



**Trustee & Management Committee**  
National Occupational Standards

**Pocket-sized edition**

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# **Trustee & Management Committee National Occupational Standards**

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# Welcome

## **Welcome to the *National Occupational Standards for Trustees and Management Committee Members in the Voluntary and Community Sector*. These standards have been developed in order to encourage good governance throughout the voluntary and community sector.**

This is a special pocket-sized edition and therefore does not contain all of the information included in the entire National Occupational Standards for Trustees and Management Committee Members document.

If you wish to access more detailed information about these National Occupational Standards (NOS) and their uses, you should read the full version, which, in addition to the units themselves, contains comprehensive information, general guidance notes, helpful illustrations and a signposting section. The full version is available online at [www.ukworkforcehub.org.uk](http://www.ukworkforcehub.org.uk)

Whether you are a trustee, or are considering becoming one, it is very important that you are clear about what is entailed in this role. These units are designed to assist you in understanding what is involved in being a trustee and to enable you to carry out these responsibilities with confidence.

The standards have been produced by a group of representatives from across the sector, and across the UK, from small organisations as well as large. Work has focussed on the development of succinct and pertinent detail, with advice from lawyers and accountants, regulatory bodies and umbrella organisations.

National Occupational Standards must show the standard of competence to be reached and the stated outcomes must be relevant to a role or occupation. Competence means the ability to apply knowledge, understanding, practical and thinking skills to achieve effective performance to the standards required.

These Occupational Standards, organised into four units, focus specifically on the role of governance relevant to the voluntary and community sector. They not only refer you to the legal requirements for good governance, but also outline what good professional practice suggests in a wide range of other areas, such as equal opportunities, recruitment and learning and development. The units cover the basic outline of an organisation (what the organisation is there to do), the responsibilities involved in running an organisation (what you need to do), the requirements laid upon the management committee or board of the organisation (how to function effectively), and the role and make-up of the management committee or board (how it's organised).

At all stages you will be advised about what documents you will need to read and will be signposted to others that you might find useful. Other skills and knowledge requirements of trustees/management committee members (MCMs) are contained in other National Occupational Standards and we have also signposted you to these (see 'Other National Occupational Standards' section).

This standards document also contains a 'key words and phrases' section that provides definitions and, in some cases, examples, for clarification.

The *italicised* words and phrases in each unit can be found in the key words and phrases section section.

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**Please remember: these units are by no means compulsory, nor do they represent a legal framework, but are intended as a source of guidance to help you be effective in your role. Some areas in the standards may not yet be applicable to you if your organisation is only very small. However, they will provide guidance on areas that, as your organisation grows, you as a trustee should be thinking about.**

# Units

## Unit 1

### **Safeguard and promote the values and mission of the voluntary or community organisation**

This unit is about the board of trustees setting out the voluntary or community organisation's long-term direction, upholding its values and delivery of its aims, and your role as a trustee in carrying out this function.

## Unit 2

### **Determine the strategy and structure of the voluntary or community organisation**

This unit is about present and future strategic planning. It covers decisions about how the voluntary or community organisation's values and mission are expressed in aims and activities, and in the structures and processes needed to implement them.

## Unit 3

### **Ensure the voluntary or community organisation operates in an effective, responsible and accountable manner**

This unit is about trustees working collectively to ensure their voluntary or community organisation is well-managed, is meeting its aims and needs, and achieving good practice whilst complying with the law. It covers the trustee's role in leading the organisation, and also in ensuring the organisation is managed properly and by the best people available.

## Unit 4

### **Ensure the effective functioning of the voluntary or community organisation's board of trustees**

This unit is about helping the voluntary and community organisation's board of trustees to work as a team and reach fair decisions in the best interests of the organisation. This requires a range of people whose skills and abilities will ensure that the voluntary or community organisation's board of trustees functions effectively.

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#### **Please remember, these units:**

- are not compulsory
- do not represent a legal framework
- are a source of guidance
- may not be applicable to your organisation all at the same time

# Unit 1

## Safeguard and promote the values and mission of the voluntary or community organisation

This unit is about the *board of trustees* setting out the voluntary or community organisation's long-term direction, upholding its *values* and delivery of its *aims*, and your role as a *trustee* in carrying out this function.

When safeguarding and promoting the values and mission of the organisation, as trustees you are responsible for:

- 1 ensuring that you are clear about why the organisation exists, what it stands for, and that you promote the *values*, *aims* and *ethos* so that it accomplishes its *mission*
- 2 setting the strategic direction of the organisation
- 3 acting in a manner consistent with the *values* and *mission* of the organisation
- 4 ensuring that the organisation's *values* and *mission* are clearly stated and can be understood and recognised by *beneficiaries* and by *stakeholders*
- 5 regularly reviewing the *values* and *mission* of the organisation to ensure that:
  - a they continue to remain valid and relevant, and
  - b they take account of changes external to the organisation e.g. legal, political and economic
  - c the *governing documents* reflect this
- 6 ensuring compliance with the organisation's *objects*, and upholding the *values* of the organisation and its *governing documents*
- 7 ensuring decisions relating to these responsibilities are made in the best interests of the organisation and its *beneficiaries*
- 8 ensuring that the organisation is not unduly influenced by external organisations or individuals

# Unit 2

**In order to be able to carry out these responsibilities fully, as trustees you need to know and understand:**

- a the *objects* of the organisation, what the organisation stands for, its history and experience, and how it operates
- b who the *beneficiaries* and *stakeholders* are, their needs, and how to avoid any *conflicts of interest*
- c what a *conflict of interest* means in practice and that a trustee's only responsibility is to the organisation
- d the environment in which the organisation operates, and how other similar organisations operate
- e current legislation and regulations relevant to the organisation and trustees

**In order to safeguard and promote the values and mission of the organisation as trustees you need to have read, where applicable:**

- i your organisation's *strategic plans*
- ii your organisation's *business plans*
- iii *governing documents*

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## Determine the strategy and structure of the voluntary or community organisation

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This unit is about present and future *strategic planning*. It covers decisions about how the voluntary or community organisation's *values* and *mission* are expressed in *aims* and *activities*, and in the *structures* and processes needed to implement them.

**When determining the strategy and structure of the organisation, as trustees you are responsible for:**

- 1 ensuring the organisation sets *aims* or *legal objects* that reflect its *values* and *mission*, that look positively to the future and that enable the organisation's current *mission* to be achieved
- 2 where an organisation employs staff, working with them to produce a *strategic plan* that meets the organisation's agreed *aims* and intended outcomes
- 3 ensuring the organisation has an appropriate *structure* incorporating legal and *governance* frameworks
- 4 ensuring a programme of *activities* which continually builds upon, and makes good use of, the organisation's *resources*
- 5 regularly reviewing and updating the *strategic plan* to keep it fit for purpose

**In order to be able to carry out these responsibilities fully, as trustees you need to know and understand:**

- a the advantages, disadvantages, and implications for trustees, of the different types of *legal structures* for an organisation, as appropriate
- b the requirements of the *governing documents*
- c the day-to-day nature of work carried out by the organisation
- d your organisation's *governance*, management and operational *structure*, and why it is appropriate to the organisation
- e the importance of financial planning, budgets and of monitoring income and expenditure, outputs and outcomes
- f how to evaluate current and recent performance and what has or hasn't worked

**In order to determine the strategy and structure of the organisation you need to have read, where applicable:**

- i the organisation's annual budget
- ii the organisation's *strategic plan*
- iii the organisation's *business plan*
- iv the organisation's annual report



# Unit 3

## Ensure the voluntary or community organisation operates in an effective, responsible and accountable manner

This unit is about *trustees* working collectively to ensure their voluntary or community organisation is well-managed, is meeting its *aims* and needs, and achieving good practice whilst complying with the law. It covers the *trustees'* role in leading the organisation, and also in ensuring the organisation is managed properly and by the best people available.

### 3.1 When ensuring the organisation operates effectively and responsibly, as trustees you are responsible for:

- 1 identifying, establishing and reviewing *policies* and *procedures*, if applicable, required by law and relevant to the organisation
- 2 ensuring there are *policies* covering all major aspects of the organisation and for dealing responsibly with malpractice or misconduct
- 3 ensuring that the organisation holds diversity and equality as positive *values* in its *policies* and practice
- 4 where appropriate, appointing and inducting a senior member of staff to undertake specified operational *activities* and ensuring they are supervised, supported and appraised
- 5 where the organisation employs staff, ensuring that it complies with employment law, and other relevant legislation, and provides opportunities for learning and development
- 6 delegating, when appropriate, specific *activities* with clear instructions about what has been delegated, to whom, for how long and the reporting lines of communication

- 7 the organisation remaining financially viable and ensuring that all funds raised are:
  - > used and allocated wisely,
  - > used only in furtherance of the organisation's *objects*,
  - > used in accordance with the law and accounting requirements,
  - > audited annually in accordance with current legislation
- 8 proactively and regularly reviewing risks to which the organisation is subject, and taking appropriate action based on the assessment
- 9 making use of professional advice when appropriate to do so, and retaining any written advice for future reference and guidance
- 10 monitoring the performance of the organisation and its assets in terms of quality and outcomes
- 11 identifying opportunities and areas of improvement that may benefit the organisation and its *beneficiaries*

### 3.2 When ensuring the organisation operates in an accountable manner, as trustees you are responsible for:

- 1 the organisation complying with current legislative, regulatory and constitutional requirements
- 2 there being proper, clear and accessible communications with key *stakeholders* about the organisation's decision-making and achievements
- 3 ensuring the organisation's system of internal controls, financial controls, performance reporting, *policies* and *procedures* are regularly reviewed by whoever has this responsibility
- 4 making decisions to protect the personnel, assets and property of the organisation to ensure fulfilment of the organisation's *objects*
- 5 the organisation being able to account for its *activities*, and presenting such information in a manner that complies with relevant current legislation

**In order to be able to carry out these responsibilities fully, as trustees you need to know and understand:**

- a the importance of acting prudently, lawfully and in accordance with the organisation's *governing documents*
- b if applicable, those *policies* and *procedures* relevant to the organisation and its *objects*
- c the importance of *policies* and *procedures*, if applicable, complying with current legislation and good practice
- d the responsibilities and requirements of employers where the organisation employs staff and/or involves volunteers
- e the importance of managing risk and limiting the organisation's exposure to significant risks
- f the importance of having clear guidelines on how to handle *conflicts of interest*
- g how to deal with *conflicts of interest* in a proper manner
- h the responsibilities and liabilities when communicating about the organisation
- i the role of fundraising and other sources of income
- j the responsibilities and compliance requirements of the Self Regulation of Fundraising Scheme

**In order to ensure the organisation operates in a responsible and accountable manner, you need to have read, where applicable:**

- i the organisation's annual reports and accounts
- ii management accounts, including income and expenditure, balance sheet and cash flow
- iii financial budgets

# Unit 4

## Ensure the effective functioning of the voluntary or community organisation's board of trustees

This unit is about helping the voluntary or community organisation's *board of trustees* to work as a team and reach fair decisions in the *best interests of the organisation*. This requires a range of people whose skills and abilities will ensure that the voluntary or community organisation's *board of trustees* functions effectively.

When ensuring the effective functioning of the board, as trustees you are responsible for:

- 1 ensuring that the board has a clear statement of *trustees'* strategic and leadership roles and key functions along with appropriate role descriptions for the board
- 2 the board specifying, in role descriptions, the particular responsibilities of and powers delegated to:
  - > identified board members (e.g Chair, Treasurer),
  - > board sub-committees,
  - > others with responsibility for specific *activities*
- 3 the composition of the board reflecting the community and the membership it serves, and the *structure* being in accordance with the organisation's *governing documents*
- 4 the board having a range of skills and experience on which to draw in order to help the organisation progress and fulfil its *objects*
- 5 the existence of clear *policies* and *procedures* for the recruitment and replacement of board members
- 6 ensuring that existing and new *trustees* understand the roles, responsibilities, skills and contributions that *trustees* are expected to make
- 7 ensuring that new *trustees* receive induction, and that opportunities for learning and development are available

- 8 clear and prompt lines of communication existing within the board
- 9 the board ensuring that the whole organisation and its key *stakeholders* have a clear understanding of its role
- 10 having clear and regularly updated rules and *procedures* to determine the conduct of the board and its meetings, and which are in accordance with the law and the organisation's *governing documents*
- 11 ensuring that *conflicts of interest* including matters relating to any benefits for *trustees* are recognised, declared and handled in accordance with *policy* and *procedures*
- 12 acting in a manner agreed by the board when representing the board
- 13 the board ensuring that mechanisms are in place for regular:
  - > reviews of the board's performance, and
  - > *trustee* appraisals by self-assessment

**In order to be able to carry out these responsibilities fully, as trustees you need to know and understand:**

- a the principle that all *trustees*, both individually and collectively as a board, are responsible in law for the board's decisions
- b the role of the *trustee* in relation to the running of the organisation
- c how to recognise and deal with conflicts arising between the board and the officers, the board and the senior management function and between individual board members
- d how to recognise, declare and handle *conflicts of interest*
- e when to call upon professional advice, and where it can be obtained
- f when to add to *trustees'* competence through training and development opportunities
- g succession planning to ensure the health and competence of the board
- h the documents available to provide induction for *trustees*

# Relevant to all units

**In order to ensure the effective functioning of the board you need to have read, where applicable:**

- i *policies* relating to the functioning and responsibilities of the board
- ii other *policies* relevant to the operation of the organisation such as those on Equal Opportunities, Health and Safety and Disability and Discrimination

**In order to carry out your responsibilities, as trustees you should draw on the following qualities:**

- > be committed to the purpose, *objects* and *values* of the organisation
- > be constructive about other *trustees'* opinions in discussions, and in response to staff members' contributions at meetings
- > be able to act reasonably and responsibly when undertaking such duties and performing tasks
- > be able to maintain confidentiality on sensitive and confidential information
- > be supportive of the *values* (and ethics) of the organisation
- > understand the importance and purpose of meetings, and be committed to preparing for them adequately and attending them regularly
- > be able to analyse information and, when necessary, challenge constructively
- > be able to make collective decisions and stand by them
- > be able to respect boundaries between executive and *governance* functions

# Key words & phrases

**You need to have access to, have read and understood, or sought clarification if necessary about:**

- the organisation's *governing documents*
- *policies* relevant to the functioning of the board
- *policies* relating to diversity and inclusion
- relevant written operational *policies and procedures*
- role descriptions and person specifications for *trustees*, board and officers
- the documentation of the Charity Commission, Office of the Scottish Charity Regulator and the Inland Revenue, where relevant

## **Activities**

Anything done using resources belonging to the organisation, or under its control and including all of its work and services.

## **Aims**

Long term targets for the future that the organisation would work towards achieving.

## **Assets**

The property of an organisation, including, for example: cash, bank and building society deposits, consumable stocks, trading stocks, debtors and prepayments or any other amounts receivable in the short term; land, buildings, vehicles and equipment and investments held on a continuing basis; copyright and intellectual rights.

## **Beneficiaries**

Those who benefit, and/or receive services, from the organisation.

## **Best interests of the organisation**

There is a legal duty placed on the trustees of an organisation always to act in the best interests of that organisation and in doing so to strike a balance between the interests of both present and future beneficiaries.

Imprudently spending the financial reserves of an organisation on today's beneficiaries might endanger its ability to serve future beneficiaries. On the other hand, setting aside excessive financial reserves may reduce an organisation's ability to deliver benefits now.

## **Board**

This is the organisation's governing body. This may be called the management committee, executive committee or board of directors, or may be referred to by some other title.

The trustee board of a charity is the group 'responsible under the charity's governing document for controlling the management and administration of the charity, regardless of what they are called' (Section 97 of the Charities Act 1993).

## **Business plan**

A document prepared by an organisation's management, detailing the past, present, and future of the company. It generally projects future opportunities for the organisation and maps the financial, operations, marketing and organisational strategies that will enable the organisation to achieve its goals.

## **Code of conduct**

This is a set of written and agreed procedures and rules which govern how the trustees of a board, or management committee, conduct themselves.

## **Conflict of interest**

This situation may be actual or perceived. It applies to an individual in a position of trust which requires them to exercise judgment on behalf of others. A conflict arises where the individual's other interests or obligations make it impossible for them to act judiciously for either party.

A conflict of interest is any situation in which a trustee's personal interests, or interests which they owe to another body, and those of the organisation arise simultaneously or appear to clash.

## **Ethos**

The distinguishing values, beliefs and character of an organisation. The ethos of an organisation may determine the way it treats its staff and/or volunteers, beneficiaries, customers, environment and legal responsibilities.

## **Governance**

The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation.

## **Governing documents**

Any document setting out the organisation's purposes and, usually, how it is to be administered. It may be a trust deed, constitution, memorandum and articles of association, will, conveyance, Royal Charter, Scheme of the Commissioners, or other such formal document.

Governing documents means any document setting out the organisation's purpose and how it is to be run.

## **Mission**

This is a specific purpose that contributes to the organisation's vision.

## **Objects**

The objects of a voluntary or community organisation are usually contained within its governing documents. They are a legal statement of the purpose of the organisation. If they are wholly and exclusively charitable in law, then the organisation is a charity and subject to charity law and the charity regulator. It is the objects and activities which make an organisation a charity, not registration with the Charity Commission or other regulator.



## **Policies**

Policies are of two types. The first are statements of good practice and procedure which determine the conduct of the organisation, its volunteers and (where relevant) staff, and provide remedies for breaches of that conduct. These often form part of the operational handbook, which can be referred to in the contract, where this is relevant. Examples are: equal opportunities, a disciplinary code, and they often have legal force. Other policies deal with more general issues and are advisory. Examples include; financial procedures, recruitment and selection.

## **Procedures**

Procedures are an approved standard way of how to do something. They are invariably in writing because otherwise they will not be approved or standard, but will be soon forgotten and re-invented regularly. Procedures are a useful means of helping maintain quality in an organisation's activities. They can be used for such areas of activity as governance, as well as in the delivery of services to beneficiaries. The writing and regular updating of procedures can consume a disproportionate amount of time in smaller organisations and the likely benefits should always be weighed against the cost.

## **Resources**

The total means available to an organisation for increasing productivity, including labour, and raw material.

## **Risk Management**

The decision making process that is directed towards the effective management of potential opportunities and adverse effects. It involves risk evaluation and monitoring and will result in either mitigating the risk or applying effective controls.

## **Stakeholder**

This can mean anyone with a significant legitimate interest in the good management of an organisation. This would include funders, trustees, volunteers, staff, suppliers, customers (also known as purchasers) and beneficiaries who all clearly have an interest in the proper running of an organisation.

More narrowly, and in its original meaning, stakeholders are those who have invested in an enterprise. In a voluntary and community organisation this would mean the funders and the volunteers (who invest their time) and might be thought to include the staff who invest their careers into an organisation.

The concept of stakeholder should not be confused with the persons to whom the board of trustees hold themselves accountable. This party can sometimes be difficult to identify in trusts, although in membership organisations where the members elect the board it is almost invariably the members to whom the board is accountable.

## **Strategy/strategic plan**

A broad course of action with an identifiable outcome. This is achieved through a sequence of steps, which are subject to monitoring and modification, to accomplish desired goals and objectives.

This should incorporate the organisation's vision, mission and values statement, where appropriate. (NB. A 'strategic plan' is therefore a timetabled account of the strategy)

## Structure

How the organisation is set up. This may indicate a chain of command, titles and areas of responsibility. It could include numbers of personnel involved, or may actually name them and their responsibilities.

## Trustee

A person who has legal authority to take control of and manage another's finance and property; this authority must always be exercised to the full advantage of the beneficiary. In most legal trusts the trustee holds legal title to the trust property, is a representative of the trust, and has the capacity to sue and be sued on behalf of the trust.

A trustee may also be known as a managing trustee, committee member, governor or director.

## Values

A set of principles that the organisation seeks to apply, both in setting its mission and aims, and in its day-to-day operations.

## Vision

This is the ideal towards which the organisation is working.

# Other National Occupational Standards

## Accountancy Occupational Standards Group (AOSG)

[www.aosg.org.uk](http://www.aosg.org.uk)

Accounting Standards

## Council for Administration (CfA)

[www.cfa.uk.com](http://www.cfa.uk.com)

Business and Administration Standards

Governance Standards

## Employment National Training Organisation (ENTO)

[www.ento.co.uk](http://www.ento.co.uk)

Personnel Standards

## Management Standards Centre

[www.management-standards.org](http://www.management-standards.org)

Management and Leadership Standards

## UK Workforce Hub

[www.ukworkforcehub.org.uk](http://www.ukworkforcehub.org.uk)

Fundraising Standards

Managing Volunteers Standards

All available suites of NOS can be found at: [www.ukstandards.co.uk](http://www.ukstandards.co.uk)

**The UK Workforce Hub** offers guidance and advice to help voluntary and community organisations to attract, develop and retain the staff and volunteers they need.

The Hub promotes good employment practice in the voluntary and community sector by offering a one-stop-shop website and helpline for organisations and a variety of publications and networks.



**workforce hub**

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