee/board clearly defined?					Written role descriptions
Has your committee/board received appropriate information and guidance in relation to its governance role?					Induction pack/materials Governance training Mentoring Governance events/seminars/conferences Regular policy updates

Is the committee clear about who the beneficiaries and stakeholders are?					Records of service users Register of Members Funders Statutory bodies Governing document
Are you aware of the legal and compliance obligations of the organisation?					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

Actions required to adhere to Principle 1

Principle 2: Working Together

The key principle: **An effective board will provide good governance and leadership by working well both as individuals and as a team.**

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	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?					Constitution Articles of association Trust Deed Rules Bye laws Standing orders Procedures at AGM Minutes
Are your committee/board meetings effective?					Appropriate agenda Quorums met Minutes Regular reports and other info received Held regularly

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	Suggested Evidence
					Well attended
Does the committee/board regularly review its own performance and that of its sub-committees?					Committee members survey Consultation Terms of reference Minutes Use of monitoring and evaluation information incl. outcomes
How do you identify whether or not progress is being made against agreed plans?					Organisation plans Action plans Staff and volunteer reports and supervision Reviewed, updated policies Minutes of meetings Monitoring and evaluation
Does the organisation have a long term plan?					Strategic Plan Business plans

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	Suggested Evidence
Does the organisation have an annual work plan?					Operational plan Work plans Service level agreements
Are you aware of your duty of care to employees, volunteers, service users in terms of health and safety?					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
Do you recognise, promote and value equality and diversity?					Equal opportunity policy In the makeup of your committee, staff, volunteers, beneficiaries Training
Is the financial reporting to the committee clear, transparent, readily understood by all					Agenda of meetings Treasurer input Management accounts

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	Suggested Evidence
committee members at each meeting?					Income and Expenditure sheet Adequate guidance/mentoring
Are your annual accounts externally examined?					Full audit Partial audit (accountant's report) Independent examination
Do you know who your full members are?					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/board have clear procedures/guidelines to distinguish between staff and volunteer responsibility?					HR Policies Volunteer policies Organisation charts Role descriptions

Responsibilities, legal requirements and obligations	Not Met	Partially Met	Fully Met	Our evidence	Suggested Evidence
					Job descriptions
Do you meet the legal requirements in relation to the recruitment and management of staff?					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: Delivery of Organisational Purpose

The key principle: **An effective board will provide good governance and leadership by ensuring delivery organisational purpose.**

Effectiveness	Not Met	Partially Met	Fully Met	Our Evidence	Suggested Evidence
Have you reviewed your governing document in the last three years?					Minutes of general meetings Special resolutions Date of adoption on Governing document
What procedures are in place to help the committee regularly monitor and evaluate the work of the organisation?					Staff and/or volunteer reports. Reports to funders Financial reporting against budget. Ongoing monitoring systems
Does the committee regularly review the organisation's effectiveness against plans and targets?					Monitoring systems Evaluations Satisfaction surveys Staff reports Consultation with stakeholders Regularly review and renew organisation wide policies

Have you got appropriate staff management systems in place?					Staff contracts Clear roles Job descriptions and accountability Regular supervision of all staff including most senior staff member Training and development Appropriate HR policies

Actions required to adhere to Principle 2

Principle 4: Exercising Control

The key principle: **An effective board will provide good governance and leadership by exercising appropriate control**.

Performing, reviewing and renewing	Not Met	Partially Met	Fully Met	Our Evidence	Suggested Evidence
Have you got appropriate financial systems in place?					Budget Cash book Cheque Journal Ledger Management accounts Approved written financial procedures Segregation of duties Required cheque signatories Bank reconciliations
Do the board, staff, volunteers and sub-committee members understand their delegated					Organisation chart Terms of ref Role descriptions Job descriptions

authorities and have they been appropriately trained?					Minutes Policies Training Mentoring
Does the board monitor and review the implementation of delegated authorities?					Minutes of meetings Reports Evidence of decisions taken in line within agreed parameters Fair distribution of work
Do you meet the legal requirements in relation to the recruitment and management of staff?					Equal opportunity Grievance and disciplinary policies Bullying and harassment Dismissal and redundancy Remuneration Leave entitlements Access NI checks Recruitment and selection training
Have you got appropriate systems in place for recruitment and management of volunteers?					Volunteer policy Induction Role descriptions

					Agreements
					Volunteer expenses policy
					Training, supervision
					Support
Does the committee consider risks (uncertainties, threats), both short-term and long-term, in all aspects of the organisation's work?					Governance
					Operational
					Financial
					External
					Compliance
					People
					Staff
					Reputation
					Risk assessments carried out
					Training

Actions required to adhere to Principle 4

Principle 5: Being Open and Accountable

The key principle: An effective board will provide good governance and leadership by behaving with integrity and by being open and accountable.

	Not Met	Partially Met	Fully Met	Our evidence	Evidence
Is the board open, responsive and accountable to the users, beneficiaries, members, partners, funders and other stakeholders?					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

Does the committee work to attract new members in accordance with its governing document?					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?					Review and amend governing document
Do any of the board members receive payments other than out of pocket expenses?					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?					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?					Policy Guidelines
Does the committee have a policy to deal with internal conflicts?					Code of conduct Clear role boundaries Governing document Legislation Complaints procedure

Actions required to adhere to Principle 5

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.