

## SCHOOL OF SOCIAL ENTERPRISE

# A GUIDE TO GOVERNANCE

WITH THANKS TO ADRIAN ASHTON, FREELANCE CONSULTANT



### What is governance?

Governance is often crowded with technical jargon. Ultimately, it's about relationships - the ones you want to have with the different groups of people and organisations that are within or connected to your organisation.

Governance is the systems and processes that you create to protect and manage those relationships. They are usually referred to as policies, or codes of conduct.

It's worth paying attention to, both when starting up your business, but also checking it again over time.

### How legal forms affect governance

Depending on the legal form that you chose for your organisation, that may come with some pre-set rules within your governance. For example, if you are a charity, as a general rule, if you have someone benefitting from the charity because they're getting paid as an employee, then they shouldn't be on the board of trustees.

So if you wanted something that said that *everyone in our community who has an interest in us, should be able to be part of the organisation as they wish* - then a cooperative structure is designed to enable and encourage that.

Always check with your legal form as starting point. They may already come with a code of governance, which is a check-list that you must follow for best practice with the regulator and the law.

### Why sort it out?

- It assures audience that you're a safe pair of hands
- When things go wrong, or circumstances change, having policies and codes in place means things can be managed effectively to minimise any upset that may be caused
- You choose the standards that other people should uphold in the future (e.g. 50 years time)

### Where can I get help?

Check out our resources on picking the correct legal form or contact the Bolton CVS team for tailored advice.

