

## THE FIVE CORE PRINCIPLES

### **ORGANISATIONAL PURPOSE**

A well-run board is clear about the purpose and values of the organisation and how it will achieve its aims.

### **LEADERSHIP**

A well-run board is clear about its role and responsibilities and provides strategic direction in line with the organisation's purpose, vision and values.

### **BOARD BEHAVIOUR**

A well-run board, both collectively and individually, embraces and demonstrates mutual respect, integrity, openness and accountability.

### **CONTROL**

A well-run board will develop and implement appropriate controls to direct and oversee progress and performance of the organisation.

### **EFFECTIVENESS**

A well-run board understands its role, powers and duties and works collectively and proactively, to achieve its organisational purpose.

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[www.governancecode.scot](http://www.governancecode.scot)

## Case studies

**Discussion question:**

*What are the key issues about governance in the case study?*

**Please appoint a reporter for your group. The reporter will be asked to share a maximum of 3 key issues with the wider group.**

### **CASE STUDY 1: Organisational purpose**

The new Treasurer at the Allenbank Housing Association (AHA) looks through the association's accounts in some detail. She realises the Community Nursery is no longer financially viable. AHA, essentially a housing provider, took on the Community Nursery to save it from closure.

The Nursery is run by a sub-group of the AHA Board with the expectation it 'washes its face'; however, this is not happening.

The Treasurer proposes to the Board, that instead of closing the nursery, AHA provides nursery places to families in a wider geographical area than Allenbank and seeks grants for special needs provision.

### **CASE STUDY 2: Leadership**

The Chief Officer is alert to the fast-changing environment following the Covid-19 crisis and is aware of needing to react to opportunities to sustain the organisation's work. He decides to commit the organisation to two major initiatives.

When challenged by the Board members as to why they were not involved the Chief Officer said he really had no choice and anyway he was in the best position to decide given his knowledge and considerable reputation.

## The Scottish Governance Code for the Third Sector

### **CASE STUDY 3: Board behaviour**

Clare has recently been diagnosed as having multiple sclerosis. To help her manage her situation, and sympathy for others with multiple sclerosis, she has joined the Board of MS Highlands (MSH).

At MSH there is talk of a Respite Centre in Oban near where she lives; a service that would greatly assist her as the disease progresses. Hence when the opportunity arises Clare puts the case for the Centre in Oban being a priority.

### **CASE STUDY 4: Control**

A Board member is worried and arranges to meet with the Chair. A refurbishment project is eighteen months late, partly because of the Lockdown, and the Board has not had any substantial information on the financial implication of this delay. The Chair gives a spirited defence of the Leadership Team, and demands of remote working, and recommends the Board member gives them the benefit of doubt and trusts them.

### **CASE STUDY 5: Effectiveness**

Because of cuts in funding, after the pandemic, the paid post of PR + Media Director was made redundant. A Board Member, until recently Marketing Director of Biofuel UK, volunteered to do the PR and marketing, including being accountable to the CEO. The Board Member expects to remain a Trustee, i.e. on the Board.

## Resilience Post Covid-19

### **ORGANISATIONAL PURPOSE**

Re-affirm fundamental values and commitments core to the vision, purpose and ways of working of your organisation. Celebrate surviving and the contribution everyone has made, whilst acknowledging the 'cost'.

### **LEADERSHIP**

Based on sound information assess where the greatest impact has been, for example, on elements of the service or aspects of campaign and / or morale of staff and volunteers. Decide on what to consolidate and what changes are necessary and devise strategies for the short and longer term.

### **BOARD BEHAVIOUR**

In all deliberations and communication be trustworthy, i.e. act with integrity, be open and as far as possible be transparent.

Make good damaged relations (i) within the Board and (i) with staff by re-affirming core values and the commitment of Board members to the vision and purpose.

### **CONTROL**

Ensure legal requirements are met. Check core structures and processes are in place, for example Duty of Care and Health and Safety, and actively adhere to them. Have robust recording, data collection and communication. Devise schedule for checking and updating priority procedures and plan for any necessary training.

### **EFFECTIVENESS**

Work to fulfil the responsibilities of Trustees being thoughtful about the boundaries between governance and operations. Commit to working in collaboration, as a Board, with staff and with volunteers. Promote good communication both internally and with external organisations, clients and supporters.

## THE FIVE CORE PRINCIPLES: selected resources list

### ORGANISATIONAL PURPOSE

Office of the Scottish Charity Regulator (OSCR)

Contact: OSCR, Quadrant House, 9 Riverside Drive, Dundee DD1 4NY or 01382 220446 or visit [www.oscr.org.uk](http://www.oscr.org.uk)

OSCR produces many guides for managing your charity including:

Guidance and Good Practice for Charity Trustees, 'Charity Trustee Guidance', June 2016, OSCR: see [www.oscr.org.uk/media/2301/guidance-and-good-practice-for-charity-trustees-final-web-version.pdf](http://www.oscr.org.uk/media/2301/guidance-and-good-practice-for-charity-trustees-final-web-version.pdf).

### LEADERSHIP

A Chair's Compass: A guide for Chairs of charities and non-profit organisations, Ruth Lesirge & Rosalind Oakley, 2014: [www.associationofchairs.org.uk](http://www.associationofchairs.org.uk)

### BOARD BEHAVIOUR

Managing Conflicts of Interest: A guide for charity board members', November 2015: Australian Charities and Not-for-profits Commission: [www.acnc.gov.au/ACNC/Publications/COUguide/COUIGuide1.aspx](http://www.acnc.gov.au/ACNC/Publications/COUguide/COUIGuide1.aspx)

### CONTROL

Rethinking Risk: Beyond the tick box, Sayer +Vincent, 2016. Published by Charity Finance Group and Sayer Vincent LLP

### EFFECTIVENESS

'Good Governance Check-up' [www.governancecode.scot](http://www.governancecode.scot) & [www.scvo.org.uk/goodgovernance.scot](http://www.scvo.org.uk/goodgovernance.scot)

### Further resources

<https://scotlandsgovernanceforumblog.wordpress.com/category/resources/>