

Legal Aspects

Legal Duties, Paper Trail,
Decision Making, Delegation and Risk



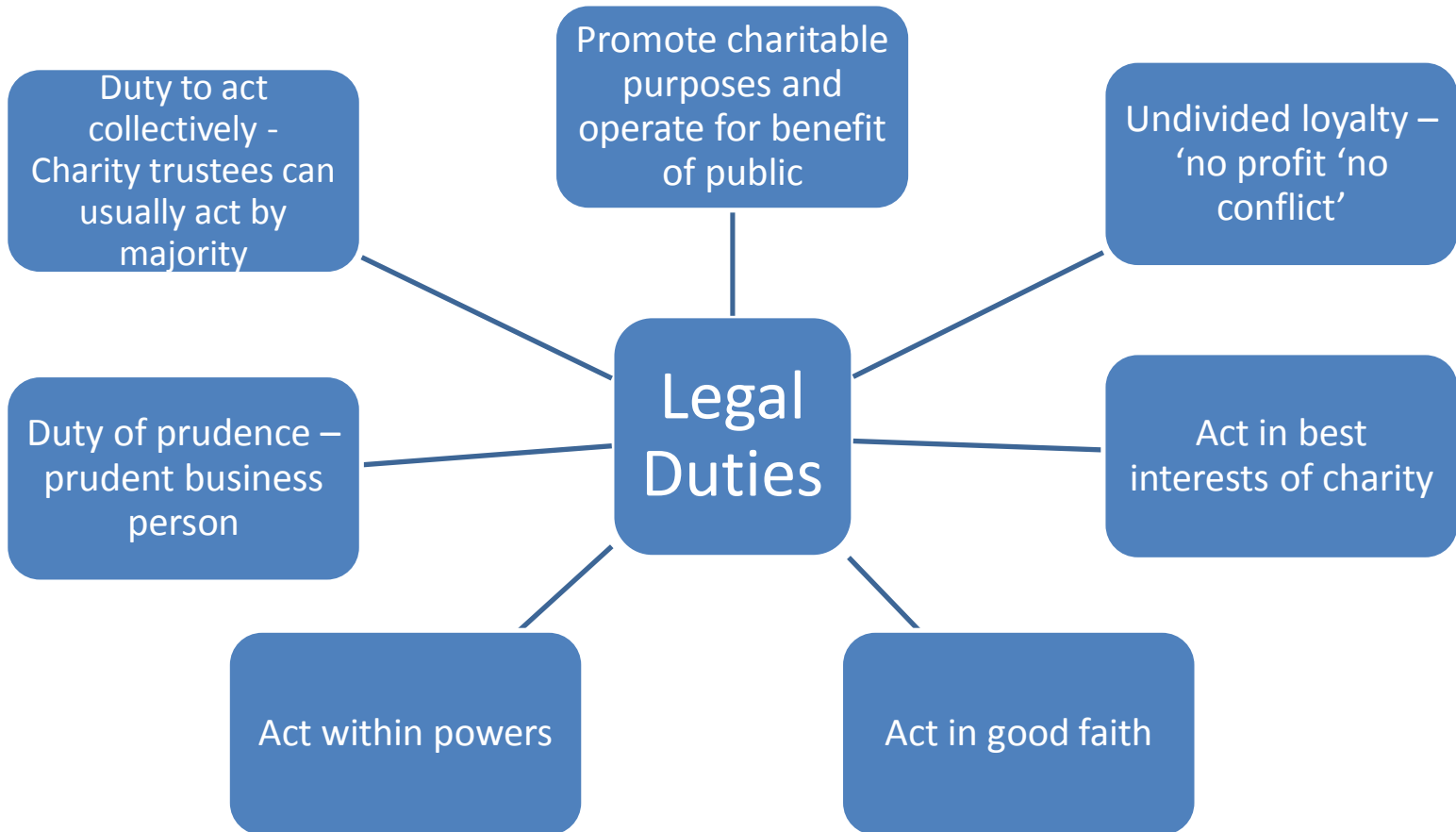
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Paper Trail

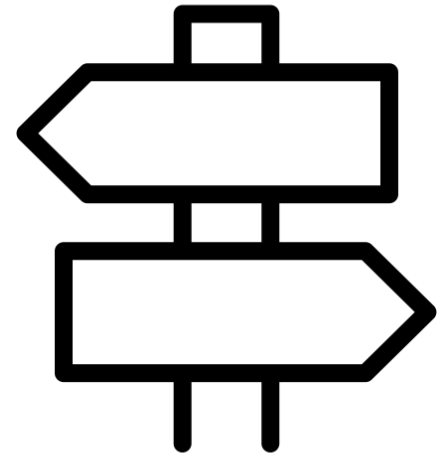
- Fundamental to ensure compliance with the Code
- Board Meetings – agendas and minutes
- Written record of key policies and procedures



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Decision making

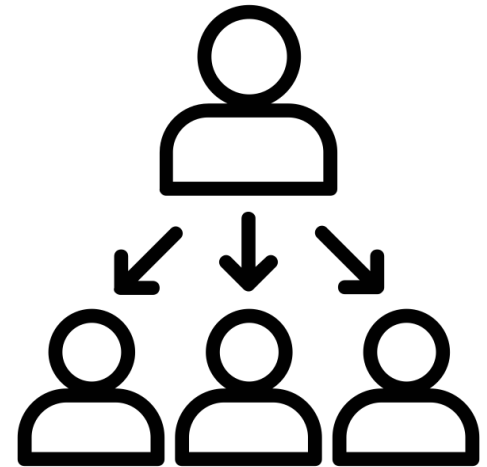
- Consideration of governing document
- Act within powers
- Act in good faith, and only in the best interests of charity and beneficiaries
- Sufficiently informed
- Take account of all relevant factors you are aware of and ignore any irrelevant factors



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Delegation

- Can delegate day-to-day activities but set out limits
 - Check governing document
 - Prepare delegation policy / framework
- Sub-committees or senior staff
 - Suitable membership
 - Suitable terms of reference
- High risk and unusual decisions should not be delegated – regular review of matters reserved to the board
- Regular review of third party agreements



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Managing risk

- Board retains responsibility for risk management
- Regular review of specific risks, cumulative effect and plans to mitigate and manage risks
- Regular review of process for identifying, prioritising, escalating and managing risks and internal controls
- Board describes the charity's approach to risk in its annual report



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What to do if there is a problem

- **Serious** incidents – record and report
- Less serious:
 - Record and consider action
 - Minimise any further loss or damage
 - Plan what to say to employees/ members
 - Take steps to prevent reoccurrence

