



Community &  
Voluntary Services  
cheshire east

# Trustee Roles and Responsibilities

# Welcome and Introductions



## Aims of the Session:

- To give a basic overview of the duties and responsibilities of a trustee.
- To enable new or potential trustees to understand the governance of their organisation.
- To support trustees to become effective trustees of their organisation
- To give information about where trustees can find further help and support .

# Outcomes of the Session

By the end of the session learners will have:

- An overview of the responsibilities of a trustee.
- An opportunity to understand the different ways that a trustee can contribute to an organisation
- The importance of their role in the governance of the organisation

# What does being a Trustee entail?

- Trustees have overall control of a charity and are responsible for making sure the organisation is doing what it was set up to do.
- A trustee's role is to provide checks and balances and oversight of the organisation's performance, ethics, finances and risks.
- This includes ensuring the organisation
  - has the money it needs
  - spends its money sensibly, on the activities it was raised for
  - follows the law, including preparing reports and accounts to send to the Charity Commission or other regulators
  - doesn't break the rules in its governing document (constitution, trust deed or articles)

# Trustee eligibility

Ensuring your trustees are eligible:

- Minimum Age
- Disqualification
- Fit and Proper Persons
- DBS Checks



# Trustee Recruitment (and staff)

## Trustees

- Application Form
- **Eligibility criteria**
- Interviews
- References
- Inductions

## Staff

- Recruitment policy
- Application process  
CV/form, interviews,  
references,
- **Eligibility for Senior staff**
- Employment policies

## Charitable Status

**Definition – exists for exclusively charitable purposes - must be for the public benefit (Charities Act 2011)**

- Registered Charities
- Regulator - Charity Commission
- Unregistered Charities – no official regulator but can still be held accountable



# Public Benefit

- Organisation must demonstrate a clear identifiable benefit which is related to its purpose
- The benefits are to the public or a section of the public
- Any private benefit must be incidental to a charity's work

## Legal requirement:

The Charities Act says that charity trustees must 'have regard' to the Commission's public benefit guidance 'when exercising any powers or duties to which the guidance is relevant'

# What is a governing document?

A governing document is otherwise known as a Constitution/Articles of Association/Trust Deed:

- The purpose of the organisation & how it will be run, decision-making processes, responsibilities & rules
- Read the governing document and ensure you understand it
- Keep your charity's purposes under review to ensure that they properly reflect what the charity does.

*Why is it important ?*

# Key Duties and Responsibilities of Trustees

- Compliance (Comply with your charity's governing document and the law)
- Duty of Care (Act in your charity's best interests)
- Duty of Prudence (Manage your charity's resources responsibly)
- Avoiding conflicts of interest

# Compliance

Comply with your charity's governing document and the law

- With legal requirements
- With requirements of any regulator
- With the terms of the governing document

# Break



# Duty of Care

Act in your charity's best interests

Trustees must:

- Act responsibly and only in the interests of the charity
- Use reasonable care and skill giving enough time , thought and energy to duties as a Trustee
- Make well-informed decisions, taking advice when you need to

# Duty of Prudence

Manage your charity's resources responsibly

- Financial Management
- Keeping Accounts
- Protecting Assets



# New to finance ? What role should you play as a Trustee?

Basic skills needed:

- Know how to read budgets and accounts
- Know how to interpret financial reports
- Have sufficient understanding to know when to ask for professional advice
- Understand and monitor fundraising plan
- Know how to recognise a potential fraud or insolvency situation



## Key finance questions

- Are we running at a gain or a loss?
- Are key expenses under control ?
- Do we have sufficient reserves ?
- Is the cash flow adequate?
- Where are we compared to the budget?
- Is our financial plan consistent with our strategic plan?
- Are we filing reports on time ?

# Conflict of Interest – what is it?

- The first duty as a Trustee is to act in the interests of the Organisation, which means you must put any other interests or personal connections you have to one side whilst acting as a Trustee.
- You must remain independent and not come under the influence of anyone else or any other organisation.
- Anything which might conflict with this duty – or be seen by others as potentially conflicting with this duty - must be managed by the organisation or its reputation could well be damaged

## Situations where a conflict of interest might occur

- Trustee or someone related to them might stand to benefit personally e.g. receive payment goods or services
- Where loyalties are divided because a Trustee is also a member of another organisation with conflicting /competing aspirations

When you realise a potential conflict may arise you must declare it so it can be properly managed by the organisation

## How a conflict of interest can be managed

- Have a Conflict of Interest policy – a code of conduct for Trustees
- Have a Register of Interests so Trustees have to declare other interests
- Have a procedure in meetings for identifying conflicts and withdrawing from discussion and decision.
- Ensure the process is included in the minutes of the meeting

# Main risks for Trustees

- Governance
- Organisational
- Regulatory
- Financial
- Reputational



# How do Trustees reduce the risk of being personally liable?

- By having sensible internal controls – good financial management, policies & procedures, trustee code of conduct
- Everyone in the organisation is clear about their role and responsibilities
- By having insurances which help to manage against the main risks – public liability, employers liability, professional negligence, trustee liability insurance
- By having the right organisational structure which protects Trustees –i.e. incorporation where appropriate
- By taking appropriate professional advice when necessary and investing in board training and development

## Trusteeship in action

- Set and maintain vision
- Develop strategy
- Establish and monitor policies and procedures
- Ensure compliance with governing document
- Ensure accountability
- Ensure compliance with the law
- Maintain proper fiscal oversight
- Respect the domain & role of staff and volunteers
- Maintain effective board performance
- Promote the organisation
- Set up employment procedures
- Select and support the Chief Officer

# Trustee meetings

- Read the papers beforehand
- Make a note of any issues not understood or where you have comments/questions
- Check that there is nothing where you might have to declare a conflict of interest
- Check that you have enough Trustees present for the meeting to be quorate
- During the meeting be prepared to say if you have concerns or ask questions if you do not understand anything
- Make sure your comments are noted
- Send apologies if cannot attend – can still send in written comments/questions to the Chair



# Trustees making decisions

- Trustees make decisions about their charity together, working as a team.
- *They are collectively responsible for the decisions they make.*
- Decisions don't usually need to be unanimous as long as the majority of trustees agree.
- Identify and research potential risks carefully before making a decision, especially before your charity enters into any contracts or borrows money.

# Useful general questions for Trustees

- Are there any current / future issues or risks relating to the conduct of the organisation generally?
- How are we progressing with fundraising targets?
- Do we need to review any contracts or major commitments
- What are the current obstacles and what is not going so well?
- What are the state of our finances including expenditure and adequacy of resources?
- Are we focussing on the right things or have we drifted into activities that are inconsistent with our core aims?
- Are there any areas where we might require some specialist advice? Eg: pensions, redundancies, property, charity law

# Developing your skills as a Trustee

- Trustees can get general information and support about their role from NCVO
- Charity Finance Group can help with accounting and reporting.
- Trustees can get online training in a variety of topics at Trustee E-learning
- CVS offer advice /support and training

# Employed Staff & Trustees

- Avoid disputes and mismanagement by setting clear roles and responsibilities, particularly between:
  - the charity's governance (what your trustee board does)
  - the management and daily running of the charity (what your senior management and staff do)
- Trustees should govern, not manage the charity. This is difficult and needs to be thrashed out between staff and trustees. You should identify between you where the line is drawn - how far should staff go on their own authority?
- Very important the CEO has a good relationship with the Trustees, particularly the Chair.
- Although part of the board, and therefore the employer, a trustee is not part of the management structure and should not undermine management.
- Staff and trustees can often work most effectively together in small working groups set up for a specific purpose. Such groups should have a clear remit and timetable.

# Where to get further help

- CVS Cheshire East – Membership Services Team  
enquiries@cvsce.org.uk [www.cvsce.org.uk](http://www.cvsce.org.uk)  
Trustee Network Events
- National Council for Voluntary Organisations  
[www.ncvo.org.uk](http://www.ncvo.org.uk) especially The Good Trustee Guide
- National Association for Voluntary and Community Action  
[www.navca.org.uk](http://www.navca.org.uk)
- Charity Commission  
<https://www.gov.uk/government/organisations/charity-commission>  
Especially useful is: The Essential Trustee  
<https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3/the-essential-trustee-what-you-need-to-know>

# Any Questions?



# Outcomes of the Session

By the end of the session learners will have:

- An overview of the responsibilities of a trustee.
- An opportunity to understand the different ways that a trustee can contribute to an organisation
- The importance of their role in the governance of the organisation
- <https://www.surveymonkey.co.uk/r/9WTH8HY>

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