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CHOIR GOVERNANCE RESOURCES

Choir Governance

Many choirs are formed by a group of committed individuals coming together, with a love of group singing being their primary mission. This mission may remain the same but in order to make the choir sustainable and provide for its growth each group should look at the way in which the choir is run and governed. Many choirs are funded in a variety of ways including choir member fees, concert ticket sales, local authority funding, local business or group sponsorship and fundraised income. Transparency is becoming increasingly important in the not-for-profit sector generally with many controversies emerging at state and donor funded charities across the state. Whilst many choirs will be operating on a different scale than these organisations it is still extremely important that the financing and management of your group is monitored and kept in line with best practice.

Thankfully the not-for-profit sector in Ireland has put together a user friendly guide to governance with the advent of the 'Governance Code' for community, voluntary and charitable organisations. Some choirs have opted to apply for and have received charitable status and this is particularly relevant to those choirs. See www.governancecode.ie for further information. The Association of Irish Choirs actively encourages our members to examine the Code and adopt it.

Choirs and the Governance Code

As The Governance Code is designed to cater for a wide variety of community, voluntary and charitable organisations there are different criteria and measures for each entity. Many choirs fall into what has been identified by the Code as 'Type A' organisations. Type A organisations are defined as being run by volunteers and do not employ staff. The members of the board or committee are therefore responsible for:

1. Overseeing the work of the organisation (governance);

2. Organising the daily work (management), and;

3. Carrying out the work of the organisation (operations).

Many such groups operate on less than €10,000 a year although some may have a larger income. They may or may not have a CHY number. Type A groups are usually not incorporated but some may be required to do so by funders.

NB All choir groups that are 'limited companies' should strive to meet the governance requirements of 'Type B' organisations (except those actions relating to staff, which clearly does not apply).

Why use The Governance Code?

Your choir should adopt this new Governance Code because it is the right thing to do. In doing so your choir will benefit in many ways. The fact that you adopt the Code will:

- Reassure current funders that their money is being managed by a well- run choir with good governance;
- Increase transparency – in that everyone knows exactly how the choir is being run;
- Help you avoid bad risks;
- Help you achieve your goals faster, and;
- Reduce costs.

Widespread adoption of the Code across the Choral Sector will help everyone involved – including the public and the beneficiaries of these organisations – but also the sector itself will benefit.

Comply or Explain?

The Governance Code is principles-based, rather than rule-based, and it is voluntary. It is expected that groups and organisations will compare themselves to the standards outlined in the Code on a 'comply or explain' basis. This means that you measure your organisation/choir against the principle in question, specifically against each of the actions for that principle. (There is a checklist supplied to make it easier for you to do this and you can download it at http://www.governancecode.ie).

After this you make any changes needed to bring your organisation in line. Having done that, you are now entitled to say that your organisation complies with the Governance Code for community, voluntary and charitable organisations. You should communicate this fact on your website, in your newsletter or any other relevant communication channel.

If, however, there are reasons why you can't make changes to suit all the suggested actions, you can still adopt the Code. This is only possible if you communicate which actions you do not follow and why, in the same area as you communicate that you adopt the Governance Code. Publishing the explanation means that you are complying with the Code. In summary, 'comply or explain' means that organisations should make it publicly known how they have complied with the Code and explain

What are the principles of the Code?

The Governance Code is based on five main principles, each with three sub principles. For each principle there are recommended guidelines and actions on how to put that principle in place for your organisation. Having taken the actions, you will then know that you are adopting that

particular principle. The Code has been designed in such a way to make it proportionate and user-friendly for all organisations in the sector no matter what their size or stage of development. This is done through defining three categories of organisations in terms of how governance is done in their organisations. Whilst the five principles remain the same across the three categories, the actions will be different. You are invited to pick from three organisational types to find the set of actions most suitable to your organisation. (Most choirs would be 'Type A' organisations as described above).

Principle 1: Leading our organisation

1.1 Agreeing our vision, purpose and values and making sure that they remain relevant.

1.1(a) Agree the purpose of your group. Discuss how the group wants to achieve its purpose and how it wants to work.

1.1(b) Make sure 1.1(a) is in line with the written constitution.

1.1(c) Review at least every three years to make sure that the organisation is still relevant.

1.1(d) Develop and agree written policies where necessary. Review at least every three years.

1.2 Developing, resourcing, monitoring and evaluating a plan to make sure that our organisation achieves its stated purpose.

1.2(a) Agree and write down a yearly work plan. This plan should have: most important actions; timelines to achieve these actions; the breakdown of the budget, and; a description of how the money will be raised.

1.2(b) Agree who is going to take responsibility for the actions to carry out the plan.

1.2(c) Review the plan once a year. Have a discussion about what went well and what could be improved before agreeing a new work plan.

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1.3 *Managing, supporting and holding to account staff, volunteers and all who act on behalf of the organisation.*

1.3(a) Set realistic goals. Divide up the work and review progress of any agreed actions at the next meeting.

1.3(b) Chair makes sure that individual board members report to the board on work that they carry out for the organisation.

1.3(c) Where volunteers are involved outside the board make sure their role and who they have to answer to is clear.

Principle 2: Exercising control over our organisation

2.1 *Identifying and complying with all relevant legal and regulatory requirements.*

2.1(a) Decide if the group's current legal form is appropriate. For example, is your group an unincorporated association; a company limited by guarantee; a trust, or; a friendly society. Comply with the relevant requirements. If you decide to become a company limited by guarantee, you should follow the Implementation Guidelines for Type B Organisations.

2.1(b) If the group is not a company limited by guarantee, make sure that someone is appointed (usually called a Secretary) to keep track of the group's records, meeting minutes, membership and so on.

2.1(c) Decide if the group should have a charity number. If yes, register with the Revenue Commissioners and comply with the relevant requirements.

2.1(d) Consider the health and safety aspects of activities. Put a plan in place to deal with any problems.

2.1(e) Be aware of the nine grounds of discrimination. Make sure activities are as accessible as possible.

2.1(f) Keep contact details of beneficiaries with their permission in a safe place. Do not give their details to someone outside the group. Do not keep unnecessary personal information. Make sure you comply with data protection legislation.

2.1(g) Comply with other law that applies to activities of group (for example, child protection or food safety).

2.1(h) Make sure that you comply with the terms and conditions of public or private grants received, including governance requirements.

2.2 *Making sure that there are appropriate internal financial and management controls.*

2.2(a) Monitor income and expenditure against the budget on a regular basis.

2.2(b) Draw up an annual report of income and expenditure.

2.2(c) Agree and put in place appropriate financial management procedures.

2.3 *Identifying major risks for our organisation and deciding ways of managing the risks.*

2.3(a) Think about the problems that may arise, and the risks that may be needed to achieve the organisation's aims. Agree a yearly plan for dealing with major risks. (For example, Garda vetting for volunteers if they work with children or vulnerable adults; doing regular back-ups of your database/mailing list; monitoring the plans which have been put in place to pay back a bank loan.)

2.3(b) Take out all appropriate insurance (For example, public liability insurance or buildings insurance).

2.3(c) If group owns property or any assets make sure that legal ownership is in the name of the group and that the community interest is protected if the group closes. Take legal advice if necessary.

Principle 3: Being transparent and accountable

3.1 _Identifying those who have a legitimate interest in the work of our organisation (stakeholders) and making sure there is regular and effective communication with them about our organisation._

3.1(a) Decide who you need to communicate with and how you will do that taking into account your time and financial resources.

3.1(b) Appoint an agreed spokesperson for the group.

3.1(c) Produce a yearly activity report. Make it widely available (For example, on your website if you have one).

3.1(d) Meet the reporting requirements of any funder or relevant regulator (for example, the Revenue Commissioners or Company Registration Office).

3.1(e) Hold an annual meeting of members and anyone else who may be interested and report on the activities of the year.

3.1(f) State publicly that you comply with the Governance Code, making sure:

1.   Your organisation's board of directors signs and displays the one-page document outlining the five principles of the Code. This document should be displayed on your website; in your annual report and; in your reception area.

2.   Your organisation is working on the relevant actions to put these principles in place (use the checklists). Where you are not as yet working on required actions, explain why.

3.2 *Responding to stakeholders' questions or views about the work of our organisation and how we run it.*

3.2(a) Use the annual meeting to listen to people's views about the work of the organisation.

3.2(b) Put a clear system in place for dealing with correspondence, feedback and complaints to the organisation.

3.3 *Encouraging and enabling the engagement of those who benefit from the organisation in the planning and decision-making of the organisation.*

3.3(a) Actively seek feedback from the beneficiaries of your group. (This could be done regularly on a word of mouth basis, or you may want to do something more formal such as a yearly survey.

3.3(b) Use the annual meeting to consult with your beneficiaries if you are planning to make significant changes to the way that you do things.

Principle 4: Working effectively

4.1 *Making sure that our governing body, individual board members, committees, staff and volunteers understand their role, legal duties and delegated responsibility for decision- making*

4.1(a) Make sure that all board members and sub-committee members (if any) understand and are familiar with the Governance Code and the constitution.

4.1(b) Make sure that board members understand that they have a duty to act independently in a personal capacity in promoting the aims of the organisation in line with its governing document. While board members may be nominated by a particular group, they must not act as a representative of that group in acting as a board member. Board members must at all times respect board confidentiality.

4.1(c) Identify a chair, secretary and treasurer for the group and decide when and how the positions will be rotated.

4.1(d) Decide and record how decisions will be taken at meetings and between meetings if necessary.

4.2 *Making sure that as a board we exercise our collective responsibility through board meetings that are efficient and effective.*

4.2(a) Have regular meetings with sufficient notice.

4.2(b) Have an agenda for each meeting.

4.2(c) Take minutes and agree them at the next meeting.

4.2(d) Start and finish meetings on time. Chair keeps order at meetings, encourages participation and ensures that decisions are made.

4.3 *Making sure that there is suitable board recruitment, development and retirement processes in place.*

4.3(a) Take time once a year to identify ways in which the working of the board could be improved.

4.3(b) Take time once a year to discuss who might be interested in joining the board and who might want to leave. Agree who you would like to invite onto the board, bearing in mind the need for a mix of skills and diversity in terms of background and experience. (Make sure that you follow your own rules about election to the board as laid out in your constitution.) Consider the extent to which your board is made up of member representatives, beneficiaries or external representatives and what the best mix is.

4.3(c) Welcome new board members, explain the work of the board and its committees and help them to get involved. Make sure they have a copy of the constitution and this Governance Code.

Principle 5: Behaving with integrity

5.1 *Being honest, fair and independent.*

5.1(a) Make sure the chair leads the board in developing an ethical culture in line with the values of the organisation.

5.1(b) Develop and agree a code of conduct for board members.

5.1(c) Make sure the code of conduct gives clear guidelines on the receipt of gifts or hospitality by board members.

5.1(d) Make sure all board members sign a commitment to adhere to the code.

5.1(e) Review your code of conduct at least every three years.

5.1(f) Be fair by consistently applying the same ethical standards to every person and situation.

5.2 *Understanding, declaring and managing conflicts of interest and conflicts of loyalties.*

5.2(a) Hold a discussion about the issues of 'conflict of interest' and 'conflict of loyalty.' Develop a policy on each of these.

5.2(b) Each board member and anyone else present must tell the board if they believe they have a conflict of interest on a matter to be decided on at a meeting. Unless the board decides otherwise, they must leave when the board is discussing or deciding on that matter. The person concerned should be told what decision was reached. Conflicts of interest must be recorded in the minutes. Conflicts of loyalty may be serious enough to be conflicts of interest.

5.3 *Protecting and promoting our organisation's reputation*

5.3(a) Make sure all board members understand their responsibility to act as champions for the group by promoting its work and reputation.

5.3(b) Make sure the code of conduct makes it clear that each board member has a duty not to do anything that may damage the reputation of the group.

5.3(c) Make sure the code of conduct clarifies that board members have a duty to maintain the confidentiality of board meetings.