

10 key questions to ask before agreeing to become a Charity Trustee

Putting yourself forward for consideration or responding positively to an invitation to become a trustee of a charity is a very important and needed act of civic responsibility. The thousands of charities play a critical part in society's response to a wide range of human needs. Many are small groups surviving on very limited resources, but are tackling large problems. Through the passion, commitment and activities of these groups, a wide range of needed services and supports are delivered in areas such as health, social services, education, emergency relief, sports and culture. There are tens of thousands of people engaged daily in providing these services. They are creating an untold quantum of public good - enhancing culture, health, recreation, social justice, and civil and human rights. They are performing roles and making contributions that for many are not recognised or properly valued. However, to run effectively and properly, they need 1,000s of people to step-up and become volunteer board members. The charity sector needs people with the right skills, experience and commitment to serve as trustees and those who do, should be acknowledged and supported. However, while I strongly encourage people to put themselves forward for consideration, I would also strongly recommend that you do some homework and research before you accept an appointment as a charity trustee. You should ask the following 10 key questions. The questions can apply to the board of any company, but they have been developed particularly, for charity boards.

1. What are the objectives of the organisation and what can I bring to organisation to support their achievement?

It may seem as a pretty obvious question, but it is surprising how often organisations are unclear or fuzzy about their objectives and purpose. They talk about what they do, their activities and services but can struggle to communicate why they exist and what is their purpose. The organisation's constitution (memorandum and articles of association) should specify the organisation objectives, so you should ask for a copy of this document. However, you will need to confirm that the objectives in the organisation's constitution actually reflect the actual objectives being pursued by the organisation.

Once you have clear understanding of the organisation's purpose and core objectives you should ask yourself if those objectives connect and resonate with you emotionally. Also what skills, experience, capabilities and value can you bring to the board to support the achievement of those objectives?

2. What are their activities and what difference and impact does the organisation make?

Does the organisation make a difference? What goals and targets does it set and how does it measure and evaluate its performance. Has any external reviews or audits of the organisation been undertaken in recent years and if so, ask for a copy of these reports.

3. Has the organisation got a clearly defined and up-to-date strategy and risk management statement?

You should ask for a copy of their current strategy. If it is out-of-date ask why. The response can reveal a lot about the organisation's focus and direction. Also it is important to get an understanding of the organisation's approach to identifying and managing the risks and challenges that face the organisation.

4. Can they provide an up-to-date Annual Director's Report & Financial Statement?

This is a critical document for any company. The quality of the information communicated should tell you a lot (or not a lot, unfortunately, in a lot of cases) about how the organisation is governed and managed, how it is funded and how those funds are used.

5. How well does the organisation meet its regulatory and governance compliance requirements – e.g. Charities Regulator, the CRO, the Charities Governance Code, ?

Find out the organisation's attitude and performance to adhering to good governance practice standards and complying with its statutory and regulatory requirements. If it is a charity, is its registration complete and up-to-date with the Charity Regulator? If it is a company limited by guarantee, has it filed its statutory accounts within 9 months of its last financial year end? Has it signed up to the Charities Governance Code and has declared that it is in full compliance with the Code on the Regulator's Register of Charities? If not, why not?

6. What is the Board profile like (experience, range of skills, tenure, chair, etc.)

You need to find out who else will be on the board and how long have they have been on the board. What skills and experience do they bring and how will your own skills and experience complement and add value to the board? You should, as part of the board appointment process, get to meet the board chairperson and get to hear his/her views and understanding of the organisation, its purpose, impact, challenges, culture and attitude to good governance. It also helpful to get to meet the company secretary.

7. What is their website & social media presence like?

Have a look at their website and social media presence. It is reassuring and consistent with what you have been told and learnt about the organisation.

8. What have they got in place for new board member induction and on-going Board development?

Find out about their approach to providing induction to new board members and also their approach and track record in providing on-going support and development of board members in meeting their role and responsibilities as board members. When was the last time they held a training/learning event for board members and what did it cover? When was the last time that they undertook an evaluation of its performance as a board?

9. What is the calibre of CEO like and what is their role and their understanding of the role of the Board?

Meet with the CEO and get a sense of his/her understanding of the role of the CEO, the role of the Board, the organisation's strategy, its strengths, challenges, risks and the impact it makes to those it serves. Is the CEO reassuring or a cause for concern?

10. Have they got Directors' & Officers (D&O) Liability Insurance in place?

D&O liability insurance is critical must have and I would strongly recommend not going on the board of an organisation that does not have this insurance cover in place. Directors of any company, regardless of its size or activities, bear significant responsibilities in relation to their role and the way they conduct themselves. This may result in claims against them for actual or alleged breach of duty, neglect, misstatements, errors and omissions. Actions against the company, its directors and its

management, can involve a high degree of personal liability for the individuals. With potential penalties that range from hefty fines, to disqualification and possible imprisonment, the need for an immediate and effective response to any threat is clear. Investigations and court cases are time consuming and very expensive. D&O cover assures the individuals protected that they will have legal representation and assistance from the first moment that an action commences.

In conclusion, the sector depends on people putting themselves forward and be willing to serve on the boards of charities. It is important for civic society as a whole, that people do step forward and volunteer their time and skills to the governance of our charities. The aim of this article, is not to discourage people from volunteering, but to remind them that like most things in life, it is best to look before you leap and to do your homework before you commit. The organisation you are engaging with may not be able to answer all of the above questions satisfactorily, but that may be why they are asking you to help them with putting in the proper systems and practices in place so that they will soon be able to do so.

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