



One Minute Tips on Governance

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Compass Partnership



**Third
Sector**

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Foreword

When charities are in the news, it is often because something has not been properly dealt with around the board table. Governance is a subtle, multi-faceted subject and the rules are far from simple.

Third Sector magazine wanted to offer readers cumulative insights into the complexities of good governance without asking too much of their time. We came up with Checklist, a fortnightly column of no more than 200 words that would make two or three key points.

There was some resistance among our expert contributors: it can be much harder to write concisely than at length. But Mike Hudson and others rose to the challenge and Checklist ran for more than five years without running out of important subject matter, simply dealt with.

I'm delighted that Mike, rather than leave his wide contributions sitting in the archive of our website, has collected them into a booklet for wider distribution. Each page takes only one minute to read but leaves you with a lot to think about: there should be a copy by every trustee's bed.

Stephen Cook

Editor

Third Sector

Introduction

Compass Partnership has a strong commitment to sharing learning from our consultancy work with as many people as possible. We also make significant investment in evidence based research into the governance and management of civil society organisations.

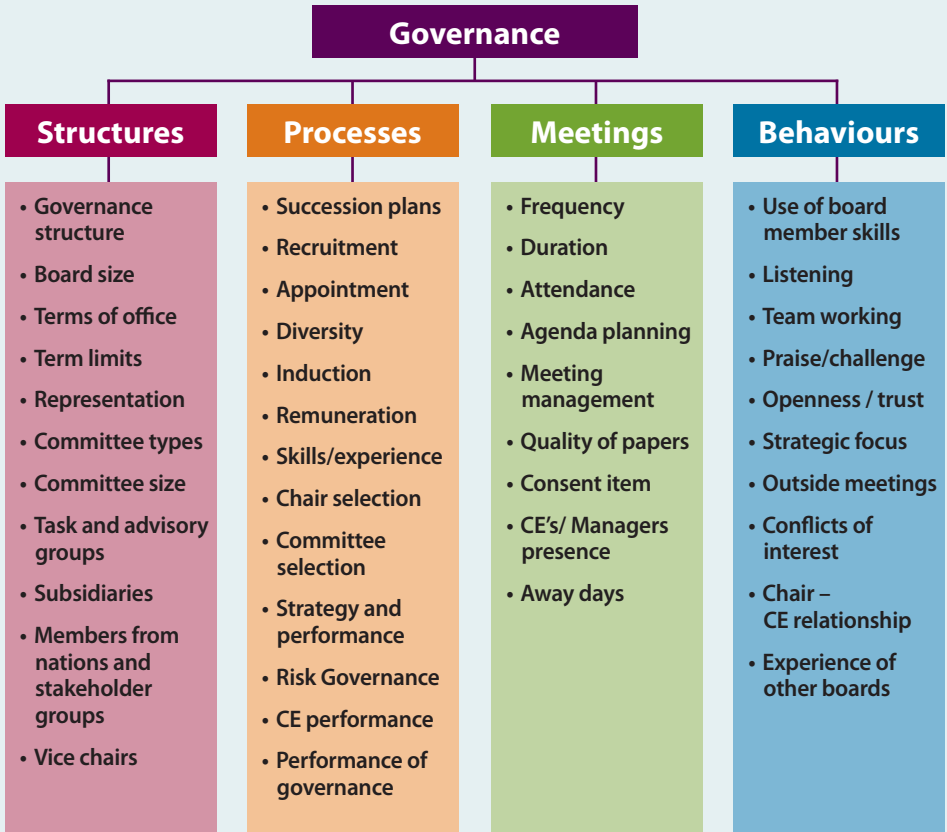
The booklet brings both those commitments together by promoting our learning and structuring it under the four headings of the Compass – Cass Business School model of governance.

This model (shown overleaf) identifies the wide range of characteristics that need to be managed to deliver effective governance. It was developed through our research (*Delivering Effective Governance*, DSC, 2012) that pinpointed the most important determinants of effective governance. That work demonstrated that whilst the structures and processes of governance need to be well managed, the best boards pay particular attention to team working and board member behaviours.

The articles written for Third Sector on these topics have been brought together in this booklet and lightly edited to provide a compendium of topical guidance for anyone involved in the governance of civil society organisations.

Compass-Cass Governance Model

The determinants of effective governance include:



Governance Structures

Lead trustees – boon or bane

Lead trustees are members of a board who take particular responsibility for an area of work - for example, as a treasurer. Other functions for which there might be a lead trustee include finance, fundraising, services, campaigns and human resources.

There are strongly held arguments in favour of lead trustees. Boards are more comfortable if a member with relevant experience takes on such responsibilities. And being a lead trustee enables the organisation to make better use of trustee expertise.

It can also strengthen relationships between the board and management. In some cases, the board member can be a voluntary 'coach' for the relevant senior manager.

There are also strong arguments against lead trustees including the ever-present danger of lead members becoming complicit with management, finding it increasingly difficult to remain independent and objective. Lead trustees can further blur the often murky boundary between governance and management.

When there is a clear role and holders are aware of the dangers, lead trustees can be valuable. Otherwise, all board members should give their full attention to aspects of governance and not rely on a few colleagues to shoulder particular responsibilities.