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| **TIPS FOR COMPLYING WITH THE DUTY TO ACT IN GOOD FAITH AND FOR A PROPER PURPOSE (DUTY 1)** |
|  Get a copy of your organisation’s Rules and make sure you understand the ‘Statement of Purpose’ or ‘Objectives’ of your organisation. It is a good idea to have these documents at all Committee meetings to check that decisions are in line with your organisation’s purpose, and within your Committee’s powers.  When making decisions, ask yourself – ‘Am I deciding this issue based on what is in the best interests of the current and future operation of this organisation – or am I deciding this based on my own personal interests or in the interest of a select group of members or clients that I favour?’  If you were ‘appointed’ to a Committee by a particular organisation or group of members, remember that once on a Committee your duty is to act in the best interests of that organisation, and not those that appointed you. This does not prevent you from advising the Committee about the views of those you represent.  Apply the ‘how will it look later’ test – if someone was to analyse this decision later, would they think ‘This was the decision of a reasonable, honest person who, with the knowledge they had at the time, was trying to act in the best interests of the organisation’? Or could they possibly come to the conclusion that the decision was irrational, partial, and dishonest or made for some ulterior motive?  There is a close link between the duty to act in the best interests of the organisation, and the duty to disclose and manage conflicts of interests. Consider whether some conflict of interest is involved in making a decision and whether action needs to be taken to disclose and manage an actual or perceived conflict of interests – see further Duty 4 below.  |

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| **TIPS ON COMPLYING WITH THE GENERAL DUTY OF CARE, DILIGENCE** **AND SKILL (INCLUDING UNDERSTANDING FINANCES AND AVOIDING** **INSOLVENT TRADING. (DUTY 2)** |
|  Attend Committee meetings - and read the papers and financial statements before the meeting. If you regularly find you cannot do this, consider whether you should continue to serve on the Committee, as you risk falling in breach of this duty.  If you don’t understand something or want further information, speak up. Ask questions and seek clarification about matters, discussions or proposed resolutions. Don’t simply go along with the rest of the Committee if you disagree with their views or decision.  Follow up on things you said you would do between meetings – adopt a culture of having ‘action’ items in your minutes and reviewing the status of actions at the following meeting.  When making a decision or taking action, ask yourself, ‘Have I exercised the degree of care and thoroughness that a reasonable person in my position would give to this kind of decision or situation’? If you need more information – say this and make sure you get it. You don’t need to make perfect decisions but you do need thoughtful ones.  Know what events and activities are being undertaken by the organisation and ensure that proper care has been taken to protect the organisation and all participants (e.g. making sure health and safety matters have been addressed, checking that insurance is up to date).  Make sure you are receiving clear information about the finances of your organisation. If they are presented in an incoherent format, ask that they be presented in a basic overview or dashboard format. If you need to, get training in basic financial literacy so you can understand the finances. If you do not receive any financial information at all, consider your position carefully. You could be at risk of breaching this duty – and ignorance is no defence.  Take special care when committing to large contracts, investing the funds of the organisation or borrowing funds for the organisation to use. Avoid undertaking activities that might place the organisation's funds or assets at undue risk.  Follow up immediately on any problems identified in the financial statements or audits. Make sure the Committee takes action if there is a concern about whether debts can be paid on time. |

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| **TIPS ON COMPLYING WITH THE DUTY NOT TO MISUSE INFORMATION** **OR POSITION: (DUTY 3)** |
|  Induct new Committee members – explain how your Committee works and the expectations your organisation has about use of information and position. Also, make them aware of their legal duties as Committee members (perhaps give them a copy of this Guide!)  Depending on the work of your organisation, consider whether all Committee members in your organisation should sign a Code of Conduct and Confidentiality Agreement, to reinforce this duty. These documents could provide further details about what the organisation considers to be the improper use of position and information. It could also set out the disciplinary or other actions that might be taken against Committee members for certain kinds of behaviour (as well as the possible penalties that could apply for breach of the legal duty).  Make sure you take care with all Committee papers and minutes and any paperwork that contains personal information of people involved in the organisation.  Avoid gossip about Committee happenings and maintain the confidentiality of Committee discussions around sensitive matters (like client information or project tender amounts).  Do not use any information obtained by reason of your position on the Committee in any way other than it was intended you use it.  |

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| **TIPS ON COMPLYING WITH THE DUTY TO MANAGE AND DISCLOSE** **CONFLICTS OF INTEREST (DUTY 4)** |
|  Remember that conflicts of interest are common and will inevitably occur – it is how you disclose and manage them that matters.  As a Committee member, stay alert to possible conflicts of interest which you might have. Advise your organisation of any actual or potential conflicts of interest as soon as you become aware of them. Create and foster a culture where it is normal practice for a person to disclose and manage a conflict of interest.  When making a decision as a Committee member, ask yourself: Am I making this decision based only on what will lead to the best outcome for this organisation? If the answer is that you are also considering whether decision would lead to a favourable outcome for you (or a relative, close friend or another organisation), then there is a good chance you might have an interest in the matter you may need to disclose and manage.  It is good practice at the beginning of a Committee meeting to check the agenda and declare any private interests which you may have in any item for discussion. You should declare it before any discussion of the item itself, or as soon as you realise the conflict arises.  If in doubt about a possible conflict of interest, stay on the safe side and disclose it – it is very important to keep the trust of fellow Committee members, the organisation’s members and the community. Remember even perceived conflict of interests can damage a NFP’s reputation.  Check your organisation’s Rules and policies to see if they say anything about conflicts of interest. For example, some organisations have rules which prevent an organisation from employing Committee members.  Consider whether your organisation needs a policy on how it will deal with any conflicts which arise as a result of the work which your organisation undertakes. A policy can help remind you of the legal process that the law requires you to take (see further resources).  Also think about whether your Committee would benefit from having a standing register of interests. It may be required by law. It allows any actual or potential conflicts of interest to be identified more easily. The register should be regularly updated.  Registered charities should be aware that the governance standards apply to conflicts of interest, and require responsible persons to disclose any situation where they may appear to have a conflict between their duty to act in the best interests of the charity, and a personal or private interest.  |