

Practical Guide to the Governance Code & its Implementation

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About The Wheel

- Representative and support body for community, voluntary and charity organisations
- Almost 1,200 members
- Supporting good practice:
 - Governance
 - Leadership
 - Collaboration



What is 'governance'?

Governance refers to how an organisation is
run, directed and controlled.



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What is GOOD 'governance'?

Good governance means an organisation will **design** and **put in place policies and procedures** that will make sure the organisation runs **effectively**.



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Governance in one line:

The Board Remains
Responsible!

**(there can be no delegation
of responsibility)**



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What is good governance?

The Governance Code for Community, Voluntary & Charitable Organisations... (and that includes nonprofits and Arts Organisations!)



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Who's behind it?

1. Boardmatch Ireland
2. Business in the Community
3. Carmichael Centre
4. Clann Credo
5. Disability Federation of Ireland
6. ICTR
7. Volunteer Ireland
8. The Wheel



PLUS

- Arthur Cox Solicitors
- Corporate Governance Association of Ireland
- Sheila Cahill Consulting



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What is the Governance Code?



- It is a **framework of Principles**, and a **process** arising from adopting them, which will assist nonprofit groups to perform to the highest possible standards.
- It is a **voluntary code** - developed **by** the nonprofit sector, **for** the sector.



What is the Governance Code?

- It is written for board members, Chairpersons, charity trustees, management committees.
- It is a 'comply or explain' code.
- It embodies 'best in class' behaviour.



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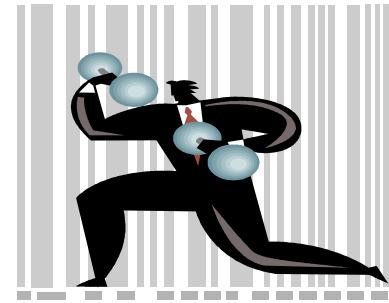


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1. Leading the organisation
2. Exercising control
3. Transparency and accountability
4. Working effectively
5. Behaving with integrity

Five Principles of Good Governance



- **Three categories** of organisations based on how they are governed (the 3- 'hats')
- The **five main principles** and the fifteen sub-principles are the same for all categories
- Only the **action points** vary between categories
- **Checklists** for required actions for all three



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A proportionate approach

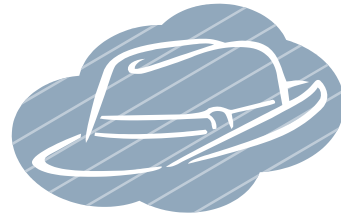
www.governancecode.ie



- Overseeing the work of the organisation:
Governance



- Organising the daily work: **Management**



- Carrying out the work of the organisation:
Operations



The 3 'hats' of board members



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There are **THREE** categories of organisations:

- **Type A-** No staff. ***Board members do governance, management and operations.***
- **Type B-** One or more staff. ***Board members primarily involved with governance but with some management and operational responsibility.***
- **Type C-** Any number of staff reporting to a Manager/Artistic Director/CEO. ***Board members solely involved in governance.***



The benefits to your organisation in adopting the Governance Code:

- It will help you ***achieve your goals*** faster
- It will ***reduce costs***
- Widespread adoption across the nonprofit sector ***will help everyone involved:***
 - the public
 - the beneficiaries of your organisation
 - the sector and its reputation
- ***Simply - It is the right thing to do!***



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What is good governance for me as a board member?

A practical run-through the Code

[the 'dummy's guide'!]



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What should I know as a board member about good governance?

The best boards:

1. provide leadership
2. exercise control
3. are transparent and accountable
4. work effectively
5. behave with integrity

1. provide leadership

- Do you know that the organisation you are a board member of has a written mission statement / written purpose?
- Do you have a written multi-year plan with budgets?
- Is it clear, **in writing**, who does the work and who are they accountable to? [for staff and



2. Exercise control

- Do you know your own legal obligations as a board member?
- Do you know that your organisation has appropriate financial management in place?
- What are the risks to the organisation you are a board member of and how do you



3. are transparent and accountable

- Do you know who you, as a board member, need to communicate with and how do you do it?
- How do you ensure that your organisation listens to people's views about the work of the organisation?
- How do you seek feedback from the beneficiaries & stakeholders of your group?



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4. work effectively

- Do board members, including you, understand their roles and responsibilities? Is it written down?
- Are board meetings efficient and effective? How do you know?
- Is suitable board development, recruitment and retirement in place?



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5. behave with integrity

- Do you have a Code of Conduct for board members?
- How do you deal with conflicts of interest/loyalties?
- How do you safeguard the organisation's reputation?



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A useful place to start:

- Is the current board of this organisation ‘fit for purpose’?
- What will my presence on the board deliver for this organisation?
- How can I contribute to the board’s renewal?

What comes next:

1. Make a formal board commitment to the 'journey of compliance with Governance Code'.
2. Download relevant checklist from www.governancecode.ie
3. Fill it in (with relevant board & staff).
4. Actions / timelines / responsibilities.
5. Progress update at board meetings/board reports
6. Careful re energy levels



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Lessons to share from those who've done it:

1. Chairperson's / board leadership is key.
 - Address that first and foremost!
2. Judgement and reasonableness above all else.
 - 'spirit of the law' as opposed to the 'letter'
 - Common sense balanced with honest appraisal
3. Acknowledge the 'journey' aspect
 - ongoing process of culture change & practice clarifications



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Lessons to share from those who've done it:

4. Form a subgroup / working group to progress it
 - Board members plus mgmt / staff
5. Form clusters/networks of peers who are on the journey.
 - Role for support organisations/larger organisations?
6. Use templates, **ALWAYS** personalising them
 - From The Wheel... and many others!

Lessons to share from those who've done it:

*“You’ll hate it, and you’ll love it....
undoubtedly, our organisation is the
better for it....Just start it....NOW!”*



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Thank You

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