

Fact Sheet 5 – Good Governance

Governance is ultimately about the systems and processes concerned with ensuring the overall direction, supervision and accountability of an organisation. Being able to effectively govern an organisation is a pivotal step in ensuring successful operation.

Governance will generally involve:

- Ensuring a mission and strategy is developed
- Ensuring the organisation is well managed
- Responsibility for the allocation of resources
- Responsibility for monitoring performance
- Ensuring legal requirements are met

It is easy to confuse governance with management, but they are very different. In short, governance is the responsibility of the board (committee, trustee board, or similar), while management is the responsibility of the staff; for example the board set policy and the staff implement it.

The Role of the Board

Effective boards recognise that the task of running a board is both complex and subtle, and that developing a strong and effective board is vital in ensuring success. Broadly speaking a board has a dual role:

- Developing the organisation
- Developing its own function and operation

Boards are generally a partnership of people, often from a range of different backgrounds and with different motivations, who work as a group to direct the organisation. They provide leadership, guidance and good judgement, and have a legal duty to work in the best interests of the organisation.

Developing a Strong Board

Key to the good governance of an organisation is a strong board. Attracting the right members is therefore fundamental. This often requires identifying who would be beneficial for a board, for example based on a skills audit of the skills held and the skills needed.

However, getting the correct balance between skills and representation can be a dilemma, as it is rarely the case that individual board members hold the correct skills and are truly representative. Boards often therefore involve service users as well as external specialists, and work as a team to make decisions.

When organisations grow, it is usual to create committees or specific groups to take responsibility for some of the board's work. Committees can increase the efficiency of the board; however added bureaucracy can delay decisions if not managed properly.

Key Roles on the Board

Getting the correct membership of a board is key, and three commonplace roles include:

- **Chair.** The figurehead of the organisation that has a special role within the board and the wider organisation. The Chair is responsible for the performance of the board, and is the linkage between board and staff.
- **Secretary.** An administrative role, for example arranging meetings of the board and any sub-committees, and ensuring documentation is accurately returned to Companies House and/or the Charity Commission.
- **Treasurer.** Concerned with leading and monitoring the financial matters of the organisation, and reporting to the board about the organisation's financial health.

For further details about how Pulse Regeneration can help, please contact us.

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