

Governance Policy

This document is relevant to:	
Trustees	✓

Purpose

Dorset Mind is governed by a Board of Trustees who are responsible for controlling the management and administration of the charity, ensuring the charity is solvent and well-run and delivers the charities objectives.

Policy

Dorset Mind is a company limited by guarantee. Upon appointment Trustees are appointed as Directors of Dorset Mind (the company) in accordance with the Memorandum and Articles of Association. Trustees must satisfy the legal conditions related to being a Trustee and they must satisfy any conditions in relation to becoming a Director of a Limited Company in order to be eligible to become a Trustee.

Trustees may not receive any financial or non-financial benefit that is not explicitly authorised by the Memorandum and Articles of Association or the Charity Commission.

Anyone considering becoming a Trustee of Dorset Mind should exercise their own due diligence in respect of the organisation

Recruitment and Induction

Dorset Mind recognises that a diverse, skilled and committed Board of Trustees is essential for the effective governance and management of the Charity. Dorset Mind also believes that the composition of the Board of Trustees should appropriately reflect the communities it serves. Recruitment of new Trustees is the responsibility of existing Trustees.

The maximum number of Trustees is eighteen and the minimum six.

Continuation

Trustees are elected for a term of three years, and may seek re-election after this time. The maximum recommended length of office is three terms.

Termination

Where a Trustee's attendance has been erratic or where a Trustee has not responded to reasonable requests for engagement, feedback, signed paperwork, this will be brought to the attention of the Board and it may be decided to request that the Trustee resigns.

If a Trustee substantially breaches any part of the Trustee Code of Conduct, then procedures may be put in motion that may result in the Trustee being asked to resign from the Trustee Board. Should this happen the Trustee would be given the opportunity to be heard. In the event that they are asked to resign from the Board the Trustee would be expected to accept the majority decision of the board in the matter and resign at the earliest opportunity.

A Trustee's appointment will be terminated if the member:

- becomes bankrupt or makes any arrangement or composition with his or her creditors generally
- in the written opinion, given to the charity by a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a director and may remain so for more than three months
- resigns his or her office by notice in writing to the Charity
- is directly or indirectly interested in any contract with the Charity and fails to declare the nature of his or her interest in the manner required by Section 317 of the Act
- becomes prohibited by reason of Section 72 of the Charities Act or any statutory modification or re-enactment thereof
- is absent from all meetings of the Committee held within a period of six consecutive months and the Committee resolve that his or her office be vacated.

Routine Maintenance

Trustees will be required to update a variety of declarations on an annual basis, these will include, but are not limited to, HMRC Fit and Proper Person declaration, Charities Act declaration, Conflict of Interest declaration.

Training

Dorset Mind will ensure that Trustees are adequately trained to ensure that the Charity meets its statutory and other obligations. In addition to any training relating to specific roles, all Trustees will be required to undergo an appropriate level of training in the following areas:

- the role/responsibility of a Trustee
- Mental Health Awareness
- Safeguarding Vulnerable Adults.

Expenses

Trustees will be paid reasonable out-of-pocket expenses properly incurred by them in attending and returning from meetings of the Board or any Sub-Committee or in connection with the business of the Charity.

Annual General Meeting

Dorset Mind must hold an Annual General Meeting in compliance with its Memorandum and Articles of Association.

Roles and Responsibilities of all Trustees

The main responsibilities of a Dorset Mind Trustee are:

- Accountability
- Decision Making
- Delegation and Follow Up
- Performance Measurement
- Policy Management
- Risk Management
- Strategy

Some Trustees may be nominated and approved for Officer roles in the Charity, eg Chair, Vice Chair and Treasurer. These roles will have additional responsibilities (see Appendix i).

The Charity will formally ratify (or otherwise) the election of a Chair, a Vice-Chair, a Treasurer at the Annual General Meeting. The Chair, Vice-Chair and Treasurer shall hold office until the conclusion of the Annual General Meeting next after their election but shall be eligible for re-election.

Accountability

Trustees must adhere to any legal and/or regulatory requirements applicable to the Charity's activities. Trustees are jointly and severally responsible for the overall governance and strategic direction of Dorset Mind, its financial health, probity of its activities, development of the organisation's aims, objectives and goals in accordance with the governing document and for the implementation and compliance with all legal and regulatory requirements.

Trustees must adhere to the conditions set out in the Memorandum and Articles of Association of Dorset Mind.

Dorset Mind is accountable in varying degrees to a variety of stakeholders, including the Charity Commission, Companies House, Members, Service Users and Funders.

Trustees must observe the duty of trust and fidelity invested in the position, undertaking their duties in a way that adds to public confidence and trust in Dorset Mind.

Trustees must play an active role in Executive Committee and sub-committee meetings, having spent due time reading and digesting board papers in preparation for the meeting.

Trustees should take appropriate professional advice in all matters where there may be a material risk to the charity, or where the Trustees may be in breach of their duties.

Trustees must maintain sound financial management and control of Dorset Mind's resources.

Decision Making

Any decision made by Dorset Mind must comply with legislative and regulatory requirements, be in accordance with the Charity's Memorandum and Articles of Association and further the organisations' charitable objects.

Where assistance and advice is required for the Trustees to be able to make the most appropriate decision affecting the charity, that assistance/advice should be sought from an appropriate source (e.g. Charity Commission, or professional adviser) and considered carefully.

Trustees must act and make decisions in the best interests of Dorset Mind, and its present and future service users.

The quorum necessary for the transaction of business of the Board is one-third of the number of current Trustees.

Resolutions at any meeting will be decided by a majority of votes of those Trustees present. In the case of equality of votes the Chair has a second or casting vote. A resolution in writing, including via email, is as valid and effectual as if it had been passed at a Trustee Board meeting. However, where a resolution is voted for in writing, eg by email, a response must be received from every Trustee within a maximum time period of 28 days and the decision must be formally noted at the next Trustee meeting.

Trustees are jointly and severally liable for their decisions, therefore decisions should be taken together, as a team, recorded accurately in the minutes, and communicated to staff, service users and funders in a unified manner. Trustees may speak and vote against a resolution and their disagreement will be recorded in the minutes, but once the Trustees have made their decision, whether by formal vote or otherwise, the decision is binding on all Trustees, including those not present at the meeting at which the decision was made. Trustees should not publicly question any decision of the Executive Committee or seek to reverse or undermine the decision, other than by placing the matter on the agenda for discussion at a further meeting of the Executive Committee.

Where disagreements on fundamental issues relating to Dorset Mind, such as its strategy or ethos, or personality differences, arise which cannot be resolved by normal discussion, it will normally be the responsibility of the Chair to identify the conflict and assist those involved to resolve their differences. This may be done by discussing the matter with those concerned individually or in a group. Trustees who have personal issues with other Trustees will be encouraged to set those issues aside when acting as a Trustee and, if they are unable to do so, they may be asked to consider their position. If appropriate, an external person may be appointed to mediate any dispute between Trustees.

Dorset Mind will be open and accountable for its actions and inactions. Trustees should consider the wider implications of decisions they make and to communicate widely the formal reasons behind such actions or inactions.

The Trustee Board can delegate their authority in accordance with their governing document but must ensure that the use of delegated authority is properly supervised

In emergency or urgent situations where it may not be possible for all Trustees to be involved in a decision, the Chair and the Chief Executive will act together on behalf of the organisation, and the Chair will immediately report back to the Trustees by email.

Delegation and Follow Up

The responsibility for any decision remains with the Trustees.

Dorset Mind Trustees may delegate any of their powers or functions to a committee of two or more Trustees and can impose conditions, eg that no expenditure may be incurred on behalf of the Charity except in accordance with a budget previously agreed with Trustees. A schedule of delegations will be drawn up and updated as needed.

Performance Management

Trustees are responsible for conducting an annual review of the organisation and of the Executive Committee.

Trustees are responsible for monitoring the work and activities of the Chief Executive. They are responsible for the assessment and management of the Chief Executive.

Trustees are responsible for succession planning, both for the board and senior staff.

Policy Management

Dorset Mind will have a range of appropriate policies and procedures to enable individuals, the board and the organisation to work together.

Trustees will monitor the effectiveness of Dorset Mind policies with regard to changes in legislation, best practice, workability, etc and make required changes as and when. All policies will be formally reviewed in their entirety as a stand alone document every two years.

Risk Management

Trustees will regularly identify and review the risks to which the organisation is exposed and ensure that it has systems to manage those risks.

Strategy

Trustees will set goals and approve strategies which enable Dorset Mind to pursue its charitable objects, provide public benefit and which are in the best interests of Dorset Mind and its current and future service users.

Responsibilities

All Trustees should be aware of, and understand, their individual and collective responsibilities, legal duties, stewardship of the organisation's assets and the internal and external environment that the charity works in and should not be overly reliant on one or more individual Trustee in any particular aspect of the governance of Dorset Mind, eg all Trustees should be able to read the financial accounts to a level that they can ask questions and comprehend answers of a general nature.

Any Trustee who feels unsure about any aspect of their role has the responsibility to:

- make their concerns known to the Chair
- agree with the Chair what steps they need to take in order to gain the knowledge and skills they need.

Associated Policies and Procedures

- Governance Procedures
- Conflict of Interest Policy
- Trustee Code of Conduct
- (Memorandum and Articles of Association)

Measurable Indicators for Implementation

- The organisation is solvent, can meet its contractual requirements, and has a risk management plan in place in the event of adverse circumstances.
- The organisation is not in receipt of any penalties or sanctions from HMRC, the Charity Commission, Companies House, Information Commissioner or National Mind
- Regular, quorate, meetings of the Board of Trustees can be evidenced
- The number of current Trustees are in accordance with the Memorandum and Articles of Association

The equality impact of this policy has been considered and Dorset Mind believes that it complies with its commitment to equality as stated in its Equality Policy

Task Description for Trustee

The statutory duties of a Trustee are:

- to ensure the organisation complies with its governing document – Memorandum and Articles of Association
- to ensure that the organisation pursues its objects as defined in its governing document
- to ensure the organisation applies its resources exclusively in pursuance of its objectives - the charity must not spend money on activities which are not included in its objectives, no matter how 'charitable' and 'worthwhile' those activities are
- to contribute actively to the Board of Trustees' role in giving firm strategic direction to the organisation, setting overall policy, defining goals and setting targets and evaluating performance against agreed targets
- to safeguard the good name and values of the organisation
- to ensure the effective and efficient administration of the organisation
- to ensure the financial stability of the organisation
- to protect and manage the property of the organisation and to ensure the proper investment of the organisation's funds
- to appoint the Chief Executive and monitor his or her performance.

With other Trustees to hold the charity “in trust” for current and future beneficiaries by:

- ensuring that the charity has a clear vision, mission and strategic direction and is focused on achieving these
- being responsible for the performance of the charity and for its “corporate” behaviour; ensuring that the charity complies with all legal and regulatory requirements
- acting as guardians of the charity's assets, both tangible and intangible, taking all due care over their security, deployment and proper application
- ensuring that the charity's governance is of the highest possible standard.

As well as the various statutory duties, any Trustee should make full use of any specific skills, knowledge or experience to help the board make good decisions.

The above list of duties is indicative only and not exhaustive. Trustees will be expected to perform all such additional duties as are reasonably commensurate with the role.

Task Description for Chair

All duties as above for a Trustee, plus those following.

Strategic leadership

- Provide leadership to the Charity and its Board, ensuring that the Charity has maximum impact for its beneficiaries.
- Ensure that Trustees fulfil their duties and responsibilities for the effective governance of the Charity.
- Ensure that the Board operates within its charitable objects, and provides a clear strategic direction for the Charity.
- Ensure that the Board is able to regularly review major risks and associated opportunities, and satisfy itself that systems are in place to take advantage of opportunities, and manage and mitigate the risks.
- Ensure that the Board fulfils its duties to ensure sound financial health of the charity, with systems in place to ensure financial accountability.

Governance

- Ensure that the governance arrangements are working in the most effective way for the Charity.
- Develop the knowledge and capability of the Board of Trustees.
- Encourage positive change where appropriate.
- Address and resolve any conflicts within the Board.
- Appraise the performance of the Trustees and the Board on an annual basis.
- Ensure that the Board of Trustees is regularly refreshed and incorporates the right balance of skills, knowledge and experience needed to govern and lead the charity effectively, and which also reflects the wider population.
- Use a casting vote at Trustee meetings when there is an equality of votes for a motion.

External Relations

- Act as an ambassador for the cause and the charity
- Maintain close relationships with key stakeholders and with key influences
- Act as a spokesperson for the organisation when appropriate
- Represent the charity at external functions, meetings and events
- Facilitate change and address any potential conflict with external stakeholders

Efficiency and effectiveness

- Chair meetings of the Board of Trustees effectively and efficiently, bringing impartiality and objectivity to the decision making process
- Ensure that Trustees are fully engaged and that decisions are taken in the best, long-term interests of the Charity and that the Board takes collective ownership
- Foster, maintain and ensure that constructive relationships exist with and between Trustees
- Work closely with the Clerk to the Trustees to ensure that meetings are well planned, meaningful and reflect the responsibilities of Trustees
- Monitor that decisions taken at meetings are implemented.

Relationship with Chief Executive

- Provide line management, including supervision, to the Chief Executive of the organisation. Conduct an annual appraisal and remuneration review for the Chief Executive in consultation with other Trustees. Ensure the Chief Executive is held to account for achieving agreed strategic objectives.
- Act with the Chief Executive in an emergency or urgent situation where it may not be possible for all Trustees to be involved but where a decision or action is needed.

- Ensure regular contact with the Chief Executive and seek to develop and maintain an open and supportive relationship within which each can speak openly about concerns, worries and challenges.
- Ensure that the Chief Executive has the opportunity for professional development and has appropriate professional support.

The above list is indicative only and not exhaustive. The Chair will be expected to perform all such additional duties as are reasonably commensurate with the role.

Task Description for Vice Chair

The Vice-Chair acts for the Chair when the Chair is not available and undertakes assignments at the request of the Chair.

Task Description for Treasurer

All duties as above for a Trustee, plus those following.

- Monitoring, review and updating as required financial policies, procedures, protocols, and controls within the organisation to ensure its compliance with legislation, statute and best practice and to ensure that all relevant financial information is captured and that accurate financial records are kept.
- Reporting to the Board of Trustees with regard to the current available funds and the financial stability/viability of the organisation by providing a verbal report on the current financial position including its income, expenditure, restricted project movements (in particular any in deficit), assets (including bank balances) and liabilities.
- Presenting a report to the Board at the beginning of each financial year on the financial risks the organisation may face during the coming year. Presenting additional information on an ad hoc basis as deemed appropriate where unforeseen financial risks are identified. Advising on tax and other financial matters as appropriate.
- Create, present and (once approved at board level) monitor three budgets (3 may not be required depending on activities). Provide an update at each Board meeting of the current position compared to budget and answer any questions that may be raised by the board members.
 1. The annual overall budget for organisation
 2. Budgets for individual services/ projects (existing services/ projects or services/ projects where funding has been obtained)
 3. Budgets for proposed services/ projects (for services/ projects planned where funding is uncertain)
- Prepare the annual financial statements and ensure the annual report (to be prepared by the annual report working party – members to be determined annually) is compliant with the current SORP. Liaise with the nominated Independent Examiner with regard to their work and deal with any queries they may raise.
- If the charity receives a notification to complete a CT600 (corporation tax return, usually required every 3 – 5 years) the treasurer is responsible for ensuring the appropriate (a nil return is most likely) information is submitted to HMRC in the correct format within 12 months of the financial year end.
- Ensure the approved financial statements and annual report are filed at Companies House within 9 months and at the Charity Commission within 10 months of the financial year end.
- Complete the Charity Commission financial information sections of the annual return once the approved financial statements have been filed at the Charity Commission.
- Advising the Board of Trustees with regard to the financial implications of the current Strategic plan.
- Ensuring that all expenditure is in line with the charity's objects. Ensure an effective expense approval system exists (review and update procedures as needed).
- Providing guidance to the Chief Executive as needed for the management of bad debts.

- Taking responsibility for the maintenance of the organisation's Investment policy and subsequent management of any investments as determined therein and also ensuring that the best use of the funds held is made, ie by advising the Chief Executive to transfer amounts between internal accounts to maximise interest but also to retain sufficient balance in the Cash account to cover expenditure
- Engage in ongoing CPD to ensure that the organisation remains current, legal and functioning in respect of charity and company accounting requirements.
- Acting as a counter signatory on cheques/ authorising expenditure/ setting up internet bank payments as deemed appropriate under the financial policies and procedures for the authorisation and approval of expenditure.
- Checking the completed annual gift aid claim form and ensuring it is submitted to HMRC promptly.
- Identifying the fund balances at the beginning of each new financial year to be added to the DM I/E spreadsheet
- Quarterly checks to be completed:
 1. Sample check of expenditure to ensure it is appropriately authorised (and evidenced) and that it is in line with the charities objects
 2. Sample check of online transactions documentation
 3. Sample check service leaders quarterly update on petty cash/ cash counts for balances > £250
 4. Sample check income and expenditure information in the cashbook (Income and Expenditure spreadsheet) and the allocation of income / expenses between funds
 5. Sample check income and expenditure information to the core records filed
 6. Sample check income and expenditure to the bank statement/ petty cash sheets
 7. Check the bank reconciliations
 8. Check the gift aid records/ list of donors/ declarations/ internet reports and deal with any amounts received in error
 9. Check the salaries paid are in line with expectations (check calculations etc as deemed appropriate to gain assurance)
 10. Maintenance of a fixed asset register (if applicable)

Policy Ownership

Policy Name	Version	Doc ref
Governance Policy	2.0	Governance Policy

Policy Owner	Chair of Trustees
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Approval Status

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Date published	Reviewed December 2015	Date for next review	December 2017

Consult the Dorset Mind website for the latest version of this policy.

Document Control

Reviewers

Name	Position
Chris Price	Chair of Trustees
Anna Windett	Chair of Trustee Quality Sub-Group
Jackie Lillywhite	Service Delivery Manager
Steve Place	BCVS

Change History

Issue	Date	Author	Reason
1.0	Sep 14	Jackie Lillywhite	
1.0	Oct 14	Jackie Lillywhite	
1.0	Aug 15	Jackie Lillywhite	
1.0	Sep 15	Chris Price	Treasurer, Trustee recruitment, updates
2.0	Nov 15	Chris Price	Reviewed and updated