

MUSCULAR DYSTROPHY IRELAND
THE ROLE OF THE
BOARD OF DIRECTORS



Role of the Board of Directors:

In any network (or other organisation), whatever its size or structure, there are three roles that need to be carried out:

- **Governance** - taking overall responsibility for the work of the network.
- **Management** - organising the work and making sure that it happens.
- **Operations** - carrying out the work.

These roles are complementary but different, and it is important that there is on-going discussion and clarity within the network in relation to who is carrying out which role.

The principal responsibility of the board is always governance, but the way in which the other roles are carried out varies from one organisation to the next.

Governance:

The board is the governing body of the organisation and therefore ultimately responsible for what happens within it ('the buck stops here'). The governance role can be broken down into four areas that will be dealt with in turn:

- Keeping an overview of the organisation and its **direction**.
- Ensuring that the **assets** of the network are protected.
- Ensuring that the organisation is **accountable**.
- Ensuring that the organisation is operating **legally**.
- In addition, members of the board have a responsibility to ensure that they actively and positively promote the organisation and its work in all appropriate fora.

Direction:

The organisation should have been set up to meet a clearly identified need that could not have been achieved by individual organisations acting on their own. Direction means making sure that the organisation remains true to, and focused on, its original vision, mission and values, and subsequent aims and objectives, and that any staff and volunteers have enough guidance and structure to carry out the work of the organisation. The board exercises its responsibility for the direction of the network through planning, policy development, monitoring and evaluation, and managing conflict and change.

Planning:

It is important for every organisation to produce some sort of plan to guide its development in the medium term; not only because funding agencies generally request such a plan, but also because working without a plan is akin to going hiking without a map! In general, the larger and more formal the organisation, the more detailed the plan. Typically, a plan will cover three to five years and will show how the organisation will fulfill its aims and objectives in that period and what resources and structures will be required to do so. Due to resource limitations, organisation cannot do everything that they would like. It is important to keep focusing on what you are trying to achieve strategically; this inevitably means having to say 'no' to good ideas at times. Drawing up the plan is usually a joint effort between the board and staff of the organisation (possibly with the help of an external facilitator and always in consultation with volunteers, service users and other stakeholders). It is vital, however, that the board, as the governing body, agrees the final plan and is able to stand over it. In addition to your medium term plan, you will also need to ensure that more short term (usually annual) work plans are drawn up that spell out how the staff and/or volunteers will implement the plan.

Policy Development:

Once the organisation is up and running, the board needs to have a role in the development of policy, both internally and externally.

Examples of internal policy development are:

- Getting the right balance between the provision of training and other potential services.
- Deciding if there are ethical implications of accepting funds from certain donors.
- A child protection policy if the networks do any work with minors.

Examples of external policy development are:

- Developing position statements on upcoming legislation that may have an effect on your members.
- Deciding how you can effectively work together with similar organisations on issues that affect you.

As part of its governance role, the board must ensure that such policies are developed, agreed and implemented.

Monitoring and Evaluation:

Plans and policies need to be kept under constant review. Even mission statements and aims need to be revisited every so often. We live in a fast changing society and we must continually adapt to the changing environment in which we operate. Ensure adequate systems are in place for record keeping and data collection and make sure regular slots of time are set

aside to analyse whether your targets are being met and to decide whether your activities are having the desired impact.

As your network approaches the end of its plan, the board needs to evaluate the work done in preparation for the development of the next plan. Use this as an opportunity to reflect on good work done and valuing and celebrating the network.

Managing Conflict and Change:

Networks must strive for a sound balance between shared unity and diversity and between stability and innovation.

Conflicts tend to arise because of:

- Different views about objectives, policies and priorities.
- Inadequate resources to meet demands.
- Inappropriate structures and procedures.
- Personal, historical and hidden issues.

Conflicts should be dealt with as they arise, before they escalate. There are many different approaches to conflict resolution, most of which can be handled internally, others of which may require the intervention of a third party. It is an important principle to accept that no one has a monopoly on the truth.

Change is inevitable; whether it is due to the departure of a committed member, a sudden windfall or a cut in funding. Change should be anticipated and responses should be planned as far as possible, although networks should be flexible enough to deal with the unexpected. A culture should be developed in the network that sees change as positive, allows people to express their feelings about change and makes decisions about change calmly, rationally and within an agreed framework.

Assets:

This part of the governance role entails making sure that the service has the necessary resources to carry out its role and that those resources are well managed. The nature of community and voluntary sector organisations is that they are nearly always under-resourced. As such, the board must make difficult decisions about conflicting priorities.

Finances:

The board must ensure that the network raises sufficient funds to cover any planned expenditure. The board is also responsible for ensuring that the money received by the network is properly managed. This means making sure that proper financial policies, procedures and accounting systems are in place, that board members receive regular financial reports and that annual financial statements are prepared and audited.

By having the proper financial systems in place, the board can in a knowledgeable manner agree budgets, authorise expenditure, sign off on accounts, and so on. Furthermore, it is

essential that all decisions about funding and expenditure are made with reference to the network's strategic plans. Despite funding uncertainties, it is important that organisations do not become 'funding-led'; that means changing their aims to fit in with the criteria of funders.

Physical Assets:

If a group is in the early stages of development, the board may be involved in finding premises (although this is not always the case with organisations, which may operate without a central secretariat). The board will remain ultimately responsible for these premises, including ensuring that there are systems in place for security and for maintaining the premises in a good condition. The same is true for other physical assets such as office furniture and equipment, vehicles, stock (if the network sells any goods for fundraising purposes), etc.

Human Resources:

If the network employs staff, the board is the employer, responsible for pay, conditions and welfare, as well as the activity of staff. Whilst there are numerous legal requirements to be met in relation to the employment of staff, it is important that staff are regarded as an enormous asset to the service, rather than solely a legal liability of the board. It is part of the governance responsibility of the board to ensure that staff are properly supported and supervised as part of an appropriate staff management system and that their work priorities are clarified.

All organisations involve volunteers to a greater or lesser extent. Although the legal responsibilities in terms of volunteers are less onerous than those for paid staff it is crucial that the reasons for volunteer involvement have been recognised and articulated and that proper systems are in place for the recruitment and retention of this valuable human resource. Volunteers must feel that there are tangible benefits of being involved with the network and they must feel supported and valued. One way organisations can work towards this is by reimbursing any out-of-pocket expenses that volunteers (including board members) incur while volunteering, such as travel, subsistence and communication costs. Any network that reimburses out-of-pocket expenses should ensure that all claims for expenses are documented and accompanied by receipts or itemised bills.

Finally, the board must decide if and how it will accommodate students on work experience placements, interns, FÁS trainees, etc.

Insurance:

Minding the assets of the network also means ensuring that it is appropriately insured. Every organisation needs to take out public liability insurance; those employing staff will also need employer's liability and sometimes professional indemnity cover. If the network has purchased its own premises, building insurance on the property will be necessary and contents insurance is a good idea for most groups.

If events take place outside of the usual premises and similarly, if equipment such as laptops or mobile phones are used away from the premises, make sure there is adequate cover for these as well. If the network owns vehicles, ensure only those insured to drive them do so. If staff use their own vehicles for business purposes, make sure that their own motoring policies cover them for such use (and reimburse them for any additional premiums payable).

Accountability:

It is also part of the governance role of the board to ensure that the organisation is accountable to its funders, service users and members, and reports back to its stakeholders in a timely and appropriate fashion. It is important that the board is clear that it has a duty to be accountable and that it is also clear how this duty is being discharged.

Funders:

Most networks receive funds from a variety of sources. Although the way in which you report to these various funders will vary, the fact that you must always thank them for their contribution and must spend their money wisely remains. If you receive funding from statutory sources, the reporting requirements for drawing down tranches of funding are usually very strict. Although much of the work involved will be done by staff, if you have staff, it is your responsibility as the board to ensure that it is done.

Service Users:

Service users (for example, members of the organisation) need to be consulted about the way in which the service is developed. Most services involve community representatives at board level. In addition, it is important to seek the views of service users as part of your planning process and/or evaluation of the service. Also, it is good practice to implement a well thought-out complaints procedure.

Members and Other Stakeholders:

Members and other stakeholders must have some say in the network's development processes, whether through consultation or more active involvement. There is a delicate balance to be struck between meaningful consultation and effective action. Organisations, and their members, must be clear about what decision can be made at organisational level.

The annual general meeting (AGM) of the network (in addition to being a legal obligation) provides an opportunity for the board to report on the work of the organisation to all members and other interested parties. Many organisations produce an annual report both for their own members and for wider circulation. This helps to publicise the work of the organisation, highlights important issues and can be a useful form of networking.

Legality:

The board is responsible for ensuring that the organisation meets all of its legal obligations. Meeting the network's legal obligations should always be regarded as a priority. The most significant legal responsibilities are its obligations under company/friendly society, employment, health and safety, equality and data protection legislation. Whilst this may appear to be a daunting list, compliance with much of this legislation is about having the right policies and procedures in place.

Subcommittees and Working Groups:

It is common for boards to set up subcommittees to take on specific responsibilities or working groups to tackle a particular project. This is an effective way to get work done and make board meetings more effective. However, it is important that all concerned are clear about the purpose, remit and boundaries of any subcommittees and working groups and that everyone understands that the board has ultimate responsibility. Having too many subcommittees or working groups is never a good idea. Agreed lines of communication are of paramount importance.

Subcommittees:

These are usually set up on a long term basis to take on a specific responsibility. For example, a staffing subcommittee could deal with the development of employment policies and procedures and the recruitment, induction, training, support and supervision of staff, as well as any other employment issues that may arise from time to time. Subcommittees are usually allowed to make some decisions themselves, while others have to be brought to the board. For this reason, they should always include at least one board member. It is important that both the subcommittee members and the board members are very clear about the extent of the decision making and/or spending powers of the subcommittee and written terms of reference, approved by the board, are a good way of ensuring clarity. Terms of reference should cover membership, purpose, limits of decision making and spending as well as a method of reporting to the board as a whole. It is important to review on a periodic basis the number of subcommittees, as well as their purpose and their effectiveness.

Working Groups:

These are more likely to be time-limited and are usually set up to carry out a specific piece of work. Examples might include working groups set up to draft the strategic plan, locate new premises or organise a public event. They tend to be particularly effective for networks that are wholly composed of volunteers. Working groups are less likely to make decisions, but bring information to the board, present options for decision making or draft documents for board approval. While working groups do not necessarily have to include a board member, it is important to have some direct board member involvement if the working group is going to produce something that the board is expected to agree on. Again, written terms of reference are a good idea.

Roles of Individual Board Members:

Whilst all members of the board share in the governance responsibilities outlined above and whilst all should endeavour to participate in the subcommittees and working groups, a number of board members will have their own specific responsibilities. Every board will have a certain number of honorary officers; conventionally the chairperson, secretary and treasurer, and sometimes a vice-chairperson. If the organisation is a company limited by guarantee, there will also be a company secretary, who is normally, although not necessarily, a board member. Specific sample responsibilities of these officers are outlined below. Please note that in addition, there may be any number of other board positions, such as staff liaison officer or public relations officer. Officers of the board may delegate some of their responsibilities to other board or staff members, but they themselves remain responsible for ensuring that the duties get done.

Please see the following for more detailed information on the following;

- Role of the Chairperson
- Role of the Vice-Chairperson
- Role of the Secretary
- Role of the Treasurer