



## Governance

### Section one What is governance?

Governance can be defined as:

“The process by which a group of people make decisions that direct their collective efforts.”

Governance is usually a role delegated to a representative group - the management committee (MC). There must therefore be some communication between the wider group and the committee. The wider group may be strictly defined as members/service users or they may be a more vaguely defined group often termed ‘the stakeholders’.

Governance simply describes the way an organisation manages itself and how people representing it give direction and purpose to it.

(Source: <http://www.governancepages.org.uk/faq/faq1.html>)

Governance is about democratic leadership and direction. Like any other voluntary and community organisation, your RCO needs to ensure that it has the appropriate procedures and policies in place so that it can achieve its shared aims and objectives. In order to do this, your organisation has to keep its finances in good order; keep up to date with charitable legal requirements; think and plan ahead; support staff and volunteers; take decisions and be accountable for these. All of these things are part of what we call, ‘governance’.

Good governance is key to running an effective organisation and delivering good services.

#### 1.1 Why is good governance important?

Good governance helps to ensure that your organisation is accountable to your members, beneficiaries and the wider community. By developing robust governance structures, your organisation can effectively respond to, and meet the needs of, your community.

If your organisation is applying for funding to start a new service, you should be aware that any funder will want to be confident that their money is going to an

organisation that can effectively deliver services or projects to those most in need and that it is being used for the purpose of the grant.

With increasing competition for funding, your organisation needs to be able to demonstrate that it has sufficient systems in place to manage funders' money and deliver the agreed project. If your organisation does not have good governance structures in place, you are at risk of failing to achieve the desired project outcomes, and, as a result, failing to meet the community's needs adequately.

Good governance is also essential to keep a happy workforce. If individuals in your organisation understand and support the values of your organisation, and are confident in the strategic direction of your organisation, you are much more likely to retain staff and volunteers and achieve your goals.

As part of good equality and diversity practice, your management committee (MC) should be as representative of your membership as possible. For example, if your organisation is providing women specific services, you should strongly encourage women to join the MC to ensure your services area tailored accordingly.

The following sections will offer advice about actions your organisation can take in order to develop good governance structures.

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