

Trustee role and responsibilities

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The Five Principles of Good Governance

Principle 1: Board Leadership

Every organisation should be led and controlled by an effective Board of Trustees which collectively ensures delivery of its objects, sets its strategic direction and upholds its values. The supporting principles are:

- Trustees have and must accept ultimate responsibility for directing the affairs of their organisation, ensuring it is solvent, well-run, and delivering the outcomes for which it is set up.
- Trustees should focus on the strategic direction of their organisation, and avoid becoming involved in day today operational decisions and matters.

Principle 2: The Board in Control

The Trustees as a Board should collectively be responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent, and complies with all its obligations. The supporting principles are:

- The Board must ensure that the organisation complies with its own governing document, relevant laws, and the requirements of any regulatory bodies.
- The Board should maintain and regularly review the organisation's system of internal controls, performance reporting, policies and procedures.
- The Board must act prudently to protect the assets and property of the organisation, and ensure that they are used to deliver the organisation's objectives.
- The Board must regularly review the risks to which the organisation is subject, and take action to mitigate risks identified.
- The Board should ensure that it upholds and applies the principles of equality and diversity, and that the organisation is fair and open to all sections of the community in all of its activities.

Principle 3: The High Performance Board

The Board should have clear responsibilities and functions, and should compose and organise itself to discharge them effectively. The supporting principles are:

- Trustees should understand their duties and responsibilities and should have a statement defining them.
- The Board should organise its work to ensure that it makes the most effective use of the time, skills and knowledge of trustees.
- Trustees should ensure that they receive the advice and information they need in order to make good decisions.

- The Trustees should have the diverse range of skills, experience and knowledge needed to run the organisation effectively.
- Trustees should ensure that they receive the necessary induction, training and ongoing support needed to discharge their duties.
- The Board should make proper arrangements for the supervision, support, appraisal and remuneration of its chief executive.

Principle 4: Board Review and Renewal

The Board should periodically review its own and the organisation's effectiveness and take any necessary steps to ensure that both continue to work well. The supporting principles are:

- The Board should regularly review and assess its own performance, that of individual Trustees, and of sub-committees.
- The Board should have a strategy for its own renewal. Recruitment of new Trustees should be open and focused on creating a diverse and effective Board.
- The Board should periodically carry out strategic reviews of all aspects of the organisation's work, and use the results to inform positive change and innovation.

Principle 5: Board Delegation

The Board should set out the functions of sub-committees, officers, the chief executive, other staff and agents in clear delegated authorities and should monitor their performance. The supporting principles are:

- The Board should define the roles and responsibilities of the chair and other honorary officers in writing.
- The Board should ensure that staff and agents have sufficient delegated authority to discharge their duties. All delegated authorities must have clear limits relating to budgetary and other matters.
- The Board should set clear terms of reference for subcommittees.
- All delegated authorities must be subject to regular monitoring by the Board.

Trustee Role Description

Overall Purpose

The Board of Trustees are jointly and severally responsible for the overall governance and strategic direction of the charity, and financial health, probity of its activities, developing the organisation's aims, objectives and goals in accordance with the governing document, legal and regulatory guidelines.

All trustees are individually responsible in law for the Board's actions and decisions and have equal status as Trustees. They should be aware of, and understand, their individual and collective responsibilities, and should not be overly reliant on one or more individual trustees in any particular aspect of the governance of the charity. For example, all trustees should be able to read the financial accounts, legal agreements or course prospectuses to a level that they can ask questions and comprehend answers of a general nature.

Each and every Trustee must act personally, and not as the representative of any group or organisation. They must ensure that they remain independent and do not come under the control of any external organisation or individual.

As the board are responsible and liable for the governance and functioning of the charity, they are accountable in varying degrees to a variety of stakeholders, including: beneficiaries, customers and suppliers, staff, the Charity Commission, and other regulators (e.g. Companies House) and the wider community.

Main Responsibilities

- To ensure that the charity, and its representatives, function within all legal and regulatory requirements applicable, and in line with the organisation's governing document, continually striving for best practice in governance
- To determine the overall direction and development of the charity through good governance and clear strategic planning
- To maintain the fiduciary duty invested in the position, undertaking such duties in a way that adds to public confidence and trust in the charity
- To take appropriate professional advice in all matters where there may be a material risk to the charity, or where the trustees may be in breach of their duties
- To avoid any personal conflict of interest
- To manage and use the resources of the charity so as to optimise its potential
- To ensure that robust systems are in place for internal financial control and the protection of the charity's funds and assets
- To achieve the purpose of the charity and to pursue the charitable objects, and provide public benefit
- To act with integrity, using reasonable levels of care, skill and diligence and applying the principles of the Charity Governance Code for Large Charities

Main Duties

- Ensuring compliance with the objects, purposes and values of the organisation, and with its Memorandum and Articles of Association.
- Approving policies, plans and budgets to achieve those objects and monitoring performance against them.
- Ensuring the solvency, financial strength and good performance of the organisation.
- Ensuring the organisation complies with all relevant laws, regulations and requirements of its regulators.
- Ensuring a fully effective and appropriate system for the recruitment, appointment and monitoring of the work and activities of the chief executive officer and, where applicable, other members of the senior management team.
- Setting and maintaining a framework of delegation.
- Maintaining sound financial management and control of the charity's resources.
- Ensuring risk is identified and managed and ratifying all policies and decisions on matters which might create significant risk to the organisation, financial or otherwise.

Statutory Duties

- Charity and company law impose the following duties on Trustees:
- Duty to act in the best interests of the charity at all times, and to the benefit of present and future beneficiaries, in accordance with the charity's Memorandum and Articles of Association.
- Duty to protect the charity's property and resources
- Duty to ensure the solvency and effective running of the charity
- Duty to ensure there are effective controls in place to monitor and regularly review the charity's finance and administration systems.
- Duty to take responsibility for the appointment and ongoing management of the chief executive officer and ensure that any duties delegated to the officer do not impinge on those of the Trustee Board.
- Duty to agree the strategic direction of the charity.
- Duty to ensure that all risks to the charity are identified and steps established to mitigate those risks.
- Duty to endorse the charity's statement of investment principles and reserves policy and monitor the charity's compliance with these principles and policies.
- Duty to not personally profit from their position unless relevant permission has been gained from the Charity Commission.
- Duty to ensure that proper minutes are kept recording the deliberations and decisions of meetings of the Board of Trustees and any sub-committees.
- Duty to ensure appropriate records are kept relating to accounts and financial matters and that they are independently examined and filed with Companies House and the Charity Commission.
- Duty to comply with any other legal or regulatory requirements relevant to the charity's activities such as:
 - Health & safety
 - Employment law
 - Money laundering and proceeds of crime regulations
 - Data protection
- Duty to promote the success of the charity
- Duty to exercise independent judgement and use reasonable care, skill and diligence.
- Duty to avoid conflicts of interest and to declare interests in proposed transactions or agreements.