



Charity Accountants' conference: Trustee responsibilities

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Relationships are key



What's your purpose?



Where are you going?



: a natural or legal person to whom property is legally committed to be administered for the benefit of a beneficiary (such as a person or a charitable organization)

: one to whom something is entrusted

a situation in which someone's money or property is managed by another person or organization:

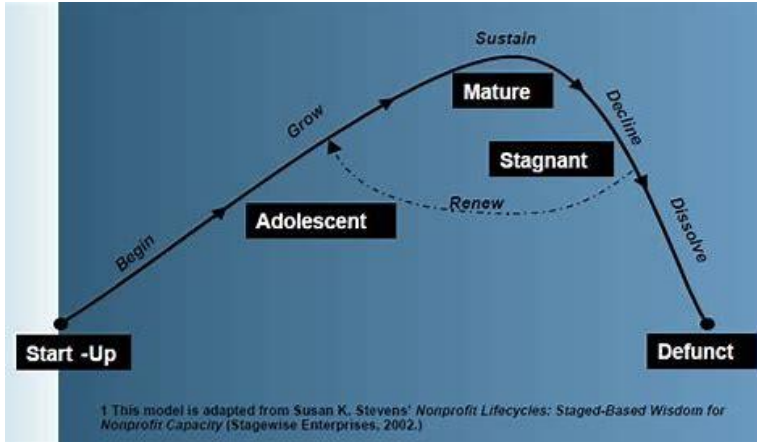
law

an individual person or member of a board given control or powers of administration of property in trust with a legal obligation to administer it solely for the purposes specified:



Purpose?

- What is your charity set up to do?
- How are you doing this?
- Are resources being used in the best way to achieve this?
- Is everything you are doing (still) aligned to your charitable purpose?
- Can you be doing this differently?
- Should it be you?



CC3

The essential trustee: what you need to know



Legal & Regulatory

- What you need to be mindful of
 - Managing conflicts of interest
 - No personal benefit
 - Decision making
 - Collective responsibility
- What you need to take care of
 - Managing finances
 - Safeguarding people
 - Reporting responsibilities
 - Whistleblowing
 - Cyber security





Summary: Director & Trustee duties

Company Director

- Act within the constitution
- Promote the success of the company
- Exercise independent judgement
- Exercise reasonable skill, care and diligence
- Avoid conflicts of interest
- Not accept benefits from third parties
- Declare personal interests
- Adhere to public reporting requirements

Charity Trustee

- Have ultimate responsibility for charity and its affairs
- Act at all times in the best interests of the charity's charitable purposes; and pursue for the public benefit
- Act with the care and diligence that is reasonable to expect of someone managing the affairs of another person
- Identify and manage conflicts of interest
- No personal benefit
- Adhere to public reporting requirements
- Use funds as determined by donor/funder



Collective responsibility



Charity Commission Guide

[Managing charity finances – GOV.UK](https://www.gov.uk)
www.gov.uk

- Protect your charity's money
- Know your charity's financial position
- Keep accurate financial records
- Manage expenses and payments to trustees
- Deal with financial problems quickly



Charity Commission Guidance

- Trading
- Fundraising
- Investing
- Fraud
- Financial difficulties



Your funds

Total funds

Unrestricted

Restricted

General

Designated

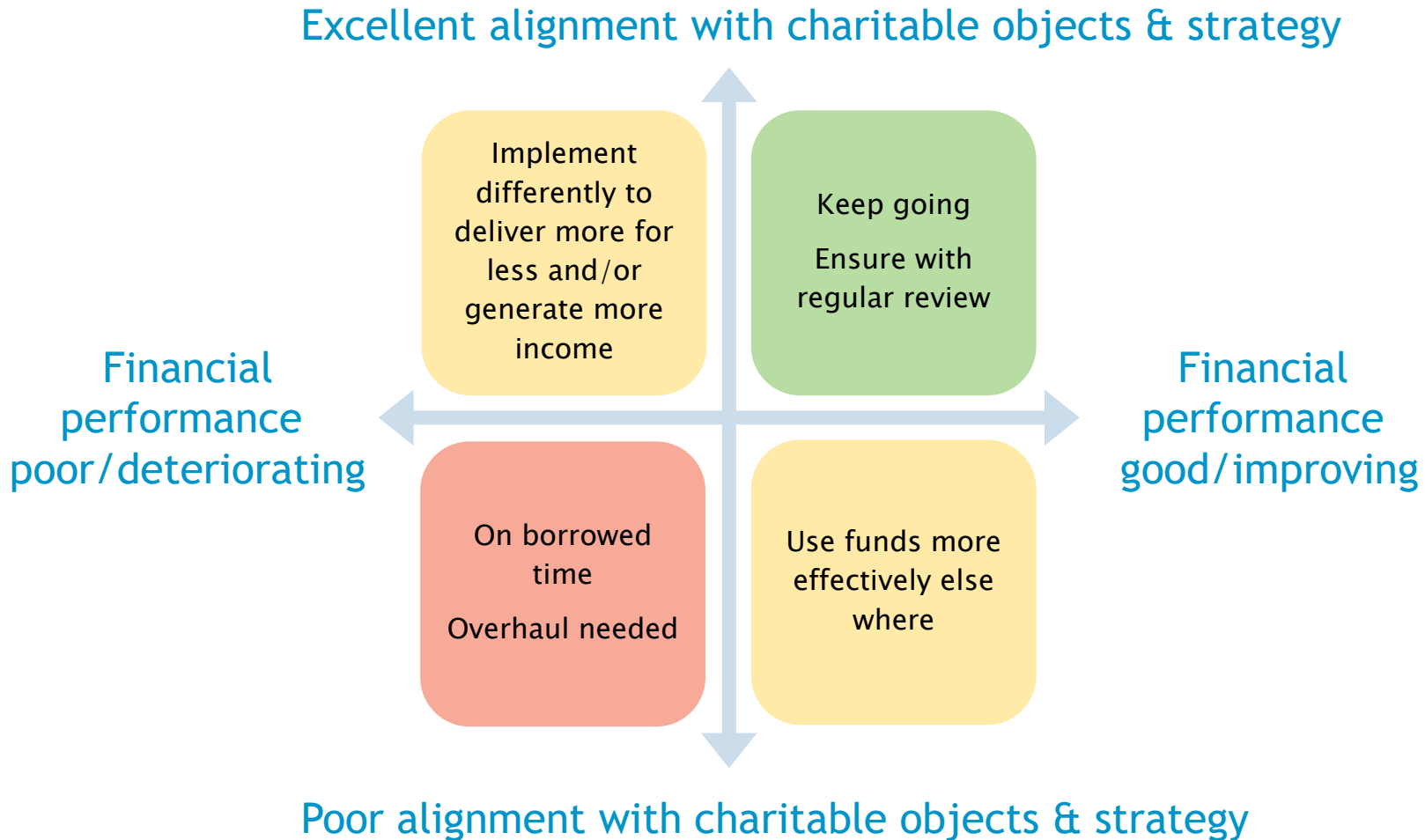
Income

Endowment (capital)

Permanent

Expendable

Choices





What is the role of the board?

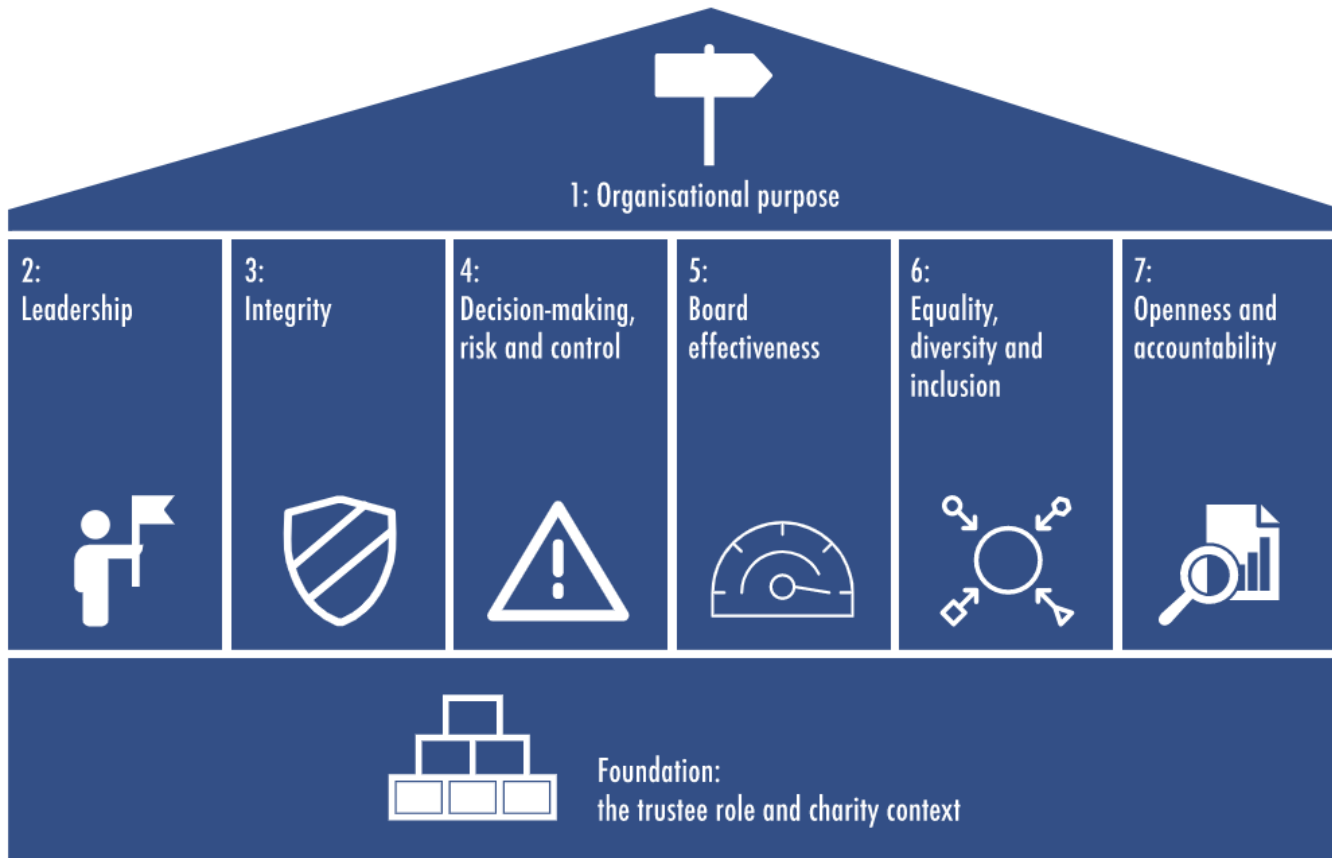
- Key themes – direction and oversight
- “Here to govern, not manage...but ensure great management is done”
- Collective responsibility
 - “All of a charity’s trustees must share responsibility for the running of the charity, and for decisions that are taken”
 - “You must all make sure, as a team, that the charity is run properly, responsibly and lawfully”



Translating into what you do....

- Agree, review and ensure compliance with the vision and mission
- Establish strategies, policies and plans to achieve the organisation's goals
- Establish and oversee a framework of risk management, delegation and systems of controls
- Agree policies and make decisions on significant matters
- Approve each year's budget and accounts, confirm going concern status
- Monitor the organisation's performance in relation to plans, budgets, controls and decisions
- Appraise and guide the CEO
- Satisfy itself that the organisation's affairs are conducted properly
- Doing the above within governance framework – i.e. the Charity Governance code

Charity Governance Code



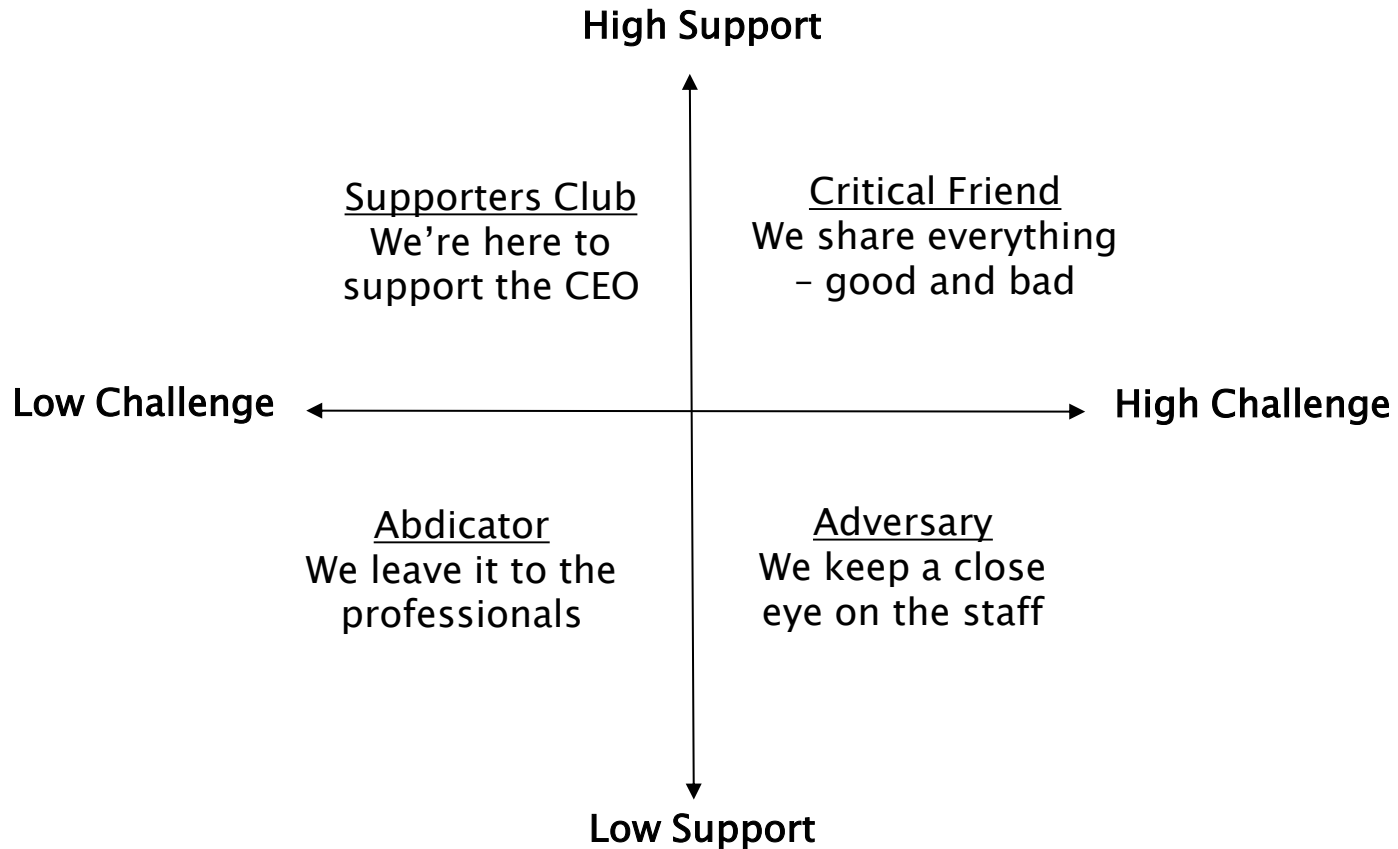
Working together

- Make time for the relationships, show up for formal & social events
- Know what the time commitment is
- Prepare for meetings
- Asking for more information
- Listening & questioning for impact
- Don't assume you have nothing to add
- Make it normal to take about what's not working, change and endings
- Board & trustee evaluation

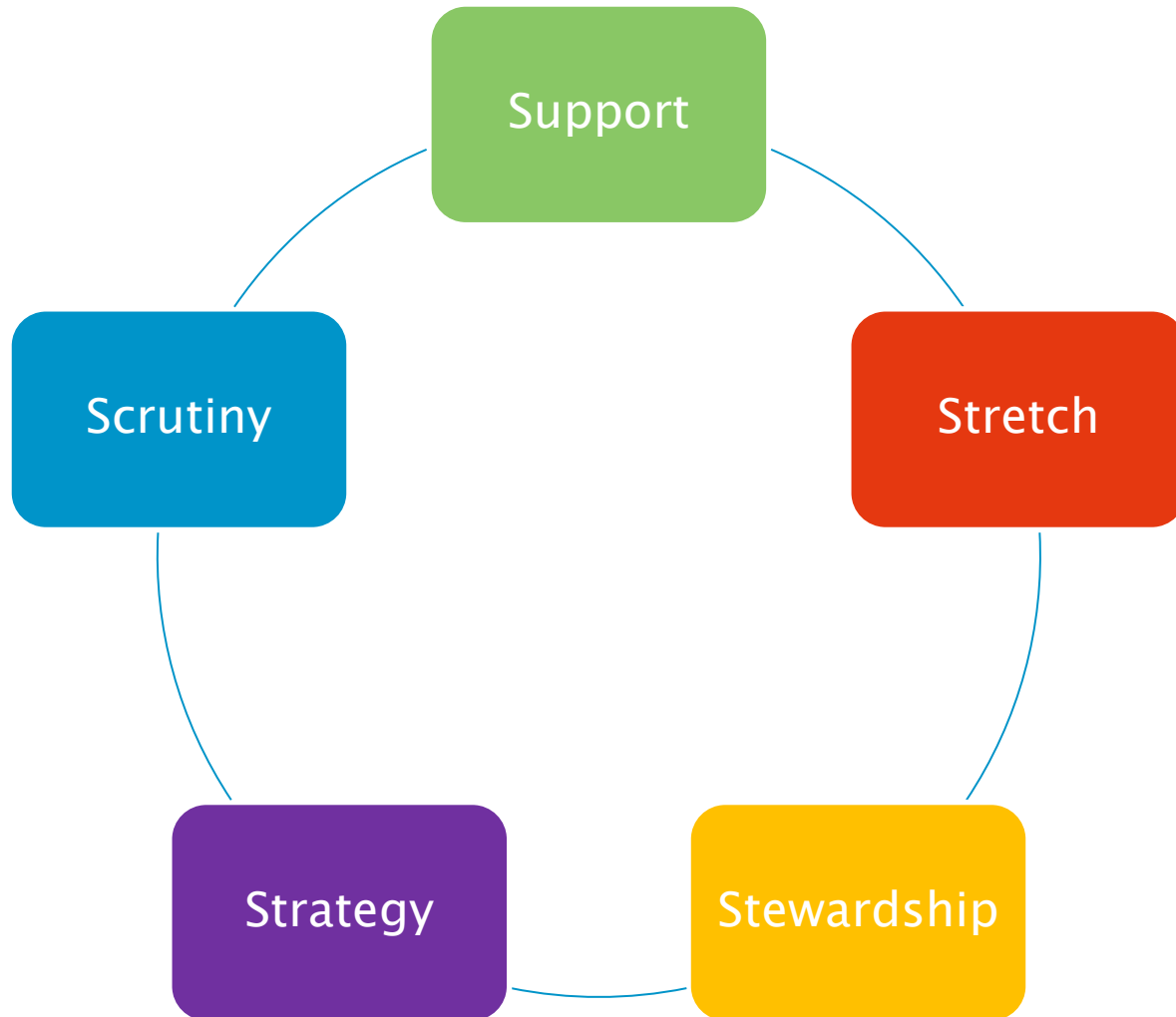



Support vs. Challenge

Dorothy Dalton



Julia Unwin's 5 modes of governance



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- Build relationships
 - Collective responsibility
 - Shared understanding – duties and governance
 - Charitable purpose comes first
 - Proportionality
 - Continuous improvement
 - Engage at right level
 - Prepare
 - Be curious
 - Listen
 - Test thinking

“Here to govern, not manage...but ensure great management is done”

Signposts



Charity Commission

- CC3 The Essential Trustee
- Managing charity finances – GOV.UK
(www.gov.uk)
- CC12: Managing a charity's finances: planning, managing difficulties and insolvency
- CC8 Internal controls for charities
- CC19 Charity Reserves: Building resilience

Guidance from Charity Commission

- Help to refresh trustees' knowledge



More signposts

- Charity Governance Code
<https://www.charitygovernancecode.org/>
- Charity Competence Matrix
[Charity trustee competence matrix \(icsa.org.uk\)](https://www.icsa.org.uk/charity-trustee-competence-matrix)



- Getting on Board
 - [Getting on Board – YouTube](#)
- Sayer Vincent
 - Honorary Treasurers' Handbook
 - Beyond Reserves
 - Rethinking Risk
 - <https://www.sayervincent.co.uk/resources/publications/>
 - Made simple guides
 - <https://www.sayervincent.co.uk/resources/made-simple-guides/>
- Association of Chairs
 - Question of balance
 - Chair's compass

Debra Allcock Tyler



IT'S A **BATTLE** ON THE **BOARD**

The no-fibbing guide for trustees



Published by DSC – hard copy/pdf

https://www.dsc.org.uk/publication/its-a-battle-on-the-board/?gclid=EAlaIQobChMIgO6w8er17AIVdYBQBh2T5QgPEAAAYASAAEgIWSfD_BwE

<https://www.youtube.com/watch?v=5zpKOEyXj48>



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Thank you & #AskSV