

## **Terms Of Reference: Chrysalis Arts Development (CAD) Board**

### **1. Organisational purpose**

#### **Principle**

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

#### **Rationale**

Board members have a responsibility to understand the environment in which the company is operating and to lead the company in fulfilling its purposes as effectively as possible with the resources available. To do otherwise would be failing beneficiaries, funders and supporters.

The board's core role is a focus on strategy, performance and assurance.

#### **Key outcomes**

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

### **2. Leadership**

#### **Principle**

Chrysalis Arts Development is headed by an effective board that provides strategic leadership in line with the company's aims and values.

#### **Rationale**

Strong and effective leadership helps the company adopt an appropriate strategy for effectively delivering its aims. It also sets the tone for the company, including its vision, values and reputation.

#### **Key outcomes**

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

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

### **3. Integrity**

#### **Principle**

The board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the company's purposes. The board is aware of the significance of the public's confidence and trust in companies. It reflects the company's ethics and values in everything it does. Trustees undertake their duties with this in mind.

#### **Rationale**

Delivering the company's purposes for public benefit should be at the heart of everything the board does. This is true even when the board's decision might be unpopular. Everyone who comes into contact with the company should be treated with dignity and respect and feel that they are in a safe and supportive environment. The Company's leaders should show the highest levels of personal integrity and conduct.

To achieve this, trustees will create a culture that supports the company's values, adopt behaviours and policies in line with the values and set aside any personal interests or loyalties. The board should understand and address any inappropriate power dynamics to avoid damaging the company's reputation, public support for its work and delivery of its aims.

#### **Key outcomes**

1. The CAD board safeguards and promotes the company's reputation by living its values and by extension promotes public confidence in the wider sector.
2. Trustees and those working for or representing the company are seen to act with honesty, trustworthiness and care, and support its values.
3. The board acts in the best interests of the company's purposes and its beneficiaries, creating a safe, respectful and welcoming environment for those who come into contact with it.
4. The board makes objective decisions about delivering the company's purposes. It is not unduly influenced by those who may have special

or personal interests. This applies whether trustees are elected, nominated, or appointed. Collectively, the board is independent in its decision making.

5. No one person or group has undue power or influence in the company. The board recognises how individual or organisational power can affect dealings with others.

#### **4. Decision making, risk and control**

##### **Principle**

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.

##### **Rationale**

The board is ultimately responsible for the decisions and actions of the company but it cannot and should not do everything. The board may be required by statute or the company's governing document to make certain decisions but, beyond this, it needs to decide which other matters it will make decisions about and which it can and will delegate.

Trustees delegate authority but not ultimate responsibility, so the board needs to implement suitable financial and related controls and reporting arrangements to make sure it oversees these delegated matters. Trustees must also identify and assess risks and opportunities for the company and decide how best to deal with them, including assessing whether they are manageable or worth taking.

##### **Key outcomes**

1. The board is clear that its main focus is on strategy, performance and assurance, rather than operational matters, and reflects this in what it delegates.
2. The board has a sound decision-making and monitoring framework which helps Chrysalis deliver its purposes. It is aware of the range of financial and non-financial risks it needs to monitor and manage.

3. The board promotes a culture of sound management of resources but also understands that being over-cautious and risk averse can itself be a risk and hinder innovation.

## **5. Board effectiveness**

### **Principle**

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

### **Rationale**

The board has a key impact on whether the company thrives. The tone the board sets through its leadership, behaviour, culture and overall performance is critical to the company's success. The board has a rigorous approach to trustee recruitment, performance and development, and to the board's conduct. It is important that board members feel it is safe to suggest, question and challenge ideas and address, rather than avoid, difficult topics.

### **Key outcomes**

1. The board's culture, behaviours and processes help it to be effective; this includes accepting and resolving challenges or different views.
2. All trustees have appropriate skills and knowledge of the company and can give enough time to be effective in their role.
3. 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.
4. The board takes decisions collectively and confidently. Once decisions are made the board unites behind them and accepts them as binding.

## **6. Equality, diversity and inclusion**

### **Principle**

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's purposes.

## **Rationale**

Addressing equality, diversity and inclusion helps the board to make better decisions. This requires commitment, but it means that a company is more likely to stay relevant to those it serves and to deliver its public benefit. Recognising and countering any imbalances in power, perspectives and opportunities in the company, and in the attitudes and behaviour of trustees, staff and volunteers, helps to make sure that a company achieves its aims.

All trustees have the same responsibility for the company, so they must have equal opportunity to contribute to decision making. Board diversity, in the widest sense, is important because it creates more balanced decision making. Where appropriate, this includes and centres the communities and people the company serves. This will increase the company's legitimacy and impact. Equality and diversity are only effective and sustainable if the board works to be inclusive, ensuring that all trustees are welcomed, valued and able to contribute.

## **Key outcomes**

6. The principles of equality, diversity and inclusion are embedded in the company and help to deliver the company's public benefit.
7. Obstacles to participation are reduced, with the company's work designed and open for everyone included within its purposes. This supports the company to challenge inequality and achieve improved equality of outcomes.
8. The board is more effective because it reflects different perspectives, experiences and skills, including, where applicable, from current and future beneficiaries.

## **7. Openness and accountability**

### **Principle**

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

### **Rationale**

The public's trust that a company is delivering public benefit is fundamental to its reputation and success, and by extension, the success of the wider sector. Making accountability real, through genuine and open two-way

communication that celebrates successes and demonstrates willingness to learn from mistakes, helps to build this trust and confidence and earn legitimacy.

**Key outcomes**

- 1. The company’s work and impact are appreciated by all its stakeholders.
- 2. The board ensures that the company’s performance and interaction with its stakeholders are guided by the values, ethics and culture put in place by the board. Trustees make sure that the company collaborates with stakeholders to promote ethical conduct.
- 3. The company takes seriously its responsibility for building public trust and confidence in its work.
- 4. The company is seen to have legitimacy in representing its beneficiaries and stakeholders.

<b>Owner</b>	<b>CAD Board</b>
<b>Procedure lead</b>	<b>Rick Faulkner</b>
<b>Formally endorsed by</b>	<b>CAD Board</b>
<b>Last review</b>	<b>Feb 2023</b>
<b>Next review</b>	<b>March 2026</b>