



Council
1 February 2017
Governance Handbook updates

Classification Public

Purpose For decision

Issue In anticipation of a successful outcome to the GOSc's application for registration as a charity, the paper considers changes required to the Governance Handbook.

Recommendations Subject to the successful outcome of the application for registration as a charity, to make the changes to the Governance Handbook identified in the table at paragraph 7.

Financial and resourcing implications None

Equality and diversity implications None

Communications implications None

Annexes None

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Background

1. The GOsC submitted an application to the Charity Commission in July 2016 for registration as a charity. The Commission requested further information in December 2016 which has now been provided and is under consideration.
2. On the assumption that there are no further queries in relation to the application, it is anticipated that registration will occur within the first half of 2017. Registration takes place with immediate effect and any changes to governance processes need to be ready for implementation.
3. This paper sets out a number of minor changes that need to be incorporated into the Governance Handbook to ensure that the GOsC models best practice in charity governance and also meets Charity Commission requirements.

Discussion

4. The GOsC Governance Handbook is the key document that covers the effective, legal functioning of the organisation. The document is published online and the current version can be found here: <http://www.osteopathy.org.uk/news-and-resources/document-library/about-the-gosc/governance-handbook/>.
5. Guidance for charity trustees is contained in the Charity Commission document *The Essential Trustee* also sometime referred to as 'CC3' which can be found on the Commission's website at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/570398/CC3.pdf.
6. A mapping exercise has been undertaken between the requirements of *The Essential Trustee*, the GOsC Governance Handbook and other documents where relevant. The outcome of this exercise and the recommendations for changes to the Governance Handbook are set out in the table below.

<i>The Essential Trustee</i> requirements	GOsC Governance Handbook
Trustees and appointments	<p>Council eligibility requirements, appointment and reappointment, length of service and disqualification criteria are set out in the Osteopaths Act and Constitution Order.</p> <p>Appointment and induction processes are contained within a process document agreed with the Professional Standards Authority in relation to its powers in relation to the scrutiny of appointments.</p> <p>Conflicts of interests requirements are already in place.</p> <p>No changes are recommended in these areas.</p>

Public benefit requirements	<p>Public benefit requirements are set out in the Osteopaths Act 1993 as amended by the Health and Social Care (Safety and Quality) Act 2015. Council's requirement to ensure that statutory duties are met is contained in the 'Role of Council' in the Handbook.</p> <p>The Charities SORP (Statement of Recommended Accounting Practice) in relation to financial reporting will require the inclusion of a statement relating to public benefit.</p> <p>No changes are recommended in these areas.</p>
Compliance and reporting	<p>Registration will require submission of an Annual Return and Annual Report and Accounts to the Charity Commission. The latter are required to comply with the Charities SORP.</p> <p>In addition 'serious incidents' are also required to be reported to the Charity Commission.</p> <p>Minor changes are recommended to the 'Role of Council' in relation to Charity Commission compliance, the Terms of Reference of the Audit Committee in relation to serious incidents and the Financial Procedures with regard to accounting practice.</p>
Acting in the Charity's best interests	<p>The majority of these issues are covered in the existing Code of Conduct and Conflicts of Interests Policy. There are also specific requirements in relation to payments to trustees which need to be kept under review.</p> <p>Minor changes are recommended to the Code of Conduct and to the Terms of Reference of the Remuneration and Appointments Committee.</p>
Managing resources	<p>This section of <i>The Essential Trustee</i> includes risk management, reserves, budgeting, investments, managing funds, property and staff. These areas are covered in the Governance Handbook, risk management policy, investment policy, the statement of internal financial controls and the staff handbook.</p> <p>The only area that has been identified that is not well covered is the reserves policy.</p> <p>Changes are recommended to Role of Council</p>

	to make reference to reserves and also to the Financial Procedures.
Acting with reasonable care	This covers such matters as skills and experience, taking appropriate advice and reporting of serious incidents (see above). No changes are recommended in these areas.
Accountability	This section includes reporting requirements, complaints procedures, governance codes and delegation. All of these areas are covered in the existing Governance Handbook. No changes are recommended in these areas.
Liability	Areas identified for reducing the risks of personal liability are covered in the existing Governance Handbook. The Financial Procedures also cover the areas where liability insurance is in place. No changes are recommended in these areas.

7. As a result of this analysis the following amendments to the Governance Handbook are proposed.

Current wording	Proposed wording
Code of conduct 4 (page 12 and 86) 'Members and other non-executive persons acting on behalf of the GOsC will comply with the following general guidelines at all times: <ul style="list-style-type: none"> • Act in good faith • Act in accordance with the GOsC's statutory objective, both as individuals and collectively • Act in accordance with the seven principles of public life (set out below) • Treat others equally, fairly and with respect.' 	'Members and other non-executive persons acting on behalf of the GOsC will comply with the following general guidelines at all times: <ul style="list-style-type: none"> • Act in good faith • Act in accordance with the GOsC's statutory objective, both as individuals and collectively • Act in the best interests of the GOsC • Act in accordance with the seven principles of public life (set out below) • Treat others equally, fairly and with respect.'

<p>Role of Council 1.1 k (page 27)</p> <p>'Ensures effective reporting to Parliament, the Professional Standards Authority, registrants and others.'</p>	<p>'Ensures effective reporting to Parliament, the Professional Standards Authority, Charity Commission, registrants and others.'</p>
<p>Role of Council 1.1 l (page 27)</p> <p>'Undertakes those functions of Council not otherwise delegated to committees, including:...'</p>	<p>'Undertakes those functions of Council not otherwise delegated to committees, including:...</p> <p>vi. Approving the financial reserves policy'</p>
<p>Audit Committee Terms of Reference 3.1 i (page 38)</p> <p>'Receive reports on any critical incidents, data breaches, corporate complaints or whistleblowing, and the Executive's response to them, and make any recommendations to the Executive and Council.'</p>	<p>'Receive reports on any serious incidents (whether or not reportable to the Charity Commission), data breaches, corporate complaints or whistleblowing, and the Executive's response to them, and make any recommendations to the Executive and Council.'</p>
<p>Remuneration and Appointments Committee Terms of Reference 3.2 j (page 40)</p> <p>'Consider any issues in relation to the remuneration of non-executives, review the remuneration of non-executives annually and make recommendations to Council.'</p>	<p>'Consider any issues in relation to the remuneration of non-executives (including the requirements of the Charity Commission), review the remuneration of non-executives annually and make recommendations to Council.'</p>
<p>Financial Procedures 7.2.1 (page 50)</p> <p>'The Head of Registration and Resources is responsible for all accounting procedures and records and shall ensure procedures comply with all current accounting requirements and best practice.'</p>	<p>'The Head of Registration and Resources is responsible for all accounting procedures and records and shall ensure procedures comply with all current accounting requirements and best practice (currently the Charities SORP (FRS102)).'</p>
<p>Financial Procedures (page 50)</p>	<p>New section – Financial reserves</p> <ol style="list-style-type: none"> 1. Council shall agree a reserves policy based on recommended best practice for charities and keep this under regular review. 2. The reserves policy will be reported in the Annual Report and Accounts.

8. The Governance Handbook was last reviewed in July 2016. Since that time the Osteopaths Act 1993 has been amended by the Health and Social Care (Safety and Quality) Act 2015. In addition to the proposed amendments above, the Statutory Objective as it appears in the Governance Handbook has been amended to reflect the changes in our statutory duties.

Recommendation: Subject to the successful outcome of the application for registration as a charity, to make the changes to the Governance Handbook