Good governance

A code for the third sector in Wales

Second edition: April 2012

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Good governance
A code for the third sector in Wales

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WCVA is the national umbrella organisation for the third sector in Wales. For over 75 years we have been working with the sector to improve communities and change lives.

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Charities and voluntary organisations have the power to transform the lives of people and communities for the better.

They exist in various shapes and sizes, but whatever the cause or the scale of the project they are all run by people who carry a great deal of responsibility. Not only do those trustees and board members have a responsibility to manage their organisations effectively so that objectives can be achieved, they also have a responsibility to act in a way that promotes and facilitates increased public trust.

Good practice in governance has never been more important than it is now, as difficult financial times and continued changes within the voluntary sector mean that it is vital for trustees and board members to embrace the values of good governance and apply them practically to their specific organisation.

This second edition of Good governance: a code for the third sector in Wales has, like the first edition, been drafted by the sector for the sector. It is now more accessible to smaller, volunteer run organisations and to less experienced boards, and sets out clear common standards that all charities should aspire to achieve.

*Graham Benfield OBE, Chief Executive of Wales Council for Voluntary Action (WCVA)*
Development of the Code

Governance is high on the agenda in all sectors – public, private and voluntary.

As third sector organisations driven by altruistic values and working for public benefit, we are increasingly expected to demonstrate how well we are governed. Good governance is a vital part of how third sector organisations operate and are held accountable.

Other sectors have developed codes over the past decade, including those prepared by the National Housing Federation and Co-operatives UK. In the public sector, the Good Governance Standard for Public Services was introduced in 2004. And the private sector has its UK Corporate Governance Code, which builds on the work of the Cadbury, Greenbury and Higgs inquiries and continues to be developed in light of recent governance failures. The original Good Governance: a Code for the Voluntary and Community sector (the Code) arose from directly expressed needs in the sector. These came from organisations which wanted guidance to clarify the main principles of governance and to help them in decision making, accountability and the work of their boards. In response to these demands, a group of voluntary sector infrastructure associations, with the Charity Commission, came together and decided to work towards developing the Code. Vitally, the Code was developed by and for third sector organisations.

The first Code was published in Wales in 2006 as a living document, with a commitment to update it as a result of feedback from those organisations that engaged with it. Since then there has been new governance thinking arising out of the economic downturn; proportionate governance and behavioural governance. This has led the original code founders to consult on, and publish, a second edition of the Code incorporating new thinking and comments from sector users. As before, feedback is welcomed as to how the Code is being used and how it could be improved, and comments on this edition for Wales should be directed to the Legal Services Officer at WCVA (call the helpdesk on 0800 2888 329).
Using the Code

Terminology:

In the Code we have used the term ‘the board’ to mean the organisation’s governing body. In your organisation it may be called the board (or board of directors or board of governors), the trustees, the management committee or some other name. It is the body with overall responsibility for governing the organisation, overseeing and controlling its management.

The principles of good governance have been designed to be valid for the entire third sector. All board members will need to have access to more detailed guidance on their legal duties. Charity trustees will also need to refer to Charity Commission guidance on charity law and regulation. The good governance characteristics included in this document enable organisations to assess whether they are following sound practice. Given the diversity of the sector, the good governance characteristics may not be applicable to every organisation. They are for guidance and for use in a way that encourages appropriate flexibility – but we anticipate that the ‘apply or explain’ principle will be adopted. If one good governance characteristic appears not to be valid in a particular setting; then an alternative may be sought, but organisations should be prepared to give reasons for that decision.

Other generic principles, for example Nolan (see Principle 5), applicable to virtually all organisations, are recognised as expected good practice and are complementary to these principles.

Specific types of organisations may want to develop this Code and amend it to suit their structure and activities. We welcome this, but urge that modified codes are validated by peer review to ensure they reflect good practice for that type of organisation.

This Code recognises that all organisations should (and frequently must) follow principles and practices that fully recognise diversity in all its forms including age, gender, faith, race, sexual orientation, disability, experience and thinking. Such principles do not feature separately; they are an integral part of good practice throughout any community or voluntary sector organisation.

This version of the Code includes references to employees and their roles in relation to governance. The principles have a universal application but we will develop a separate version in consultation with organisations that have no paid staff.
Introduction

Good governance is essential for the success of any organisation and is now more important than ever.

Board members play a vital role in serving their causes and communities. They bring passion and commitment as well as skills and experience to the organisations they lead.

Boards set the long term vision and protect the reputation and values of their organisations. To make a difference a board needs to have proper procedures and policies in place but it also needs to work well as a team and have good relationships within the organisation. The purpose of these principles is to assist board members to provide strong leadership, enhance their decision making and demonstrate their accountability This will in turn assist the people and causes their organisations were set up to benefit.

The principles set out good practice but these are closely linked with the responsibilities of charity trustees and other legal requirements that may be imposed on board members. Under each principle we have highlighted the areas of law which we consider to be the most relevant.

The six high level principles are designed to be universal and applicable to all third sector organisations. It is the practice and procedures which will vary according to the type and size of the organisation. To support the principles we have included good governance characteristics and set out why we consider the principles to be essential for good governance.

Underlying each principle is the additional principle of equality – that of ensuring equality, diversity and equality of treatment for all sections of the community. We believe that this is fundamental and an essential element of all six principles.

Lindsay Driscoll
Independent Chair, Governance Code Steering Group
An effective board will provide good governance and leadership by:

1. understanding their role
2. ensuring delivery of organisational purpose
3. working effectively both as individuals and a team
4. exercising effective control
5. behaving with integrity
6. being open and accountable.

Principle 1

An effective board will provide good governance and leadership by understanding their role.

Members of the board will understand their role and responsibilities collectively and individually in relation to:

- their legal duties
- their stewardship of assets
- the provisions of the governing document
- the external environment
- the total structure of the organisation
- setting and safeguarding the vision, values and reputation of the organisation
- overseeing the work of the organisation
- managing and supporting staff and volunteers, where applicable.
Principle 2
An effective board will provide good governance and leadership by ensuring delivery of organisational purpose. The board will ensure that the organisation delivers its stated purposes or aims by:
• ensuring organisational purposes remain relevant and valid
• developing and agreeing a long term strategy
• agreeing operational plans and budgets
• monitoring progress and spending against plan and budget
• evaluating results, assessing outcomes and impact
• reviewing and/or amending the plan and budget as appropriate.

Principle 3
An effective board will provide good governance and leadership by working effectively both as individuals and as a team. 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. These will include:
• finding and recruiting new board members to meet the organisation’s changing needs in relation to skills, experience and diversity
• 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.
Principle 4

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

As the accountable body, the board will ensure that:

• the organisation understands and complies with all legal and regulatory requirements that apply to it
• the organisation continues to have good 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.

Principle 5

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

The board will:

• safeguard and promote the organisation’s reputation
• act according to high ethical standards
• identify, understand and manage conflicts of interest and loyalty
• maintain independence of decision making
• deliver impact that best meets the needs of beneficiaries.
Principle 6

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

The board will lead the organisation in being open and accountable, both internally and externally. This will include:

- open communications, informing people about the organisation and its work
- appropriate consultation on significant changes to the organisation’s services or policies
- listening and responding to the views of supporters, funders, beneficiaries, service users and others with an interest in the organisation’s work
- handling complaints constructively, impartially and effectively
- considering the organisation’s responsibilities to the wider community, e.g. its environmental impact.
The Principles – in detail

Principle 1

An effective board will provide good governance and leadership by understanding their role.

Members of the board will understand their role and responsibilities collectively and individually in relation to:

- their legal duties
- their stewardship of assets
- the provisions of the governing document
- the external environment
- the total structure of the organisation

and in terms of:

- setting and safeguarding the vision, values and reputation of the organisation
- overseeing the work of the organisation
- managing and supporting staff and volunteers, where applicable.

Why?

Board members have a duty to act within the legal and regulatory frameworks that apply to them and the organisation. A full understanding of their role and responsibilities, the purpose and structure of the organisation itself and the external environment will help them to fulfil their legal duties and to lead and govern the organisation effectively.

The board should consider how it will set the culture of the organisation. They should lead by example, ensuring that individuals representing the organisation in any capacity do so in a way that positively reflects its values. The ethos and culture of the organisation should underpin the delivery of its activities or services and the achievement of its objects.

Supporting material

For charity trustees, this must include:

- accepting ultimate responsibility for the way the organisation is directed and run in meeting its purposes
- being alert to those matters that cannot be delegated to individual board members or others
• acting at all times in the best interests of the organisation and its beneficiaries (see also Principle 5)
• ensuring the solvency and financial strength of the organisation.
• safeguarding the organisation’s assets and using them only in furtherance of its purposes
• taking a considered, proportionate and balanced approach to risk management
• acting reasonably in their decision making and leadership of the organisation
• recognising and respecting that all board members are equally responsible in law for the board’s decisions
• complying with all relevant legislation and regulation applicable to the organisation and
• the activities it undertakes and making appropriate public statements to confirm that this is the case (see also Principle 4)
• ensuring that all board members are properly appointed and are not disqualified from so acting (see also Principle 3).

Other important things to consider include:

1. ensuring that the organisation provides every board member with all relevant information, including:
   • appropriate induction and training
   • copies of key documents such as the governing document and financial information
   • a generic role description for board members and further descriptions for any specific roles or functions (e.g. chair, treasurer, secretary)
   • guidance produced by regulators and other organisations
   • handbook of other helpful information, including a code of conduct.

2. understanding and ensuring independence of board decision making and action (regardless of how individual board members were appointed) and putting the needs of beneficiaries ahead of any other interests (see also Principle 5)

3. establishing and periodically reviewing statements setting out the vision, mission and values of the organisation. Ensuring that these statements are developed in consultation with the organisation’s stakeholders, that they accurately reflect the objects in the organisation’s governing document, and are effectively communicated and easily understood outside the organisation
4. ensuring that all board members understand their relationship with, and responsibilities towards (as applicable):
   • beneficiaries or service users
   • staff, particularly senior staff
   • members
   • volunteers
   • committees, working groups and advisory groups
   • central office, branches and local or regional offices
   • subsidiary trading companies
   • other organisations with which the organisation formally collaborates

5. being clear about what matters are strategic and what matters are operational in relation to board oversight of the organisation. Avoiding inappropriate involvement in operational matters but taking responsibility for challenging and holding to account senior managers (e.g. the chief executive, senior management team) or other persons, organisations or agencies to whom they have delegated implementation of their strategic decisions

6. where the organisation has a chief executive, following proper and formal arrangements for the chief executive’s appointment, supervision, support, appraisal and remuneration. Being clear which board members are responsible for day to day communication with, and supervision of, the chief executive. Ensuring that the relationship between the board and the chief executive retains an appropriate balance of support, scrutiny and challenge

7. where board members also act as volunteers or employees, being clear about the capacity in which they are acting at any given time

8. ensuring that individual board members do not act on behalf of the board without authority

9. strategically reviewing all aspects of the organisation’s work and functioning to ensure its overall effectiveness.
Principle 2

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

The board will ensure that the organisation delivers its stated purposes or aims by:

- ensuring organisational purposes remain relevant and valid
- developing and agreeing a long term strategy
- agreeing operational plans and budgets
- monitoring progress and spending against plan and budget
- evaluating results, assessing outcomes and impact
- reviewing and/or amending the plan and budget as appropriate.

Why?

The organisation’s aims or purposes are its reason for existing; it should aim to secure the optimum means of fulfilling them. To do otherwise would be failing its beneficiaries, funders and supporters. If board members are committed to the organisation’s purpose, this should drive them to aim to do better for the organisation’s beneficiaries or service users. The board should always bear this in mind, and make decisions in the best interests of the people or cause it aims to help. The board must also ensure that the organisation remains focused on delivering its purposes and avoids ‘mission drift’.

Supporting material

This must include:

- ensuring that all activities, services and functions, particularly new ones, match the stated objects of the organisation as defined primarily in the governing document
- for registered charities, having regard to the Charity Commission’s guidance on public benefit and reporting on the organisation’s public benefit in the statutory Annual Report.
Other important things to consider include:

1. identifying and considering the range of data and information from both internal and external sources to help meet the needs of beneficiaries in line with the organisation’s stated purposes

2. setting short, medium and long term goals and ensuring that organisation-wide strategies are in place to monitor and implement these

3. ensuring that the organisation’s stakeholders are supportive of, and committed to, achieving these goals

4. aligning management reports of organisational activities to the appropriate powers and objects in the governing document

5. assessing service provision against relevant comparators (e.g. similar organisations, suitable quality standards), undertaking periodic reviews of services, and seeking stakeholder feedback where appropriate

6. providing board members with timely and regular management accounts, ensuring that all board members are in a position to read and understand them, in order to make informed decisions

7. the board and senior management team (where applicable) remaining alert to external and environmental factors that could result in the board having to consider whether –
   - the needs of beneficiaries are being met by the state, or the organisational purpose has been achieved in some other way, and therefore the organisation can be wound up or the purposes changed
   - the purposes could be better achieved through collaboration, or where appropriate, merging with one or more other organisation(s) with similar objectives
   - different ways of working may be required to meet the opportunities and challenges presented by developments within the field of operation, including the risk of missing opportunities.

8. having systems in place to measure outcomes, assess impact and enable the board to ensure the organisation delivers its purpose and identify:
   - successes that the organisation can celebrate
   - areas for improvement
   - new opportunities.
Principle 3

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

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. These will include:

- finding and recruiting new board members to meet the organisation’s changing needs in relation to skills, experience and diversity
- 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.

Why?

To work in the best interests of the organisation and its beneficiaries, the board needs to recruit individuals who:

- together have a mixture of knowledge, skills and experience that is relevant to the organisation’s circumstances and needs
- have the requisite characteristics and skills to work as a committed, effective and supportive team, whilst retaining independence of thought and the maturity and ability to challenge constructively
- embody diversity in its widest sense, strengthening decision making by bringing a broad range of backgrounds and perspectives.

Supporting material

This must include:

- complying with any qualifications and all requirements in the governing document concerning who/how many may be appointed as board members, terms of office and manner of appointment
• complying with any requirements in the governing document concerning board meetings

• ensuring that board members are, and remain, eligible to act and that appropriate checks have been carried out (this may include minimum age, statutory disqualification, and CRB checks where applicable; and requiring new board members to sign a declaration of eligibility and willingness to act).

Other important things to consider include:

1. ensuring that the board meets often enough to be effective, that board members are well-prepared and committed to attending and contributing constructively, and that meetings have a well-structured agenda and good chairmanship

2. adhering to a code of conduct which sets out expected standards of behaviour and the consequences of inappropriate behaviour, ensuring that any potential sanctions are in line with the governing document

3. maintaining a strategy for board renewal that will meet the organisation’s changing needs. This will cover maximum terms of office and succession planning, particularly for the chair and other key positions/skills

4. ensuring that beneficiaries and other stakeholders can contribute appropriately and meaningfully to decision making

5. ensuring that the board:
   • collectively provides a mixture of skills, experience, qualities and knowledge appropriate to the organisation and its beneficiaries’ needs, using skills audit and other relevant tools as appropriate
   • takes an active and intelligent approach towards diversity, understanding the term in its widest sense, avoiding tokenism and using board diversity to support its effectiveness
   • is big enough to provide the skills and experience needed, but not so large that decision making becomes unwieldy
   • invests sufficient time in developing positive working relationships amongst themselves and (where applicable) between the board and senior staff, particularly the chief executive
   • acts quickly and positively to deal with any relationship strains or breakdowns, using external facilitation or mediation where appropriate
6. (where it is permitted by the governing document), using a range of ways to recruit board members (such as advertising) to encourage diversity; including formal recruitment procedures and making appointments based on merit, objectively measured against the agreed skills audit and role description.

7. using provisions in the governing document for appointing board members effectively and intelligently, so that (where applicable) elections by members and nominations by external bodies are informed by the skills needs identified by the board, and any power of co-option is used to fill key gaps in board skills.

8. where staff are permitted to become board members by the governing document or other legal power, ensuring that:
   - staff are only appointed as board members where this can be shown to be in the interests of the charity
   - conflicts of interest are identified and properly managed
   - there is clarity about individuals’ roles as staff members and board members

9. setting aside time to reflect on performance and functioning of the board and its committees as teams, and identifying and dealing with any areas for improvement.

10. supporting board members in their training and development, and to facilitate this, periodically reviewing the performance and development needs of each board member.
Principle 4

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

As the accountable body, the board will ensure that:

• the organisation understands and complies with all legal and regulatory requirements that apply to it

• the organisation continues to have good 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.

Why?

The board are ultimately responsible for the decisions and actions of the organisation. Board members need to be assured that everyone acting in the organisation’s name is complying with the board’s directions and the requirements of law or regulation. Boards should provide direction, leadership and oversight without inappropriate involvement in operational matters. Delegation needs to be effectively supervised and monitored.

Supporting material

This must include:

• ensuring, through appropriate policies, procedures and reporting mechanisms, that the organisation understands and complies with all legal and regulatory requirements which apply to the organisation, including where applicable:

  – charity law and the requirements of charity regulators in any country where it operates

  – trust law

  – company law and the requirements of Companies House and other regulators (e.g. CIC regulator)
– industrial and provident society law (to be known as Co-operative and Community Benefit Society Law in the future)

– employment law

– health and safety regulations

– data protection legislation

– equality legislation

– legislation applying to particular activities, such as fundraising, protection of children or vulnerable adults, provision of health or care services, provision of financial advice, housing and tenancy law.

• complying with relevant provisions in the governing document and relevant law concerning the exercise of powers of delegation by the board

• acting prudently to protect the reputation, assets and property of the organisation

• ensuring that the organisation’s assets and property are used only to deliver its stated objects and aims.

Other important things to consider include:

1. regularly reviewing the range and impact of risks the organisation faces, including the risk of missed opportunities and the potential of small risks to snowball into higher impact risks. Considering the impact of each identified risk on beneficiaries or service users, staff and volunteers, long term plans and income generation, and putting in place strategies to manage those risks. This will include having and regularly reviewing a risk register and appropriate risk policy outlining the board’s appetite for risk and how it will manage and limit the impact of identified risks

2. maintaining and regularly reviewing the systems of financial controls, internal controls, performance reporting, policies and procedures, with the board periodically taking steps to assure itself of their effectiveness and relevance to the activities the organisation undertakes and the risks it faces

3. recognising and maximising the value of diversity within the board as a means of identifying and managing risks, especially as a way of challenging institutional assumptions and thinking
4. having clear written terms of reference for committees of the board, advisory groups and panels, and for all delegated authority, which provide sufficient delegated authority and clear boundaries to allow officers, committees, staff, volunteers, consultants and agents to discharge their duty effectively and which are regularly reviewed and updated

5. periodically reviewing the organisation’s committee, advisory group and panel structure to ensure that it continues to meet the organisation’s governance needs

6. allowing the proper exercise of delegated authority by the chief executive and/or other staff and volunteers without inappropriate interference, whilst being sufficiently involved and engaged to properly supervise, hold to account and retain ultimate responsibility for decisions and actions taken, through appropriate systems of monitoring and reporting back

7. taking appropriate professional advice where necessary before making important decisions, especially those involving material risk.
Principle 5

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

The board will:

• safeguard and promote the organisation’s reputation
• act according to high ethical standards
• identify, understand and manage conflicts of interest and loyalty
• maintain independence of decision making
• deliver impact that best meets the needs of beneficiaries.

Why?

The board, both individually and collectively, have ultimate responsibility for the organisation’s funds and assets, including its reputation. They take the lead in setting and championing the values and ethos of the organisation (see Principle 1). It is vital, therefore, that they maintain the respect of beneficiaries, other stakeholders and the public at large, by behaving with integrity both when acting as trustees and more generally. To behave otherwise risks bringing the charity and its work into disrepute.

Supporting material

This must include:

• having in place and scrupulously following governing document provisions, policies and procedures for identifying, declaring and managing conflicts of interest and conflicts of loyalty.

Where board members have a material conflict of interest, managing this may include:

– not voting on, or participating in, discussion of a matter
– not being counted towards the quorum
– withdrawing from that part of the meeting at which a matter is discussed
• if the organisation is a company, ensuring that it complies with company law on the management of conflicts of interest and conflicts of loyalty
• ensuring that the organisation complies with the requirements of ‘whistleblowing’ legislation
• managing relations and boundaries between the organisation and any subsidiary companies, especially where individuals act as board members for both entities
• always taking decisions in the best interests of the organisation and its beneficiaries, ensuring that
  – the decision is within the board’s powers
  – the board is acting in good faith
  – the board has adequately informed itself and is basing its decision on a range of data and information that provides sound understanding of all relevant factors
  – the board is not allowing itself to be swayed by irrelevant factors
  – the decision is within the range of reasonable options open to the board and can be justified as such to stakeholders and regulators

• complying with laws against bribery, including implementing policies and clear guidelines concerning hospitality or gifts, the declaration and recording of offers of gifts or hospitality, and in what circumstances such offers may be accepted or must be refused.
• complying with any statutory or regulatory requirements concerning reporting or disclosure of payments, expenses or other benefits that board members receive from the organisation.

Other important things to consider include:
1. ensuring that the organisation’s values and ethos are enshrined in its policies and practices
2. including standards of ethical behaviour, for example the Nolan Principles* in the code of conduct for board members (see Principle 3)
3. fostering a working environment that supports constructive challenge and welcomes different points of view
4. maintaining a register of interests and declaring an interest even if the board member is unsure of its relevance and potential impact

* The Seven Nolan Principles of Public Life are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership
5. being open and honest in all matters presented to the board where a personal or business relationship may be perceived to impact adversely on (or simply influence) the work of the board or the organisation

6. where possible, seeking to diversify income streams to help ensure that no single funder can exercise undue influence over the actions and decisions of the board

7. where board members or others act as spokespersons for the organisation, ensuring that their personal views are never confused with, or represented as being, those of the organisation

8. board members and other representatives of the organisation should never accept gifts or hospitality where this could be perceived as being likely to influence their decisions

9. ensuring that any statement made on behalf of the organisation is consistent with its mission, vision and values

10. where board members are nominated or appointed by other bodies, being clear that the responsibility as a board member of this organisation is to act and make decisions in the interests of this organisations and its beneficiaries, and not as a delegate or representative of the appointing body

11. ensuring that all board members understand and accept the need to be transparent and honest in all dealings with or on behalf of the organisation, to avoid any public perception of improper conduct. This will include the establishment of an expenses policy and procedures to claim legitimate expenses incurred (see also Principle 6)

12. having in place appropriate policies and procedures for whistleblowing, including safeguards to protect individuals who whistleblow.
Principle 6

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

The board will lead the organisation in being open and accountable, both internally and externally.

This will include:

- open communications, informing people about the organisation and its work
- appropriate consultation on significant changes to the organisation’s services or policies
- listening and responding to the views of supporters, funders, beneficiaries, service users and others with an interest in the organisation’s work
- handling complaints constructively, impartially and effectively
- considering the organisation’s responsibilities to the wider community, e.g. its environmental impact.

Why?

Making accountability real, through genuine and open two-way communication that celebrates successes and demonstrates willingness to learn from mistakes, helps to build trust and confidence with stakeholders and to demonstrate legitimacy when representing them.

Supporting material

This must include:

- fully complying with any legal requirements to produce annual reports and accounts. These should present a balanced and accurate assessment of the organisation’s performance
- holding an annual meeting for members or other stakeholders if required by the organisation’s governing document
- complying with equality legislation
- complying with any applicable legal or regulatory requirements concerning membership records.
Other important things to consider include:

1. identifying those with a legitimate interest in the organisation’s work (users or beneficiaries, staff, volunteers, members, and other stakeholders) and ensuring that there is a strategy for regular and effective communication with them about the organisation’s achievements and work, including the board’s role and the organisation’s objects and values

2. ensuring that these people have the opportunity to hold the board to account and know how to do this appropriately, and that their views inform the organisation’s planning, decision making and strategic reviews

3. demonstrating that the organisation learns from mistakes and errors and how that learning is used to improve organisational performance and internal decision making. This could be by having clear and effective complaints procedures, implementing them constructively and using the process as a valuable source of management information

4. ensuring that the organisation upholds principles of equality and diversity in every sphere of activity, going beyond the legal minimum where appropriate. Information and meetings should be accessible to all sections of the community e.g. by using plain language, offering communications in formats such as audio and Braille and in languages commonly spoken in the communities served

5. in organisations where board members are appointed by a wide membership, ensuring that the organisation:
   - has clear policies on who is and is not eligible for membership of the organisation
   - has clear and accurate and up-to-date membership records
   - keeps members informed about the organisation’s work
   - actively seeks, values and takes into account the views of members on key issues
   - encourages members to participate in the governance of the organisation, clearly informing them about the responsibilities of board membership

6. recognising and acting on broader organisational responsibility towards communities, wider society and the environment, in so far as this does not divert the organisation from achieving its objects.
Founding group contacts

Association of Chief Executives of Voluntary Organisations (ACEVO)

ACEVO connects, develops and represents the third sector’s leaders which include chief executives, chairs, trustees, directors and senior managers.

1 New Oxford Street
London, WC1A 1NU
T: +44 (0) 20 7280 4960
F: +44 (0) 20 7280 4989
E: info@acevo.org.uk
W: http://www.acevo.org.uk

3 Albion Place
Leeds, LS1 6JL
T: +44 (0) 113 243 2333
F: +44 (0) 207 280 4989

Charity Commission

The Charity Commission for England and Wales is established by law as the regulator and registrar of charities in England and Wales. It aims to provide the best possible regulation of these charities in order to increase charities’ efficiency and effectiveness and public confidence and trust in them.

Charity Commission Direct
PO Box 1227, Liverpool
L69 3UG
T: 0845 3000 218
F: 0151 7031 555
E: enquiries@charitycommission.gsi.gov.uk
W: http://www.charity-commission.gov.uk

Small Charities Coalition (SCC) and Charity Trustee Networks (CTN)

These recently-merged organisations provide a range of information and networking opportunities especially for smaller charities and their trustees. These include information bulletins, a listing of training and development opportunities, mentoring services, networks and resources.

24 Stephenson Way
London NW1 2DP
T: 020 7391 4812
F: 020 7391 4808
E: info@smallcharities.org.uk
W: http://www.smallcharities.org.uk
W: http://www.trusteenet.org.uk
Institute of Chartered Secretaries and Administrators (ICSA)

ICSA is the international qualifying and membership body for the Chartered Secretary profession and the world’s leading authority on corporate governance.

16 Park Crescent
London
W1B 1AH
T: (+44) 020 7580 4741
F: (+44) 020 7323 1132
E: info@icsa.co.uk
W: http://www.icsa.org.uk

National Council for Voluntary Organisations (NCVO)

NCVO is the largest umbrella body giving voice and support to civil society in England. NCVO’s Governance and Leadership team champions, supports and enables good governance and effective leadership in civil society organisations. They provide information and support, high quality publications, consultancy and a range of training and events.

Regent’s Wharf
8 All Saints Street
London
N1 9RL
T: 020 7713 6161
F: 020 7713 6300
E: ncvo@ncvo-vol.org.uk
W: http://www.ncvo-vol.org.uk
Useful contacts

Wales Council for Voluntary Action (WCVA)
WCVA is the voice of the voluntary sector in Wales, representing and campaigning for voluntary organisations, volunteers and communities. They provide information, support, training, events and a variety of services to charities and voluntary organisations, championing the work of the voluntary sector in Wales wherever possible.

Baltic House
Mount Stuart Square
Cardiff
CF10 5FH
T: 0800 2888 329
F: 029 2043 1701
Minicom: 0808 180 4080
E: help@wcva.org.uk
W: www.wcva.org.uk

County voluntary councils
There are 19 county voluntary councils (CVCs) in Wales and their key role is to provide advice and information to local third sector organisations. They support voluntary action by supporting volunteering, advising on good practice, providing information on funding sources along with a wide range of other issues.

The contact details for the 19 CVCs are:

Association of Voluntary Organisations in Wrexham (AVOW)
Ty AVOW
21 Egerton Street
Wrexham
LL11 1ND
T: 01978 312556
E: reception2@avow.org
W: www.avow.org

Bridgend Association of Voluntary Organisations (BAVO)
112-113 Commercial Street
Maesteg
CF34 9DL
T: 01656 810400
E: bavo@bavo.org.uk
W: www.bavo.org.uk

Cardiff Third Sector Council (C3SC)
Ground Floor, Brunel House,
2 Fitzalan Road
Cardiff
CF24 0EB
T: 029 2048 5722
F: 029 2046 4196
E: enquiries@c3sc.org.uk
W: www.c3sc.org.uk
### Good governance - A code for the third sector in Wales

**Carmarthenshire Association of Voluntary Services (CAVS)**
18 Queen Street, Carmarthen  SA31 1JT  
T: 01267 245555  
F: 01267 245 550  
E: info@cavs.org.uk  
W: www.cavs.org.uk

**Ceredigion Association of Voluntary Organisations (CAVO)**
Bryndulais, 67 Bridge Street  
Lampeter, Ceredigion  SA48 7AB  
T: 01570 423232  
F: 01570 422427  
E: gen@cavo.org.uk  
W: www.cavo.org.uk

**Conwy Voluntary Services Council (CVSC)**
8 Riviere’s Avenue  
Colwyn Bay, Conwy  LL29 7DP  
T: 01492 534091  
E: mail@cvsc.org.uk  
W: cvsc.org.uk

**Denbighshire Voluntary Services Council (DVSC)**
Naylor Leyland Centre, Well Street  
Ruthin, Denbighshire  LL15 1AF  
T: 01824 702441  
F: 01824 705412  
E: office@dvsc.co.uk  
W: www.dvsc.co.uk

**Flintshire Local Voluntary Council (FLVC)**
Corlan, Mold Business Park  
Wrexham Road, Mold, Flintshire  CH7 1XP  
T: 01352 744000  
E: info@flvc.org.uk  
W: flvc.org.uk

**Gwent Association of Voluntary Organisations (GAVO)**
Ty Derwen, Church Road  
Newport, Gwent  NP19 7EJ  
T: 01633 241550  
F: 01633 241583  
W: www.gavowales.org.uk

**Interlink (Rhonnda Cynon Taff)**
6 Melin Corrwg, Cardiff Road  
Upper Boat  CF37 5BE  
T: 01443 846200  
F: 01443 844843  
W: www.interlinkrct.org.uk

**Mantell Gwynedd**
23-25 Y Bont Bridd, Caernarfon  
Gwynedd  LL55 1AB  
T: 01286 672626  
F: 01286 678430  
E: enquiries@mantellgwynedd.com  
W: www.mantellgwynedd.com

**Medrwn Mon (Isle of Anglesey)**
Unit 5c, Bryn Cefni Industrial Park  
Llangefn, Ynys Môn  LL77 7XA  
T: 01248 724944  
F: 01248 750149  
W: www.medrwnmon.org
Neath Port Talbot Council for Voluntary Services (NPTCVS)
Ty Margaret Thorne
17-19 Alfred Street
Neath SA11 1EF
T: 01639 631246
F: 01639 643368
E: info@nptcvs.org.uk
W: www.nptcvs.com

Pembrokeshire Association of Voluntary Services (PAVS)
36/38 High Street
Haverfordwest
Pembrokeshire SA61 2DA
T: 01437 769422
E: enquiries@pavs.org.uk
W: www.pavs.org.uk

Powys Association of Voluntary Organisations (PAVO)
Marlow, South Crescent
Llandrindod Wells, Powys LD1 5DH
T: 0845 009 3288
F: 01597 828675
W: www.pavo.org.uk

Swansea Council for Voluntary Service (SCVS)
Voluntary Action Centre
7 Walter Road, Swansea SA1 5NF
T: 01792 544000
F: 01792 544037
E: scvs@scvs.org.uk
W: www.scvs.org.uk

Torfaen Voluntary Alliance
Portland Buildings
Commercial Street
Pontypool, Torfaen NP4 6JS
T: 01495 742420
F: 01495 742419
W: www.torfaenvoluntaryalliance.org.uk

Vale Centre for Voluntary Services
(Vale of Glamorgan – VCVS)
Barry Community Enterprise Centre
Skomer Road
Barry CF62 9DA
T: 01446 741706
F: 01446 421442
E: vcvs@valecvs.org.uk
W: www.valecvs.org.uk

Voluntary Action Merthyr Tydfil (VAMT)
Voluntary Action Centre
89-90 Pontmorlais
High Street
Merthyr Tydfil CF47 8UH
T: 01685 353900
F: 01685 353909
E: enquiries@vamt.net
W: www.vamt.net
Charity Finance Directors’ Group (CFDG)
The Charity Finance Directors’ Group is a membership organisation set up in 1987 and specialises in helping charities to manage their accounting, taxation, audit and other finance related functions.

3rd Floor
Downstream Building
1 London Bridge
London
SE1 9BG
T: +44 (0)845 345 3192
F: +44 (0)845 345 3193
E: info@cfdg.org.uk
W: http://www.cfdg.org.uk/cfdg

Companies House
The main functions of Companies House are to incorporate and dissolve limited companies examine and store company information delivered under the Companies Act and related legislation and make this information available to the public.

Crown Way
Maindy
Cardiff
CF14 3UZ
T: +44 (0)303 1234 500
F: 029 20380900
E: enquiries@companies-house.gov.uk
W: http://www.companieshouse.gov.uk

Community Matters
Community Matters is the nationwide federation for community associations and similar organisations across the UK. Originally established as the National Federation of Community Associations in 1945, it has played a key role in promoting and supporting action by ordinary people in response to social, educational and recreational needs in their neighbourhoods and communities.

12-20 Baron Street
London
N1 9LL
T: 020 7837 7887
F: 020 7278 9253
E: info@communitymatters.org.uk
W: www.communitymatters.org.uk
Directory of Social Change (DSC)

Directory of Social Change is an independent charity with a vision of an independent voluntary sector at the heart of social change. It provides essential information and training to the voluntary sector to enable charities to achieve their mission and runs courses and publishes charity and voluntary sector books on fundraising, management, organisational and personal development, communication, finance and law.

24 Stephenson Way  
London  
NW1 2DP  
T: 020 7391 4800  
F: 020 7391 4808  
E: training@dsc.org.uk  
W: www.dsc.org.uk

Federation House  
Hope Street  
Liverpool  
L1 9BW  
T: 0151 708 0117  
F: 0151 708 0139  
E: research@dsc.org.uk

Institute of Fundraising

The Institute of Fundraising is the professional membership body for UK fundraising. Its mission is to support fundraisers, through leadership, representation, standards-setting and education, and it champions and promotes fundraising as a career choice.

Institute of Fundraising Cymru  
1st Floor, 21 Cathedral Road  
Cardiff  
CF11 9HA  
T: 029 2034 0062  
E: cymru@institute-of-fundraising.org.uk  
W: www.institute-of-fundraising.org.uk
About the Code

The Code Steering Group provides stewardship for the Code. It is made up of representative of the original founders, the Association of Chief Executive Officers (ACEVO), Small Charities Coalition (SCC), the Institute of Chartered Secretaries and Administrators (ICSA), the National Council for Voluntary Organisations (NCVO) with support from the Charity Commission and an independent chair.

**ACEVO**
1 New Oxford Street
London WC1A 1NU
Charity Registration: 1114591

**SCC**
24 Stephenson Way
London NW1 2DP
Charity Registration: 1122297

**ICSA**
16 Park Crescent
London W1B 1AH

**NCVO**
Regent’s Wharf
8 All Saints Street
London N1 9RL
Charity Registration: 22592

**WCVA**
Baltic House
Mount Stuart Square
Cardiff CF10 5FH
Charity Registration: 218093