



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 .

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

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

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



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

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 the or the National Association for Voluntary and Community Action (NAVCA)
- 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

Where to get further help

- CVS Cheshire East – Membership Services Team
enquiries@cvsce.org.uk www.cvsce.org.uk
- Trustee Network Events
- National Council for Voluntary Organisations
www.ncvo.org.uk especially The Good Trustee Guide
- National Association for Voluntary and Community Action
www.navca.org.uk
- Charity Commission
<https://www.gov.uk/government/organisations/charity-commission>

Check your organisation

GRIPP checklist

This is a checklist that we ask all new members to fill in and it tells us (and you) where any gaps might be in the governance of your charity.

To fill in the checklist go to

www.cvsce.org.uk/help-your-organisation/gripp-online-checklist

It won't take long to fill in and it then generates a report which is sent to you, along with templates of missing documents and an action plan. Your development officer will work with you to fill in any missing gaps.

Any Questions?

