

TRUSTEE

Roles and responsibilities



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This resource is for those thinking about taking on a trustee role for the first time, for newly-recruited trustees and for existing trustees looking to refresh their knowledge. It may also be useful for senior staff and for boards of trustees to check on their legal responsibilities if they feel like something isn't working as well as it should.

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Who are trustees?

- All properly appointed members of your governing body (often called a board or management committee) are generally considered trustees.
- In a registered charity trustees are the people named on the register at the Charity Commission.
- If you are a charitable organisation but aren't yet registered, the people on your board are still considered trustees and have the same responsibilities.
- In a charitable company trustees are also called directors in your entry on the Companies House register.

Trusteeship is almost always entirely voluntary. Trustees aren't usually paid and should not get extra benefits or services from their organisations (e.g free or discounted use of facilities or priority access) although they can usually claim reasonable expenses incurred as part of their trustee role.

Some trustees also volunteer to help with the day-to-day running of their organisations, though this is not always the case.

Legal responsibility

Trustees have overall legal responsibility for your organisation's work. The Charity Commission gives clear guidance on trustee roles and responsibilities. You should read it here: [The essential trustee: what you need to know, what you need to do - GOV.UK](#). It sets out in detail the main legal responsibilities of trustees, which are:

- Ensure that the charity is carrying out its purposes for the public benefit.
- Comply with the charity's governing document and the law.
- Act in the charity's best interests.
- Manage the charity's resources responsibly.
- Act with reasonable care and skill.
- Ensure the charity is accountable.

The Charity Governance Code sets out a standard of good governance and is essential reading for all trustees: [Home - Charity Governance Code](#).



What this means in practice?

Each trustee should know their governing document. Make sure new trustees get a copy and that they understand it.

- Always act in your organisation's best interests. Make sure that your duty as a trustee does not conflict with your personal interests. Trustees should declare any conflict of interest at the start of a meeting and are often asked to complete a conflict of interest form when they start.
- Hold regular trustee board meetings. Take minutes and keep them safe as a record of your decisions and actions.
- Trustees should attend as many board meetings as possible and read any papers beforehand to prepare.
- Make sure you have enough trustees (your governing document should set this out).
- Sign up to newsletters such as NCVO, London Borough of Tower Hamlets or Tower Hamlets CVS. These are useful sources of information about legal and regulatory requirements as well as sources of funding and relevant national and local news.
- Ask to see the organisation's policies on safeguarding, equalities and health and safety – each organisation should have these, and trustees must understand what they say and how they work in practice.
- It is good practice to include a section on safeguarding in your annual report, and NCVO gives further information about this here: About safeguarding reports | NCVO.
- Get an understanding of which laws and regulations apply to your organisation. Know who is making sure you are compliant with all applicable laws and regulations.
- Work with the rest of the trustees and staff to make sure that there are processes in place to keep on top of any changes or issues.
- Don't be afraid to ask questions or seek advice.

Other resources

- It's a Battle on the Board (Debra Allcock Tyler). An interesting read for new trustees.
- Charity Excellence framework lists some free training for trustees.
- There are a lot of resources on the Trustees' Week website, including plenty of interesting looking events happening over the annual Trustee Week (usually in November): <https://trusteesweek.org/events/>.



Strategy

Trustees should plan what your organisation will do and the impact you want that work to have.

What this means in practice?

Develop a written strategy which sets out your vision, mission and values, alongside your strategic objectives. It should also say how you will measure your progress towards those objectives. You can see a summary of the [Tower Hamlets CVS strategy here](#).

Other resources

- Charity Excellence has some guidance and a template that you can use: [Charity Strategy - Strategic Plan Template for Charities](#).
- “NCVO has some guidance on further thinking about your [strategy](#).”

Risk

Trustees must make sure that the organisation complies with charity law and other laws such as employment and health and safety.

What this means in practice?

Every organisation should have a risk register which sets out the main risks. This should be discussed at trustee meetings and should feed into the strategy and into the way the organisation is run. If you aren't satisfied that your organisation is fulfilling its legal obligations then you must keep asking questions and ask for evidence, as they are ultimately the trustees' responsibility.

Other resources

The Charity Commission gives guidance on [risk management](#) which includes a risk register template.



Trustee recruitment and training

Your governing document will set out how many trustees you need and the amount of time they can serve. Trustees should think carefully about how to appoint new trustees to join the board, and check that anyone who wants to join is eligible to do so.

What this means in practice?

- There is a written process for appointing new trustees, which includes advertising widely.
- Trustees consider diversity, both of skills and how the board represents the beneficiaries of the charity.
- Create a written role description for the roles of Chair, Vice Chair and Treasurer.
- Give new trustees an induction when they join the board, which includes giving them copies of previous board minutes, management accounts, strategy and business plan and any other key documents. They should also get to meet some of your organisation's staff and volunteers.
- Send new trustees a copy of the Charity Commission's Essential Trustee: What you need to know, what you need to do and the Charity Commission's Trustee Declaration Form to complete.
- Consider DBS checks on new trustees.

Other resources

- Information about trustee eligibility and recruitment is available from the Charity Commission.
- The East London Business Alliance runs the Board Match programme, finding trustees from corporates. This can be useful if you are looking for specific skills or experience such as legal or finance.
- Volunteer Centre Tower Hamlets advertises trustee positions and has a good reach in the local Tower Hamlets community.



Finance for trustees

What is the role of trustees?

Trustees are responsible for overseeing a charity's finances and making sure they are managed responsibly. The Charity Commission says you must:

- Make sure the charity's assets are only used to support or carry out its purposes.
- Not take inappropriate risks with the charity's assets or reputation.
- Not over-commit the charity.
- Take special care when investing or borrowing.
- Comply with any restrictions on spending funds.

More details can be found here: [Managing charity finances - GOV.UK](https://www.gov.uk/guidance/managing-charity-finances)

All charities must keep proper financial records and prepare annual accounts. Trustees must arrange for accounting books and records (including cash books, invoices and receipts) to be kept for a specified period. You can read more about that here: [Retention of Accounting Records](https://www.gov.uk/guidance/retention-of-accounting-records).



The Charity Commission has produced a series of 5 minute guides for trustees on a range of topics, including finances: <https://www.gov.uk/guidance/managing-charity-finances>. This includes an introductory 2-minute video.



Other resources

- Financial governance: a gentle guide for the non-financial charity trustee by Dorothy Dalton (ACEVO, £10 for non members). For those daunted by financial information, this book provides an introduction to charity finances for trustees who don't have experience in this area.
- Charity Finance Group: Charity Finance Group | Essential Charity Finance for Trustees of Small Charities which includes checklists for a board of trustees as well as for individual trustees. They also have a guide for small charities.
- Embrace Finance has some really good information on their website, in particular their Small Charity Finance List.
- The Honorary Treasurers' Forum: They charge a small fee (£50 for 15 months) for membership. Click here for their useful resources.

Training and further resources

- NCVO runs training on Financial Governance for Trustees.
- The Institute of Chartered Accountants in England and Wales (ICAEW) has Trustee training modules | ICAEW.
- Charity Excellence film: How To Engage Trustees In Fundraising: Trustee Responsibilities.

Accountancy and independent examination

All charitable incorporated organisations (whatever their income) and registered charities with an income greater than £25,000 must file their accounts and an annual report with the Charity Commission. The Charity Commission has a guide to charity reporting and accounting.

You should always research providers and seek quotations to make sure you get a service that is suitable for your needs.

Auditors and independent examiners

If your annual income is less than £25,000 you do not usually need any form of examination or audit of your accounts. If your income is over £25,000 but under £1m you will need to get an independent examiner ('IE'). If your income is over £1m (or more than £250,000 and with gross assets of more than £3.26 million) you will need your accounts to be audited.

Audit and independent examination resources

- Association of Charity Independent Examiners - [Find an IE](#).
- The Charity Commission gives advice on [independent examination and auditing](#).
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If you have any questions about any of the information in this resource, Tower Hamlets CVS can give 1-1 support and advice. Please email us at info@thcvs.org.uk.