

HOPE for Epilepsy

Internal Governance Review

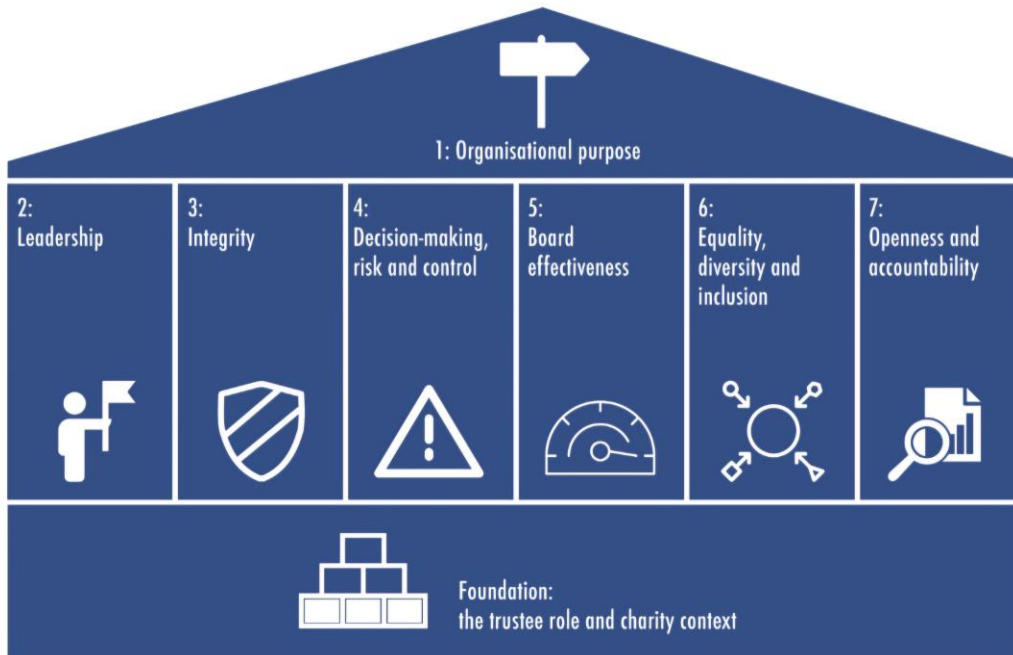
November 2024

1. Reason Behind the Review

Now that HOPE is receiving larger grants, we will be open to a greater level of scrutiny. It is also best practice to regularly review our governance and evaluate ways in which we can improve. This review should help us focus and create a plan and overarching governance framework. There are of course arguments against an internal review when compared with commissioning an external review, but this can hopefully be a springboard to tighten up our policies, procedures and compliance.

2. Tools Used

The Governance Code is a voluntary code that UK charities can use as a tool to create higher standards of governance and greater compliance with legal requirements and regulations. The code is organised into seven categories (see image below), and charities are meant to follow an 'apply or explain' rule whereby if the guidance is not followed, they must explain why not.



The Directory of Social Change (DSC) has developed a Governance App that takes aspects from the Governance Code and creates a series of questionnaires that Trustees can fill in that autogenerates a report. There are seven questionnaires reflecting the seven areas of the code, each of which contains ten questions. The DSC produced their first report from this app earlier this year combining the scores from 1,126 entries. Among these results, they found that smaller charities ranked themselves lower than larger charities. It will be interesting to see if this is how HOPE's results compare.

The National Council for Voluntary Organisations (NCVO) has developed a version of the Governance Code for micro-charities with no paid staff, which is of direct relevance to HOPE. The answers from the Governance App can be fed into this version of the Code and help highlight areas of improvement for us.

3. Evaluation

For each of the seven categories, the answers from the Governance App will be analysed and compared to the report produced by the DSC and then evaluated in connection with the NCVO adaptation of the Governance Code.

3.1. Average Category Scores

As illustrated below, our average category scores were only lower than the average reported by the DSC in the Decision-making, Risk and Control category, which will be analysed in greater detail below. However, due to the micro-charity nature of HOPE, it is a strength of our Board of Trustees to score higher in the majority of the categories.

Figure 1: Comparison of the overall average scores for each category

	Category	Report	HOPE
1	Organisational Purpose	8.2	8.9
2	Leadership	8.2	8.7
3	Integrity	8.8	9.3
4	Decision-making, Risk and Control	8.2	7.8
5	Board Effectiveness	7.9	8.4
6	Equality, Diversity and Inclusion	6.5	7.2
7	Openness and Accountability	7.3	7.9

3.2. Organisational Purpose

The key **principle** behind organisational purpose is:

The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.

And the **key outcomes** are:

- *The board has a shared understanding of and commitment to the charity's purposes and can clearly articulate these.*
- *The board can demonstrate that the charity is effective in achieving its charitable purposes and agreed outcomes.*

As stated in the NCVO adaptation, the **legal and regulatory basis** of this category is:

'Boards must make sure they understand the charity's purposes, plan what the charity will do and can explain how these activities are intended to support the purposes.'

Although HOPE's score on this category as a whole is higher than the DSC report's category score, the individual questions in the questionnaire showed a mixed bag - see below.

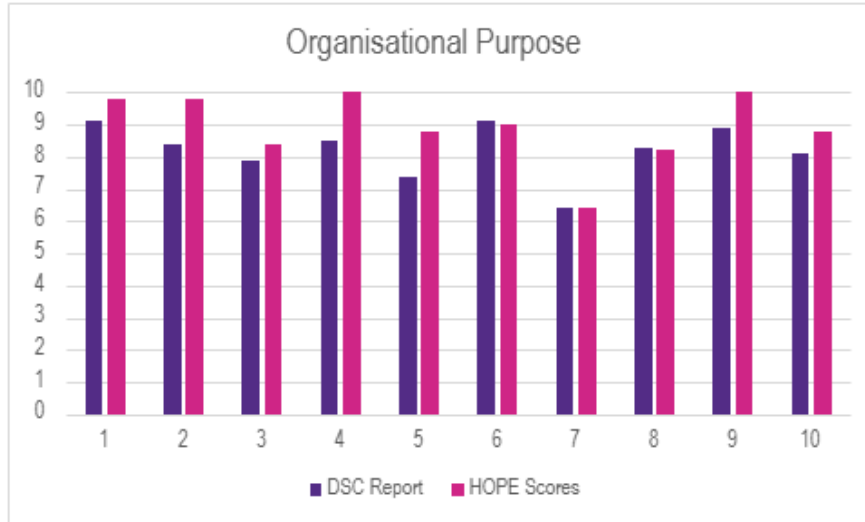
Our lowest score is knowing what we do if we weren't needed/unviable. This is a clause in our governing document, so this centres around awareness amongst the Trustees as opposed to not having a plan if this were to happen.

The other scores where we were lower than the report about recognising our responsibility to the wider environment we operate in and reviewing our financial stability. In these there are only a 0.1 difference, with scores of 8.2 and 9 respectively.

Figure 2: Organisational Purposes scores

	Question	Report	HOPE
1	We understand what the organisation is here to achieve	9.1	9.8
2	We can demonstrate that the charity is achieving its charitable purposes	8.4	9.8
3	We periodically check that our charitable purposes are relevant	7.9	8.4
4	We can all explain the charity's public benefit	8.5	10
5	We regularly evaluate the difference the charity is making	7.4	8.8
6	We regularly review our financial sustainability	9.1	9
7	We know what we'd do if the charity wasn't needed any more or became unviable	6.4	6.4
8	We recognise our responsibility to the wider environment we operate in	8.3	8.2
9	We act in a way that's consistent with the charity's values	8.9	10
10	We have a clear set of aims and a plan for achieving them	8.1	8.8

Graph 1: Representing the Organisational Purposes scores



The main point from the questionnaire and what the adapted code states is to clarify what HOPE would do if we became unviable/not needed. This can be done at a trustee meeting before our 2025 AGM where we can analyse what our governing document states and decide if any action/revision needs to be taken. It is important to do this before the next AGM, as if the governing document needs revising it needs to be ratified in an AGM.

3.3. Leadership

The **principle** behind this category is that:

Every charity is headed by an effective board that provides strategic leadership in line with the charity's aims and values.

And the stated **key outcomes** are:

- *The board, as a whole, and trustees individually, accept collective responsibility for ensuring that the charity has a clear and relevant set of aims and an appropriate strategy for achieving them.*
- *The board agrees the charity's vision, values and reputation and leads by example, requiring anyone representing the charity reflects its values positively.*

- *The board makes sure that the charity's values are reflected in all of its work and that the ethos and culture of the organisation underpin the delivery of all activities.*

As stated in the NCVO adaptation, the **legal and regulatory** basis of this category is:

'The board has ultimate legal responsibility for the management and administration of the charity, including ensuring accountability in the charity.'

The points where HOPE scored lowest/lower than the DSC report relate to appointment/supervision of people in senior positions and the ability to feedback to the board. This is in part because HOPE has no staff. However, if we apply this to the trustees themselves, then it is still something we could work on.

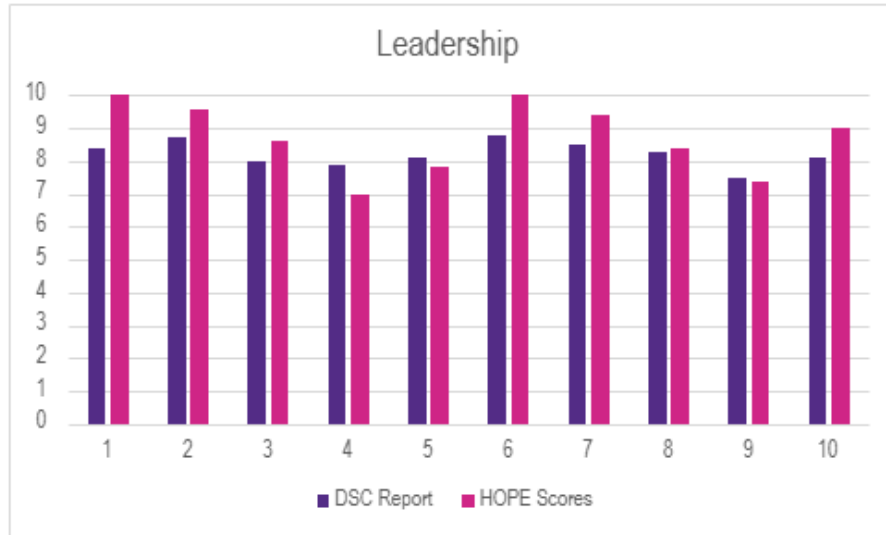
Our other low score is whether the trustee roles and responsibilities are formally recorded. In the DSC report it questions whether the documents recording these are regularly reviewed. When Sharepoint is up and running then everyone will have access to these documents to review regularly.

Figure 3: Leadership scores

	Question	Report	HOPE
1	We live the charity's vision and values	8.4	10
2	We can demonstrate that the charity is achieving its charitable purposes	8.7	9.6
3	We have clear priorities, structures and purposes	8	8.6
4	We have proper procedures for the appointment, supervision, support, appraisal, remuneration and if necessary, dismissal of the most senior member of staff	7.9	7
5	Trustees' roles and responsibilities are formally recorded	8.1	7.8
6	Our values underpin our decisions and the charity's activities	8.8	10
7	We recognise, respect and welcome diverse, different and, at times, conflicting trustee views	8.5	9.4
8	We provide oversight, direction, support and constructive challenge to the organisation and, where they exist, it's staff and volunteers	8.3	8.4
9	Staff or volunteers feel confident and able to provide the information, advice, and feedback necessary to the board	7.5	7.4

10	We give sufficient time to the charity to carry out our responsibilities effectively	8.1	9
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Graph 2: Representing the leadership scores



Other recommendations from the DSC report involve clarifying engagement levels, commitments and explaining that even if trustees were not actively involved in discussions and decisions, every trustee is still equally liable in law.

Through the NCVO adaptation of the code, what comes through under the leadership category and the scores from the questionnaires is to clarify trustee engagement and responsibilities and differences between governance and operational roles.

3.4. Integrity

The **principle** behind this category is that:

The board acts with integrity, adopting values and creating a culture which help achieve the organisation’s charitable purposes. The board is aware of the importance of the public’s confidence and trust in charities, and trustees undertake their duties accordingly.

And the **key outcomes** are:

- *The board acts in the best interests of the charity and its beneficiaries. The board is not unduly influenced by those who may have special interests and places the interests of the charity before any personal interest. This applies whether trustees are elected, nominated, or appointed. Collectively, the board is independent in its decision making.*
- *The board safeguards and promotes the charity's reputation and, by extension, promotes public confidence in the wider sector.*
- *In their conduct, members of the board and those working in or representing the organisation are seen to be acting with integrity and in line with the values of the charity.*

As stated in the NCVO adaptation, the **legal and regulatory basis** of this category is:

'Trustees are required to act in the best interests of the charity to achieve its charitable purposes. They must deal with conflicts of interest and loyalty to ensure the charity's purposes are the most important part of all board decisions.'

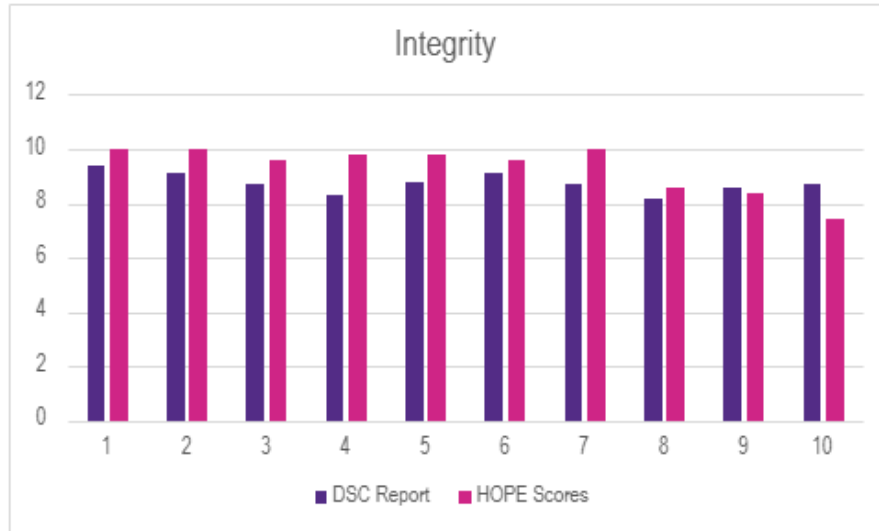
This category had our highest average score. The only scores that are lower centre around conflict of interest. HOPE has a policy on conflict of interest, however, outside of this policy, we have little in the way of formalised procedures.

Figure 4: Integrity scores

	Question	Report	HOPE
1	We act with honesty, trustworthiness and care	9.4	10
2	We act in the best interest of our beneficiaries	9.1	10
3	We make objective and independent decisions	8.7	9.6
4	No one person or group has undue influence with the charity's values	8.3	9.8
5	All our decisions are consistent with the charity's values	8.8	9.8
6	The charity follows the law, relevant codes, and standards, and other good practice initiatives	9.1	9.6
7	We promote a culture in which everyone feels safe and respected	8.7	10
8	We have appropriate and regularly reviewed safeguarding policies and procedures	8.2	8.6
9	We understand how real and perceived conflicts of interests can affect a charity's performance and reputation	8.6	8.4

10	Trustees disclose and deal with conflicts in line with the governing document and conflicts of interest policy	8.7	7.4
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Graph 3: Representing the integrity scores



To improve our governance and try to reach best practice, two simple steps would be to create a register of conflict of interests, and to add a question regarding potential conflict of interest at the start of each trustee meeting. A long-term goal of researching how similar sized charities deal with conflict of interest would help us reach best practice in the future.

3.5. Decision-making, Risk and Control

The **principle** behind this category is that:

The board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

And the stated **key outcomes** are:

- *The board is clear that its primary focus is on strategy, performance and assurance, rather than operational matters, and reflects this in the matters it delegates.*
- *The board implements a sound decision-making and monitoring framework which assists the organisation in delivering its charitable*

purposes. It is aware of the full breadth of financial and non-financial risks it needs to monitor and manage.

- *The board promotes a culture of sound management with resources but also understands that being overcautious and risk averse can itself be a risk and hinder innovation.*
- *Where aspects of the board's role are delegated to committees, staff, volunteers, or contractors, the board retains responsibility and oversight.*

As stated in the NCVO adaptation, the **legal and regulatory basis** of this category is:

'Trustees are collectively responsible for all decisions that are made, and for all actions that are taken with their authority. Trustees have a duty to manage the charity's resources responsibly.'

This is HOPE's lowest scoring category. HOPE does not have a formal management of risk policy or document, and our attitude towards risk is not regularly discussed in trustee meetings.

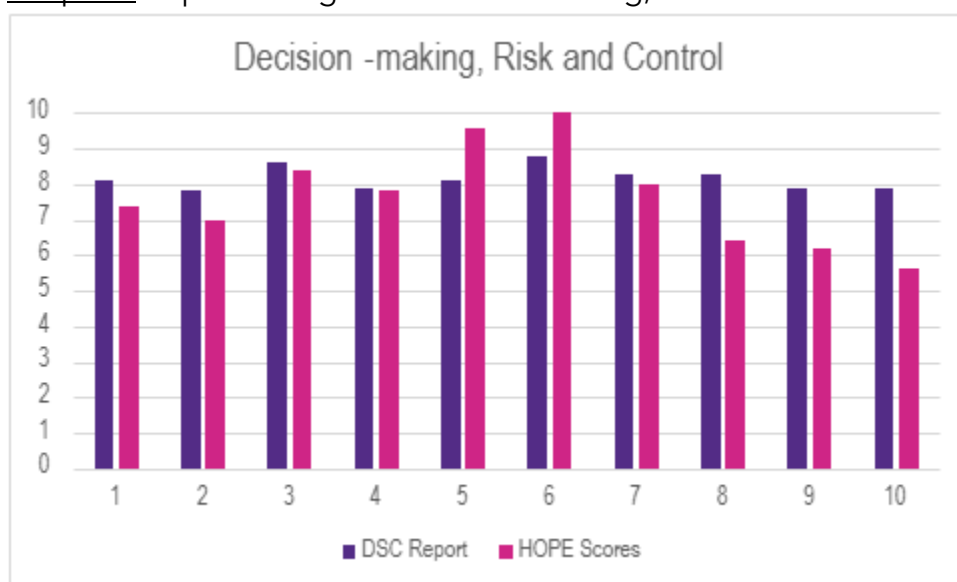
The lowest score is regarding external auditors/examiners. HOPE's last budget was the first time that our income exceeded the level required to be independently examined. Otherwise, no external examiner has been involved with HOPE before.

Figure 5: Decision-making, Risk and Control scores

	Question	Report	HOPE
1	We are clear that the board's main focus is on strategy, performance and assurance, rather than operational matters	8.1	7.4
2	We have a sound decision-making and monitoring framework which helps the organisation deliver its charitable purposes	7.8	7
3	We are aware of the range of financial and non-financial risks we need to monitor and manage	8.6	8.4
4	Our committees have suitable terms of reference and membership	7.9	7.8
5	The work of any third-party suppliers or services is carried out in the interest of the charity, and in line with its values	8.1	9.6

6	Our operational plans and budgets are in line with the charity's purposes, strategic aims and resources	8.8	10
7	We regularly monitor and check performance against the charity's strategies aims, operational plans and budgets	8.3	8
8	We regularly review the charity's specific significant risks and make plans to mitigate and manage them appropriately	8.3	6.4
9	We review the effectiveness of the charity's approach to risk at least every year	7.9	6.2
10	We have an effective process for appointing and reviewing the charity's external examiners or auditors (if they are required)	7.9	5.6

Graph 4: Representing the decision-making, risk and control scores



As reflected in the leadership category, there is an importance of separating operational and governance matters and the importance of conflict of interest in connection to third party suppliers.

Aside from this, HOPE needs to establish a clear management of risk strategy and processes by which this is regularly monitored. We could also store (and keep updated) relevant Charity Commission publications on Sharepoint.

3.6. Board Effectiveness

The **principle** behind this category is that:

The board works as an effective team using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

And the stated **key outcomes** are:

- *The board's culture, behaviours, and processes help it to be effective which includes accepting and resolving challenges or differing views.*
- *All trustees have appropriate skills and knowledge of the charity and can devote enough time to be effective in their role.*
- *The chair enables the board to work as an effective team by developing strong working relationships between members of the board and creates a culture where differences are aired and resolved.*

As stated in the NCVO adaptation, the **legal and regulatory basis** of this category is:

'Trustees must perform their duties with reasonable care and skill to fulfil the charity's purposes.'

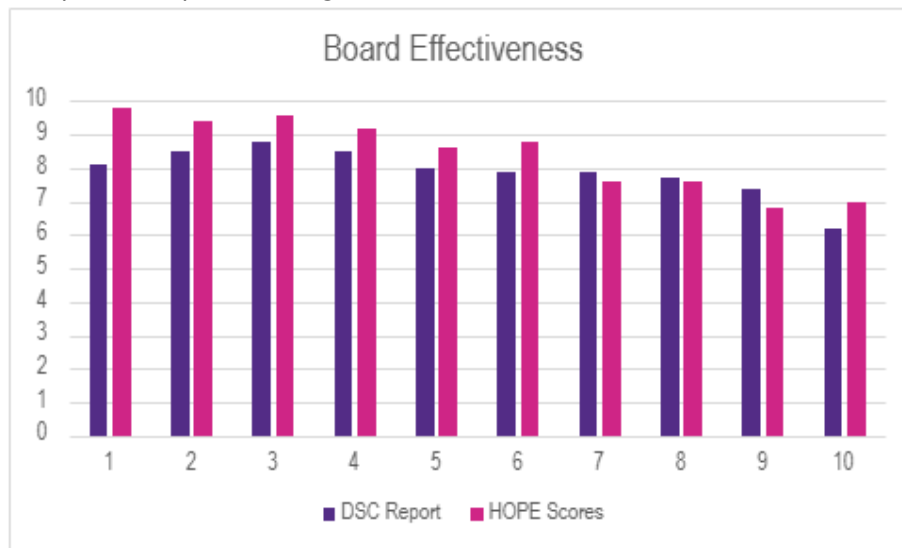
For this category, the scores that were lower than the DSC report centre around the appointment, induction and tenure of trustees. There is no fixed term for HOPE trustees, in our policies or governing document. Trustees are given links to appropriate Charity Commission documents, but no formal HOPE-specific information or documents upon becoming a trustee. There is also no formal process of reviewing the board's performance.

Figure 6: Board Effectiveness scores

	Question	Report	HOPE
1	Our culture, behaviours and processes help us to be effective	8.1	9.8
2	We take decisions collectively and confidently	8.5	9.4
3	Once decisions are made, the board unites behind them and accepts them as binding	8.8	9.6
4	Where differences of opinion arise, we take time to consider the range of perspectives and outcomes, respecting all viewpoints	8.5	9.2
5	The board has, and regularly considers, the skills, knowledge and experience it needs to govern, lead and deliver the charity's purposes effectively	8	8.6

6	The board is big enough that the needs of the charity's work can be carried out and changes to the board's composition can be managed without too much disruption	7.9	8.8
7	We have a formal, rigorous and transparent procedure to appoint new trustees, which includes advertising vacancies widely	7.9	7.6
8	Trustees are appointed for an agreed length of time	7.7	7.6
9	Trustees receive a proper induction when they join the board that covers all areas of the charity's work	7.4	6.8
10	The board reviews its own performance every year, including that of the chair	6.2	7

Graph 5: Representing the Board Effectiveness scores



In connection to the NCVO adapted governance code, the ways HOPE can most improve in terms of Board Effectiveness would be to formalise an induction pack for new trustees, this can be personalised to HOPE itself as well as using existing Charity Commission publications.

Another aspect we could improve on is to establish a length of term for a trustee and the role of Chair. This can also be allowed in consecutive terms but would be for the board to decide. Additionally, we could evaluate our own effectiveness by conducting an efficiency review.

3.7. Equality, Diversity and Inclusivity

The **principle** behind this category is that:

The board's approach to diversity supports its effectiveness, leadership and decision-making.

And the stated **key outcomes** are:

- *The board's effectiveness is enhanced by a variety of perspectives, experiences and skills.*
- *The board ensures that the charity upholds principles of equality and diversity going beyond the legal minimum where appropriate.*

As stated in the NCVO adaptation, the **legal and regulatory basis** of this category is:

'Trustees must exercise reasonable care and skill in leading the charity and act in the charity's best interests. By extension, trustees should ensure that there is a mix of skills, experience and backgrounds on the board so these duties can be met.'

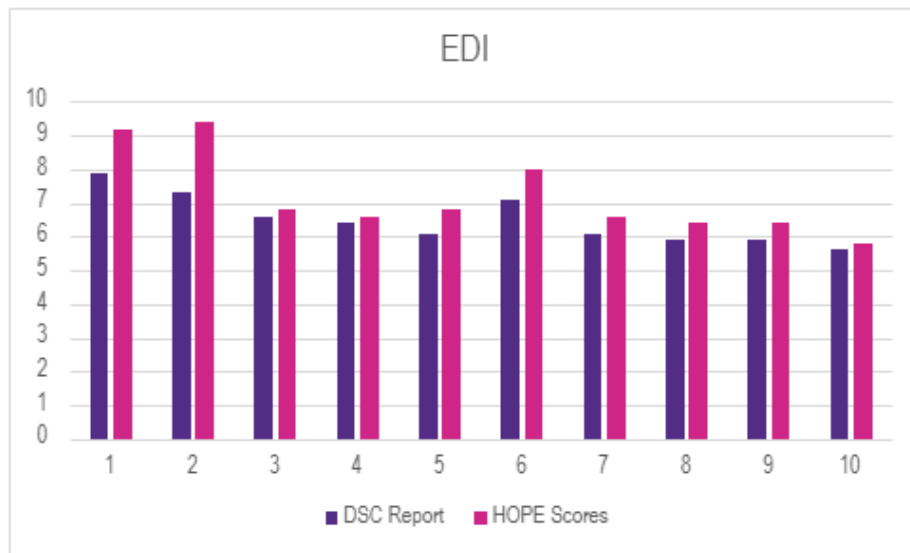
As a category, HOPE scores lowest on EDI, as does the entries that made up the DSC report, although, saying this, HOPE scores higher on every one of the 10 questions compared with the report. The scores that are on the lower side for HOPE are around the creation of plans, and monitoring of targets. Our lowest score is around learning and/or reflection, HOPE trustees receive no training/information on EDI relevant to their roles.

Figure 7: Equality, Diversity and Inclusivity scores

	Question	Report	HOPE
1	The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit	7.9	9.2
2	The board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries	7.3	9.4
3	We assess our own understanding of equality, diversity and inclusion and identify any gaps in understanding which could be filled by discussion, learning, research or information	6.6	6.8
4	We regularly assess the charity's approach to equality, diversity and inclusion	6.4	6.6

5	The board assesses how it demonstrates inclusive behaviours in its decision making and how it engages with staff (where they exist), volunteers, members, service users and beneficiaries	6.1	6.8
6	We set a clear organisational approach to equality, diversity and inclusion in line with the charity's aims, strategy, culture and values	7.1	8
7	Our approach to equality, diversity and inclusion is supported by appropriate plans, policies, milestones, targets and timelines	6.1	6.6
8	We ensure that there are appropriate arrangements and resources in place to monitor and achieve the organisation's equality, diversity and inclusion plans and targets	5.9	6.4
9	We lead the organisation's progress towards achieving its equality, diversity and inclusion plans and targets and discuss updates on this	5.9	6.4
10	We periodically take part in learning and/or reflection about equality, diversity and inclusion and understand our responsibilities in this area	5.6	5.8

Graph 6: Representing the Equality, Diversity and Inclusion scores



It would be useful for HOPE to run a skills audit to see if there are any gaps of expertise or knowledge on the board as it stands to see if it helps the direction of trustee recruitment in future or signpost to training.

An additional point of action from this would be to source and signpost relevant training opportunities/resources regarding equality, diversity and inclusion with reference to trusteeship.

3.8. Openness and Accountability

The **principle** behind this category is that:

The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

And the stated **key outcomes** are:

- *The organisations work and impact are appreciated by all its stakeholders.*
- *The board ensures that the charity's performance and interaction with its stakeholders is guided by the values, ethics and culture established by the board. Trustees make sure that the charity collaborates with stakeholders to promote ethical conduct.*
- *The charity takes seriously its responsibility for building public trust and confidence in its work.*
- *The charity is seen to have legitimacy in representing its beneficiaries and stakeholders.*

As stated in the NCVO adaptation, the **legal and regulatory basis** of this category is:

'Trustees are required to comply with any legal requirements to produce annual reports and accounts. Where required by an organisation's governing document the charity must hold an annual meeting for member of other stakeholders.'

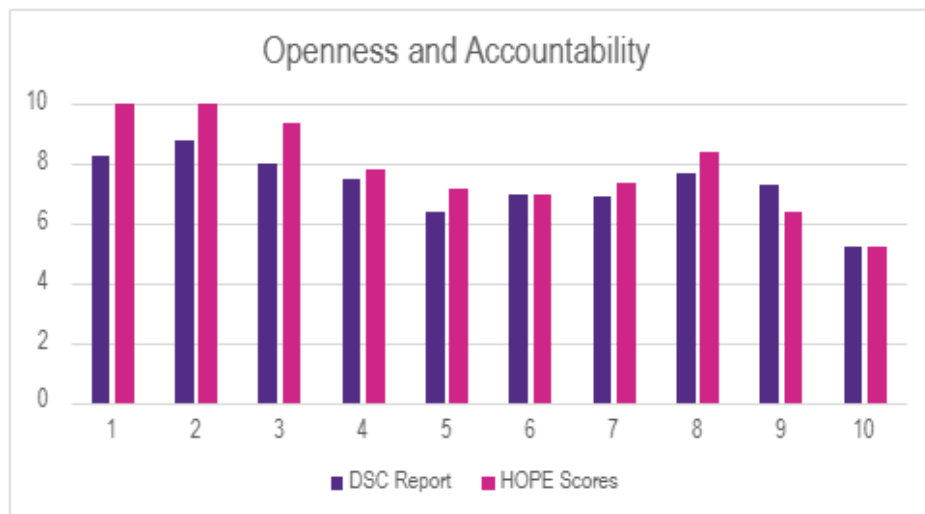
HOPE's lowest score on this set of questions is regarding remuneration levels of senior staff. As HOPE has no paid staff, this is obviously going to score as low as it did, as it is not relevant to us as an organisation. Other low scores include complaints procedures - HOPE does have a complaints policy, so again, this is more of a potential awareness issue.

Another set of low scores in this category involves stakeholder communication.

Figure 8: Openness and Accountability scores

	Question	Report	HOPE
1	The organisation's work and impact are appreciated by all its stakeholders	8.3	10
2	The charity is seen to have legitimacy in representing its beneficiaries and stakeholders	8.8	10
3	The board identifies the key stakeholders with an interest in the charity's work	8	9.4
4	We make sure that there is a strategy for regular and effective communication with its stakeholders about the charity's purposes, values, work and achievements	7.5	7.8
5	Stakeholders have an opportunity to hold the board to account through agreed processes and routes	6.4	7.2
6	We speak to stakeholders about significant changes to the charity's services or policies	7	7
7	We get regular reports on the positive and negative feedback and complaints given to the charity	6.9	7.4
8	We learn from mistakes and use this learning to improve performance and internal decision-making	7.7	8.4
9	We have a transparent, public-facing, effective and timely process for making, handling and resolving complaints	7.3	6.4
10	We publish the process for setting the remuneration of any senior staff, and their remuneration levels, on the charity's website and in its annual report	5.2	5.2

Graph 7: Representing the Openness and Accountability scores



Stakeholder communication is something that HOPE does well over social media channels and via our website and regular emails to our beneficiaries. One area of focus may be different stakeholder groups such as charities we work closely with, funders and related professional groups such as Epilepsy Specialist Nurses, and tailoring communication to these different groups.

It would also be beneficial for HOPE to review our complaints policy in light of recent GDPR training and having registered with the Fundraising Regulator and the Information Commissioner's Office (ICO).

3.9. In Summary

Contrary to the DSC finding that smaller charities scored themselves lower, this seems to be the case only in the category of decision-making, risk and control. Taken question by question though there is a more nuanced picture, which shows areas that HOPE can improve in.

4. Priorities

Combining the app with the code has highlighted where work is needed and helps to create a plan of prioritising the work that needs to be done and assigning who is responsible.

4.1. 'Quick Fixes'

Before/during the January Trustee meeting:

- Review governing document re: what HOPE would do if no longer needed/viable (Board of Trustees)
- Create a register of conflict of interest (LM to lead)
- Add a question regarding potential conflict of interest on an agenda (LM)
- Determine a length of term for trustees, and if consecutive/multiple terms allowed (Board of Trustees)

4.2. Medium-term goals

Before/just after 2025 AGM:

[*HOPE is conducting a safeguarding audit in Jan/Feb 2025]

- Collate Charity Commission publications on risk management to upload onto Sharepoint (LM)
- Produce management of risk document and relevant risk registers (SH/LM)
- Efficiency review for board/AGM meetings (LM to lead)

4.3. Long-term Goals

Before/just after 2026 AGM:

- Revision of policies and documents regarding trustee roles and responsibilities (LM)
- Trustee skills audit (LM to lead)
- Source appropriate EDI resources/training opportunities (LM)
- Set out a plan/goals in regards to EDI that can be regularly reviewed (LM to lead)
- Reviewing stakeholder groups and communication strategies (LM)
- Review complaints procedures and policies (LM)