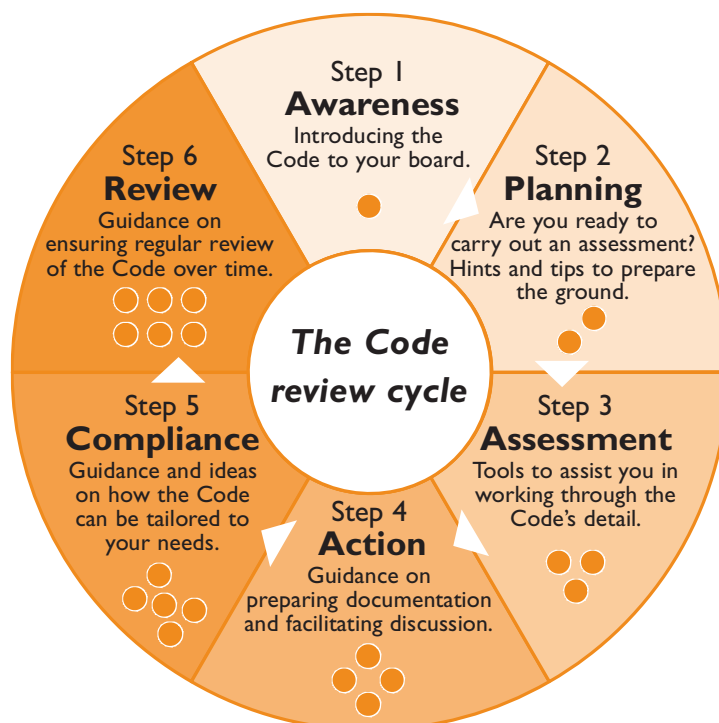


Method 2: An assessment with the detail of the Code

This section sets out a suggested method for reviewing your governance arrangements against the detail in the Code of Governance. It includes a step-by-step six-stage process along with tools and examples from organisations that have already carried out a review.



How your review might work in practice

If you follow the six-step method in this section, your review may look like this:

1. Hold an exercise with the board to raise awareness of the Code (see page 34), agree to take forward a review and agree to set up a review group. Pledge your support for the Code using the Governance Hub's online charter and on your website.
2. Form a review group made up of trustees, staff and a service user or organisation member.
3. Hold a review group meeting to carry out a quick "summary assessment" of the Code (see page 38). Prioritise which of the Code areas you will work on first.
4. Carry out a detailed assessment of the first priority area (you may assess more than one area at once if you have time and people to work with you). Agree action points and divide up tasks (e.g. one pair drafts a job description; another plans a workshop). Make amendments to the Code to suit your organisation's circumstances.
5. Report back to the board to: gain their approval for suggested changes; seek their views on ideas or draft documents; hold discussions; run a training session. Compile all the documents and evidence in a file accompanying the Code.
6. Repeat steps 4 and 5 until all seven areas of the Code have been assessed.
7. Formally adopt the Code as your organisation's governance handbook. State your compliance using the Governance hub's online charter and in your annual report.

● Step 1 – Awareness

Ideas to raise awareness of the Code in your organisation

- Use the suggested exercise in the box below to introduce the Code to the board, carry out a quick “taster” assessment and decide on a plan to take the Code forward.
- Run an exercise from section 3 on the roles and responsibilities of the board. Here, an introduction to good governance gives a “taster” about what the Code covers and can help the board see the practical value of using the Code.

Exercise 1 *Getting started with the Code (allow up to 60 minutes)*



Learning objectives:

As a result of this exercise, the board should be able to describe the benefits of using the Code and agree the overall plan for reviewing their organisation’s governance using the Code.



How to:

1. **Circulate the Code to board members** and ask board members to read through it before a meeting.
2. **At the meeting**, provide a brief overview to the Code using the information in Sections 1 and 2 of this toolkit (a sample presentation can be **downloaded** from the Governance Hub website).
3. **Trustees divide into groups**. Each group is given one or two areas from the Code (e.g. board leadership and the board in control) and tasked with a quick assessment called “candle; question mark; arrow.” Each group reads through and reflects on the area(s). The group then identifies a new idea (a candle), a challenge (a question mark) and an action point (an arrow) from each area.
4. **Feedback to the whole group and discuss findings**. Look at the list of question marks and arrow points. Do they point to the need for a review of the Code? If so, how detailed is the review likely to be?
5. **Discussion of the next steps**. What happens next? Who will take forward the review? (see step 2 for further guidance)

Involving staff:

If you employ staff, try this exercise with those likely to be involved in the Code – your chief executive, senior management team or staff with responsibility for supporting the board.

Step 2 – Planning

Before you start an assessment of the detail of the whole Code, it pays to plan ahead and be sure you are ready to commit the time and resources. An honest assessment of your readiness will allow you to judge whether it is the right time for you and the pace at which you can realistically progress.

Checklist: are you ready to embark on an a full assessment of the Code?

Before you start an assessment of the Code, think through the following questions.

If you can answer yes to all of them you are probably ready to undertake the task.

- Is your organisation in a relatively stable period (for example, you are not undergoing a merger or crisis)?
- Is there adequate leadership in place (for example a good working relationship between board and staff/volunteers) to be able to take forward recommendations that arise from the review?
- Is the board ready to examine its own performance, to commit the time to the review and, if necessary, make changes to working practices?
- Are staff (if you employ staff) ready to commit the time, examine their own performance in relation to governance and, if necessary, make changes to working practices?
- Are there sufficient resources in place (people to undertake work and/or a cash budget) to carry out the review?

Why we embarked on a review of the Code of Governance

Allergy UK: “There was a recognition from the Board of Trustees that they had to assume full responsibility for the governance of the organisation but it was also recognised that there were differing views within the Board on exactly what this meant”

Suffolk Association of Voluntary Organisations: “Experience suggested that many issues and problems faced by voluntary groups can be routed back to poor governance. As an infrastructure group supporting over 5000 groups in Suffolk, it is vital that our own Governance practice is good”

Planning ahead

Here are three questions to help shape your approach to the assessment:

1. Who will participate in the conduct of the review?

First, consider appointing a “Code champion” or asking someone to volunteer. This can be a member of the trustee board who takes the overall lead on the Code. It is not suggested the “champion” carries out all of the detailed work on the Code, but rather helps the board keep the Code (literally) on the agenda, keep progress on track and maintain momentum. Think of them as the “leader” for this project.

Next, make a list of people who are willing to contribute additional time to the review with the Code champion. Ask for commitments from trustees, staff and, if you feel it appropriate, an outside advisor, service user, member or other interested group. Consider those who:

- have the authority and overview to be able to take forward what may be significant changes to your organisation or
- who have the interest and/or knowledge in governance to contribute to discussions.

Consider setting up a **review group** – a working group reporting to the board – based on the list of people you have drawn up. A review group allows individuals with a range of different roles to oversee the process. It takes pressure off board meetings and if you have a staff team does not rely on staff solely to steer the process. Sample terms of reference for a review group is available to **download** from the Governance Hub website.



Identify other members of the organisation who may be affected by the assessment. Individual members of staff (or heads of department in larger organisations) may be required to conduct detailed reviews or draft new documents. Are they aware of the forthcoming work on the Code and are they ready to be involved?

2. How much time do you have to spend?

Be realistic and set out what you want to achieve. Then halve this list! It is far better to make good progress in a certain area, than to end up giving up because you've taken on too much. Working through the detail of the entire Code could take a significant amount of time. Are you envisaging spending a few hours at a meeting or away day; an agenda item at a couple of board meetings; or a number of months to work through a comprehensive assessment? Do you have a deadline (for example a forthcoming AGM) where you are keen to publicise your adoption of the Code?

3. What is your budget?

Do you have one? Do you have access to outside help (for example, your voluntary sector association or a consultant)? You may find you need to put in place board training or a facilitator for an away day. Some funders will support work like this, so you could apply for small grant to cover the costs of your work on the Code. Contact the Governance Hub for guidance.

A budget for governance development

Your budget may include:

Meeting room hire and refreshments	Travel expenses for trustees
Communication support (e.g. signer)	Trainer/facilitator fees (@ £x per day)
Trainer/facilitator expenses (@ £x per day)	Office costs (telephone, stationery, postage)
Staff time (@£x per day)	Overheads (contribution to rent, utilities, management etc.)
Legal fees (e.g. to review the governing document) (@ £x)	

Step 3 – Assessment

In this step, statement F8 from the Code of Governance is used as an illustration. F8 says:

“The board may wish to set up sub-committees, advisory groups, panels or other bodies to assist with its work. Such bodies should have clear, written terms of reference in addition to any delegated authority”.

A version of the Code is available online which has been formatted to help you assess your organisation’s governance against the Code – see the illustration on page 39

Starting out – a summary assessment

If you launch straight into the detail of the Code, you may find it difficult to prioritise and become overwhelmed by small action points.

Instead, a summary assessment can broadly identify where your organisation compares with the Code. The result of the assessment should be to draw up a priority list of those areas of the Code you will start work on first. For example, as a result of a quick assessment you may identify a lot of action points in Board Delegation, and decide you will concentrate on a thorough assessment of this area first.



This summary assessment could be carried out by members of your review group, if you have set one up; or by the whole board. You may decide to hold an away day (say, half a day) or hold a dedicated board meeting (if you do this, ensure you have allocated sufficient time and can get through routine business quickly!).

What we did: Suffolk Association of Voluntary Organisations (SAVO)

“SAVO’s Corporate Services Manager and Training Manager went through the Code, checking their activities, policies, processes and practices against the detail of the sections. This led to a report to the full senior management team and a discussion of actions and changes required.

The chief executive briefed the chairperson in the regular meetings held between them. A trustee board paper was prepared including a summary of recommendations of items to be agreed by the board. This was taken to a board meeting and adopted.”

A suggested exercise is set out overleaf (see box).

At the end of this step, you should have drawn up a priority list of the order in which you will work on the seven areas of the Code. You may decide to take more than one area at once, depending on how many people are working with you and how much work you think is involved. Agree a timescale for when you will work on each area, including when you will report back to the board.

Exercise 2 Summary assessment



How to:

- 1. Make copies of the assessment version of the Code** (see download page 37) for each member of the group. Ask each person to read through the Code before a meeting, comparing how the organisation, in their opinion, meets each supporting principle and “scoring” each supporting principle appropriately.
- 2. At the meeting, divide into groups.** Each group is given one or two areas from the Code (board leadership, the board in control etc) with the copies from each person*, and tasked with identifying the top three action points for this area.
(*if you have the resources you could ask for the completed copies of the Code to be returned in advance, collate the responses and make a “matrix” of responses for each area for the groups to consider)
- 3. Feedback and discuss findings.** Look at the three highest scoring areas and take time to celebrate these as strengths of your organisation. Now look at the lowest scoring areas. Put them in order of priority and agree how and who you will take forward the detailed work.

Illustration:

In the summary review, F8 – “terms of reference” – was scored as follows

	Comply	Part comply	Don't comply	N/A	Action/evidence	Date
F8 (Terms of reference)		✓			Do all committees have terms of reference?	

In-depth assessment

You can now use your priority list to conduct in-depth assessments of specific parts of the Code. Here you will be working through each statement in turn (e.g. B1, B2, B3), assessing how your organisation compares to the stated practice and how any gaps can be filled: is it relevant to your organisation? If so, how do we comply? If it is not relevant, what practice should we adopt instead?

In the box opposite are listed seven questions. These questions are designed to help you identify the actions you may need to take to comply with a specific part of the Code, the urgency of complying and the type of input you will need from the board.

What we did: Voluntary Arts Network

Voluntary Arts Network (VAN)'s “governance review task and finish group” co-ordinated the review of the Code. The group consisted of seven people: key officers from the board, the chief executive officer and a senior manager.

They set up “Tiger Teams,” consisting of four or five individuals – staff, board members and other volunteers, including one or two members of the governance review group – who each looked at one or two of the principles in the Code.

VAN's approach involved as wide a spread of interested parties as possible, whilst keeping the number of people in each discussion small enough to enable consensus to be reached.

Code review questions

Take a statement in the Code. **F8 is used as an illustration.**

1. Check understanding

How far do you understand the statement?

- I don't know what this means or implies
- I have some idea what this means, but I'm not really clear about it
- I know what this means, but don't know how to achieve it
- I know what this means and how to achieve it

Illustration: F8 is clear and covers the written documents that are accurate, current and being properly used.

2. Identify evidence

In assessing your organisation's compliance, what do you think you need to look for?

- A policy, procedure or protocol
- Some other written document (e.g. business plan or board paper)
- Awareness or behaviour amongst individuals (e.g. how the board conducts its meetings)

Illustration: for F8 I need to find all committee terms of reference, the date they were adopted and compare them with meeting minutes to check the procedures are still being followed.

3. Relevance of statement

The statement is:

- Fully applicable to our organisation
- Applicable in part to our organisation but requires amendment
- Not applicable to our organisation

Illustration: F8 is applicable because we already have sub-committees as authorised in our governing document.

4. Do we comply?

I would describe what we do now as:

- No evidence we comply
- We partly comply (limited, inconsistent or not very effective)
- We comply – adequate, good or best practice

Illustration: we partly comply with F8 – the terms of reference for the finance committee are out of date and do not seem to be in line with current practice.

5. How can we comply or improve?

Make specific suggestions. For example:

- A document requires revision
- A new document is required
- A discussion or other action is required by the board
- A possible training need

Illustration: F8 requires a document revision and discussion or action by the board.

6. How important is this?

- Urgent – critical to mission or current breach of law or regulation
- Important – important gap or omission
- Desirable – required action but not urgent
- Low priority – not significant but desirable

Illustration: F8 is urgent because we are not following our own agreed practices.

7. What type of decision will be required in order to comply?

- A *discussion point* – further detailed discussion is required by the board before progress can be made
- A *Yes in principle* – Agreement in principle is required by the board before progress can be made
- A *Quick win* – Agreement can be sought from the board without detailed discussion
- A *General meeting* – A decision is ultimately required by members
- Board decision not required

Illustration: F8 is a quick win because most work and discussion can take place by the review group and the finance committee.

(This framework was adapted from guidance produced by Richmond Council for Voluntary Service)

What we did: Voluntary Arts Network

When the Voluntary Arts Network (VAN) carried out their detailed assessment, they used the following principles: determine and document current custom and practice; assess consistency of practice throughout VAN; make recommendations to the Board for any necessary changes in practice and policy.

Illustration: When F8 was assessed in detail the following actions were recorded

	Comply	Part comply	Don't comply	N/A	Action/evidence	Date
F8 (Terms of reference)		✓			Finance committee terms of reference in place but not reviewed for 5 years. Membership does not reflect terms of reference. Action: Recommend the finance committee review terms of reference using exercise on page 44 of toolkit.	July

Draw up an action plan to help you identify how to take forward the details. Here is an example:

Illustration: the action plan contained the following information about F8.

Item	Action	Who	When	Board input	Date
F8 (Terms of reference)	Review terms of reference and membership of finance committee	Finance committee	June	For approval July	July



Step 4 – Action

By now you will have identified specific action points which may involve, for example

- holding discussions with the board on a particular issue – for example, how to recruit new board members
- gaining the board’s approval in principle to take forward work on a topic – for example, conducting a review of board recruitment practices
- drafting new documents for board approval – for example, a conflicts of interest policy

You may have found that some items require approval by members at a general meeting. Or you may have decided that some statements require amendment to be fit your organisation’s own rules.

Below are some hints and tips on how you can take forward detailed action points.

Actions where board approval or input is needed

You’ll be needing to juggle Code of Governance matters as an agenda item with many other pressing issues – so think ahead to how you can make best use of the whole board’s time.

Discussion points

Some complex issues will require the board to spend time in discussion or feedback – for example, a discussion about board/staff relationships. For these items, try not to present more than one issue at a time, unless you are confident it is an issue that can be resolved in a short space of time or if you have allocated a chunk of time, such as at an away day. These discussion points are vital times for the board to provide face to face input.

Quick wins

You may have a number of “quick wins” you can sweep up – minor changes to documents and policies, for example (like the illustration above). These “quick wins” require board approval but with relatively little discussion at the board meeting. They can help keep momentum going.

“Yes in principles”

You could also ask the board to agree in principle to taking forward an idea. You may want to pilot a method over a short timescale (for example a new format for board papers) which may not require detailed board discussion immediately.

Actions where training, development or briefing of the board is needed

B4 says that “all trustees are equally responsible in law for the board’s actions and decisions...”. There are a number of statements in the Code like B4 that don’t simply point to a written document but instead suggest a level of knowledge and awareness of a governance issue amongst trustees and staff.

The exercises in section 3 are designed to help your board comply with aspects of the Code which point to the knowledge and awareness amongst trustees. The trustee quiz on page 13 helps clarify duties and responsibilities in an interactive session. Remember to run these types of sessions regularly as a refresher and update for board members and as part of trustee and staff inductions.

Actions where documents require drafting or revising

You may need to draft new procedures or amend terms of reference. Here are four methods of drafting documentation:

“Under the bus” approach

This approach, adopted by Allergy UK, is where documents are drafted in such a way that: “if for some reason the entire board and Senior Management Team were to be completely taken out of action, a new team could walk into the organisation, read the procedures and take it forward with the minimum of disruption to the services the organisation provides” (from Allergy UK).

“Straw dolls” approach

At the Voluntary Arts Network (VAN), small working groups were asked to work on draft documentation as “straw dolls” – draft documents that were sent round to board members and staff for comments before a final draft was presented for board approval. VAN felt “it was important that all felt free to maul and pull apart the straw dolls.”

Drawing on best practice

At Suffolk Action for Voluntary Organisations, new documents are written drawing on as many examples as possible, primarily from voluntary sector sources but also from statutory and private sector examples. The best elements of each examples are compiled to fit in within the organisation’s policy structures. Where appropriate, legal opinion is sought.

Group input

Some documents can be initially drafted by group discussion. This helps bring together a range of views to clarify a document’s main purpose. The following exercise can be used to draft an outline terms of reference for a sub-committee or working group – or it can be adapted to draft other documents. The detailed draft should be prepared by one person (to avoid writing by committee!).

Exercise 3 *Drawing up a sub-committee terms of reference*

Learning objectives:

As a result of this exercise, participants should be able to write down the purpose of a sub-committee.



How to:

- 1. Preparation:** check your governing document and standing orders to see what they say about forming sub-committees in your organisation.
- 2. At the meeting, split into small groups** and consider the following questions:
 - What is the purpose of the proposed committee?
 - Will it be able to make decisions or will it only be able to make recommendations for others to approve?
 - Will it have its own budget to spend?
 - Who will the committee report to?
- 3. Report back** and agree a purpose, level of authority and line of reporting.
Work through the remaining questions as a group.
 - What skills and competencies will be required from committee members?
 - Will any specific individuals need to be members of the committee (treasurer, members, advisors)?
 - Who will be the chair?
- 4. Agree one individual** to draft a terms of reference for board approval.
The terms of reference should include the above points plus:
 - How often will the committee need to meet?
 - Will the committee need to meet at a particular time (e.g. day/month)?
 - How long should meetings last?
 - Who will take minutes?
 - What will the quorum (minimum number of members for the meeting to be valid) be?
 - What is the name of the committee?



Step 5 – Compliance

This step outlines some practical ways the Code can be adopted by your organisation. You may want to adopt the Code as a handbook, or to announce your work on the Code publicly. You do not need to wait until you have finished your review to carry out this step!

The Code as a Governance Handbook

A number of organisations are already adopting the Code as their organisation's own code of practice. Documents such as your organisation's policies and procedures can be collated with your code to turn it into your Governance Handbook.

In order to turn the Code into your own code of practice, you will need to adapt the language of the Code. Try this procedure suggested by the National Association of Gifted Children:

- Where the Code says “must“, amend to say “do” or “will do”
- Where the Code says “should” or “may consider”:
 - if the item is relevant to you, say either “do” or “will do”
 - if the item requires some amendment to fit your circumstances, then say either “do” or “will do” and amend the sentence as appropriate to your organisation
 - if the item is not applicable, state this and, if relevant, the reasons why



A text version of Code of Governance is available to **download**. Please acknowledge the source of your code as being *Good Governance: the Code for the Voluntary and Community Sector*.

Demonstrating you comply with the Code

To demonstrate to your organisation, and the outside world, that you comply (or are working to comply) with the Code, you could:

- included a statement in your organisation's annual report (a practice to be adopted by Suffolk Action for Voluntary Organisations)
- formally adopt the Code at your organisation's Annual General Meeting (a practice to be adopted by Allergy UK)
- upload the Code to your organisation's website as a governance reference guide and a public demonstration of and commitment to good governance in your organisation (a practice to be adopted by Allergy UK)
- register with the Governance Hub's online charter (see section 6).



Step 6 – Review

The Code is not a static document to be left on the shelf. You may find your organisation changes over time in terms of its objectives, services or board membership.

- You should agree to review your compliance with the Code on a regular basis (for example every two years).
- You could also use the Code to facilitate a regular discussion or hold a self-assessment with board members, every year or two years. This could help bring board members up to speed on their responsibilities and also identify where board members see areas of strength and weakness. A discussion or self-assessment could use the method on page 32.