
Review of Governance of Wikimedia UK

January 2013



Compass Partnership

Executive Summary

This review of the governance of Wikimedia UK was commissioned jointly by Wikimedia UK and the Wikimedia Foundation. It was started a year after the charity was registered and after a period in which Wikimedia UK was criticised for its management of conflicts of interest. It follows a declaration by the Wikimedia UK board that it wishes to improve its governance and to receive clear recommendations.

To complete the report we reviewed policies and practices, minutes of board meetings, management of conflicts of interest, and conducted interviews and a community consultation, observed a board meeting, and drew on our experience of charity governance.

After setting the context for this review and recognising some particular features of governance within the Wikimedia movement, this report notes a number of challenges faced by the board over the year, a number of tasks that the board executed effectively, and four areas where progress in governance was faltering, slow or lacking at the time.

The report then assesses Wikimedia UK's governance in late 2012 against a number of empirically derived characteristics of effective UK charity governance, indicating whether the characteristic has largely been achieved, is in progress, or requires attention. Particular consideration is given to the management of conflicts of interest.

As requested by the Wikimedia UK board, the report then sets out detailed recommendations for strengthening the governance of Wikimedia UK within the movement. Key amongst these are that:

- the board of Wikimedia UK should be expanded to include members who are recruited and appointed to bring specific skills and experience to the board
- the terms of office of board members should continue to be two years but limited to three terms
- the term of office of the Chair should be increased to two years to promote greater continuity
- a Governance Committee should be established to take responsibility for preparing for board decisions on governance arrangements
- greater rigour and alacrity should be given to implementation of policies on conflicts of interest, including potential and indirect conflicts

- any potential or actual conflicts of interest should actively be brought to the attention of the other organisation within the movement or the Wikimedia Foundation at the time that any item of value, such as the trademark, is requested from them
- trustees should complete the process of delegating day to day management to the Chief Executive so they can concentrate on providing strategic oversight
- all communication by the board and wider organisation should accord with its organisational value of being respectful and professional.

The report sets out a timetable for implementing change. We recommend that progress should be reviewed independently after 9 and 18 months.

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1 Introduction

This review was commissioned by the Wikimedia Foundation and Wikimedia UK in October 2012 following a competitive tender.

As stewards for their donors, contributors, readers and others, the Wikimedia Foundation and Wikimedia UK wish to ensure that the governance of Wikimedia UK conforms to and develops in line with commonly accepted best practice requirements for UK charities. They also wish to ensure that Wikimedia UK operates within the demands of the worldwide Wikimedia movement. This imposes a greater level of duty and accountability than the basic legal requirements.

1.1 Brief

The brief for the review was to examine the governance of Wikimedia UK and to ensure that any deficiencies in governance, including the handling of potential and actual conflicts of interest, are being addressed.

As part of this review we were required to suggest any practical constructive steps which Wikimedia UK and its board should take to improve governance and to help ensure excellent future management of conflicts of interest within a UK context. These are to be found in our recommendations that make up chapter 4. The terms of reference stated that ‘the aim of the review is not to allocate blame to specific individuals for historic acts’ but rather to make recommendations for improvements. This report does not intend or purport to allocate blame.

1.2 Methodology

At the inception of this review we agreed a methodology with our clients. The main elements of this have been to:

- review key Wikimedia UK governance documents including policies and procedures and the chapter’s compliance with these policies and procedures
- review minutes of recent board meetings
- have regard to lessons that could be learned from the identification, declaration and management of potential conflicts of interest. To this end we studied the sequence of events that occurred in 2011 and 2012 by reviewing the minutes of board meetings and other key documents and interviewing Wikimedia UK trustees and staff and some former trustees about these events

- have regard to governance advice sought and received by the board from external sources
- interview current longer-serving Wikimedia UK trustees and staff and a sample of recent former trustees about the general governance arrangements
- draw on written and verbal information and contributions supplied by the Wikimedia Foundation
- conduct a community consultation – see appendix
- sit in and observe half-a-day of a Wikimedia UK board meeting
- draw on our own experience of conducting charity governance reviews.

1.3 Organisational context

Wikimedia UK’s charitable objects as stated in its Articles are:

for the benefit of the public, to promote and support the widest possible public access to, use of and contribution to Open Content of an encyclopaedic or educational nature or of similar utility to the general public, in particular the Open Content supported and provided by Wikimedia Foundation, Inc., based in San Francisco, California, USA.

Wikimedia UK’s vision as stated is:

- free knowledge for all.

Its mission as stated is:

- to help people and organisations build and preserve open knowledge to share and use freely.

Its values as stated are:

- to value the contribution of volunteers
- to encourage, involve and engage volunteers
- to recognise that the contribution of volunteers is central to the activity of the organisation
- to be transparent and open
- to promote the value of free and open licences
- to have respectful and professional working relationships internally and externally

- to promote an open approach to learning and knowledge.

In reviewing the governance of Wikimedia UK, we were aware that it is part of a movement that is:

- global
- networked
- cutting edge
- fast
- vibrant
- based on voluntary effort
- transparent
- controversial
- expanding.

It has a globally recognised brand that is very valuable.

In our review we take into account these features of the movement.

1.4 *Launch of review*

In launching this review in October 2012 the Wikimedia UK board recognised the ‘many excellent achievements of our community and staff’ during the period since the organisation became a charity. At the same time the board stated:

‘We have had a difficult few months which have resulted in negative attention. Some of the coverage has been inaccurate, and much of it has been ill-informed, but we know our community deserves better. Collectively, we have made mistakes. Here and now, we apologise for these mistakes.

‘We are determined to learn from our mistakes. We are equally determined to heal the wounds that recent events have opened.

‘We welcome the independent review of our governance that we will be undertaking jointly with the Wikimedia Foundation. By looking closely at our governance policies and procedures, and how those have been acted on, we expect the review to have clear recommendations which will help us follow best practice in every area of governance. We are certain that the review will lead to our charity and our movement being in a much stronger position.’

The Wikimedia movement as a whole expects the highest ethical standards in public governance and conduct of movement organisations, including chapters. The

Wikimedia Foundation board states that ‘every organization in [the Wikimedia] movement must go beyond local regulatory requirements and adopt our movement’s unique principles and best practices around governance, transparency, and accountability’.

1.5 *Acknowledgement*

Compass Partnership wishes to thank all those from various parts of the Wikimedia movement who contributed time and thought to this review.

2 Overview of Wikimedia UK governance

2.1 Wikimedia UK governance arrangements

Wikimedia UK was incorporated as a company limited by guarantee in November 2008. It became a Chapter of the Wikimedia Foundation in 2009 and it registered as a charity in November 2011.

It has grown rapidly, with income of £654,000 in the year to 31 January 2012 and has a high public profile for a charity of its age. It has also been the subject of public debate and at times controversy.

Wikimedia UK currently has six trustees who are also the directors of the company. Five of these trustees were elected by company members at the AGM in May 2012. The standard term is now two years. Two trustees have resigned since the AGM and one has been co-opted. All are currently male. One trustee is at the time of writing blocked on English Wikipedia. The Chair is elected by the board. While there are committees working on projects, there are no governance committees.

In undertaking their role, Wikimedia UK trustees often have contributed much time and thought. We note that in the first 12 months as a charity the board met on 16 occasions. Some of these meetings were held by phone and others over a weekend.

The trustees perform this role as unpaid volunteers and exercise their responsibilities under UK law and practice.

2.2 Governance culture at Wikimedia UK

Before making our assessment of current Wikimedia UK governance in the next chapter we wish to note certain broad features of the culture of this governance.

Wikimedia UK has emerged from being run by a small group of committed volunteers who, with the support of other volunteers, did most of the work themselves. Employing a Chief Executive and staff requires board members to adopt a new role and form new relationships. In conducting this review we recognise that Wikimedia UK is in the process of this transition, with a Chief Executive and some staff appointed, but with the organisation still dependent on trustees being directly involved in the delivery of some of its projects.

Several people have pointed out to us that there is a disparity in the time different trustees have available to give as trustees. Some have a considerable amount of time and we heard of several emails a day going most days from trustees to staff. This degree of detailed involvement in the organisation can make it challenging for a

board to perform its primary roles of setting strategy and overseeing implementation.

One of the main activities of Wikimedia UK volunteers is writing and editing entries in Wikipedia. We recognise that this requires a strong focus on evidence, precision about detail and a high degree of transparency. While it is important that governance is based on good information, the culture of contributing to an encyclopaedia is different from the most appropriate culture for charity governance. In the case of governance an onus needs to be placed much more strongly on using information to make good judgments on matters that are often difficult and seldom clear-cut. This requires a different 'mind-set', and the requirement at key moments to stand back from some of the detail.

Good governance in many UK charities also benefits from board members having the opportunity to ruminate about difficult issues and express opinions knowing that they are not being watched and that what they first say could be used against them. This is not available to Wikimedia UK's board without going into in-camera sessions, given the movement's commitment to transparency, board meetings that are attended by the organisation's members, and occasional live streaming of board meetings.

2.3 *Governance progress*

The board of Wikimedia UK encountered several issues in its first year as a charity. It needed to:

- oversee the very rapid growth of the organisation, leaving little time for people to settle into teams and for systems to become fully embedded
- face strong and sometimes critical external scrutiny, some arguably justified and some not
- manage some conflicts of interest
- undertake a large fundraising campaign that might more often be managed by a more developed charity
- oversee the integration of Wikimedia philosophy with UK charity governance.

The Wikimedia UK board has executed a number of governance tasks effectively. Key amongst these has been:

- registering as both a charity and company limited by guarantee
- setting up and codifying policies and procedures for its governance
- seeking advice from governance specialists and lawyers
- using guidance notes published by the Charity Commission
- developing and refining conflict of interest policies
- establishing a trustee code of conduct
- appointing a Chief Executive and staff
- engaging in a proactive search for new trustees prior to the last AGM, including from outside the Wikimedia movement.

There have also been some governance areas in which progress at times has been faltering or slow or somewhat lacking. Key amongst these has been:

- managing conflicts of interest in line with agreed policies, and making good judgements about them (see sections 3.3 and 4.4)
- involvement in the application for the use of trademarks (see sections 3.3 and 4.5)
- developing the most productive relationship between board and staff (see sections 3.2 and 4.4)
- developing the most effective relationship with the Wikimedia Foundation (see sections 3.3 and 4.5).

In several of these areas progress has been made of late.

In the next chapter we assess Wikimedia UK's governance in more detail and in chapter 4 we offer recommendations which are designed to reinforce good practice and address areas that would benefit from attention.

3 Assessment of Wikimedia UK governance

3.1 Characteristics of effective charity governance

Effective governance requires that key characteristics are delivered to a high standard.

We have reviewed Wikimedia UK against the characteristics in our standard for charities.

These characteristics of effective governance were derived from an extensive survey of the governance of UK charities conducted by Compass Partnership and the Centre for Charity Effectiveness at Cass Business School (*Hudson and Ashworth, 2012*). In this research the Chairs, Chief Executives and governance managers of over 200 major charities responded to over 100 questions about their governance. The research identified 50 characteristics of effective charity governance. It concluded that in summary the key drivers of an effective board are that it:

- Works well as a team
- Ensures meetings deliver excellent governance
- Has the required skills and experience
- Focuses on strategy
- Operates with openness and trust
- Has sufficient diversity
- Praises management
- Provides robust challenge
- Uses committees effectively
- Gives thorough induction.

The extent to which these characteristics of good governance can be applied will depend on individual organisational circumstances. We have adapted them for the culture and values of Wikimedia UK, set them out below under four headings and assessed the organisation's governance against them using the following scale¹:

¹ We are aware that the characteristics refer to UK governance, and that the characteristics of good charity governance may be different in other countries. We treat Wikimedia UK as a major charity as it has a very substantial global brand.

Green = We believe Wikimedia UK now largely achieves this goal

Yellow = Work at Wikimedia UK is in progress which needs to be completed

Red = This requires, or would benefit from, more attention.

3.2 Assessment against the characteristics

Our assessment was made primarily in November 2012. When charities are new they tend to show more red and yellow, and as they develop they tend to achieve more green.

<u>Characteristics of governance for medium sized organisations</u>	Standard in Wikimedia UK
Governance structures	
Board composition and terms of office	
A board of between 8 and 12 people	Red
With terms of office of 2 – 3 years	Green
Serving for 2 or 3 terms with a review at the end of the first term	Red
With a Chief Executive who attends but does not vote	Green
Committee structure	
A board that delegates some governance to governance committees	Red
With between 3 and 5 members of each committee	Red
Also making use of time limited governance task groups	Yellow
And an assembly or annual meeting for stakeholders to meet to influence governance	Green
And cross membership with subsidiary organisation boards	N/A
Governance processes	
Recruiting and inducting members	
A board with a governance committee to engage in a skills audit and active search	Yellow
A board that appoints committee chairs and members on the recommendation of its governance committee	Red
That in turn recruits to achieve diversity in its membership including co-option	Yellow

Using an agreed grid of skills and experiences to search for new board members	Yellow
With an agreed grid of skills and experiences needed in future years	Red
Deploying a range of methods to attract candidates	Yellow
Providing substantial information to inform the electorate	Green
Giving board members a wide range of experiences during their induction	Green
Leading to a board that has all the skills and experience to provide excellent governance	Yellow
Appointing and evaluating the Chair	White
A board that uses a range of methods to recruit candidates for the role of Chair, and appropriate methods to select the Chair	Yellow
Who ideally was a member of the board before becoming its Chair	Green
Whose performance is evaluated with input from board members	Red
Overseeing organisation performance	White
A board that uses 'traffic lights' or similar to track performance against plans	Yellow
That reviews the organisation's risk register at least once a year	Yellow
Where the Chair reviews the Chief Executive's performance once a year	Green
Taking input from board members and the senior management team if appropriate	Green
Performance of governance	White
A board that formally reviews its own performance every 1- 2 years	Yellow
That uses a range of methods to review its performance	Yellow
And spends at least 2 hours per year striving to improve its own performance	Green
That formally reviews individual board member performance at least every 2 years	Red
And that systematically reviews the performance of board members before they stand for second or subsequent terms of office	Yellow
And that publishes attendance at board meetings by individual	Green

Governance meetings	
Meeting structure	
A board that meets between 3 and 6 times per year	
With no more than 15 people in the room	
Having at least one away day per year	
Meeting management	
Future board agendas that are rigorously planned by the Chair and Chief Executive	
A board that has part of at least two meetings per year with only the Chief Executive present and part of at least two meetings per year with no executives present	
That resolves most matters by broad consensus and has formal votes when required	
That discusses its forward agenda at least twice per year	
That uses a 'consent' item at every meeting or another method of disposing of some business quickly	
And that is satisfied with the quantity, quality and timeliness of information provided to the board	
Governance behaviours	
Effectiveness of board members	
A board where full attendance is expected by all members and that achieves average attendance of 80% or more	
That uses the full and appropriate range of members' skills and experiences	
Where members meet for at least one day per year outside meetings	
Where conflicts of interest are always raised, recorded and properly managed	
Chair - Chief Executive relationship	
A board where the Chair and Chief Executive are in regular email contact and/or speak with each other about weekly	
Where the Chair gives at least 20 days per year to the organisation	
And sits on or has sat on or observed at least one other board	

Where the Chief Executive has sat on or attended at least one other board	
Leading to the Chair and Chief Executive having an excellent relationship and taking actions to develop their relationship	
Behaviour in meetings	
A board that focuses sufficiently on strategic rather than operational matters	
Where members are good at praising management	
And providing robust but also appropriate challenge	
Where members are good at listening to each other and working as a team	
Where there is an atmosphere of openness, confidence and mutual trust within the board and between the board and management.	

In the case where a charity is part of an international movement a number of other characteristics promote good governance. Key ones are where there is:

Governance in a movement	
An overarching vision for the movement adopted by the chapter	
Clear and appropriate delivery of arrangements to govern relations between the different parts of the movement	
An open, ethical and constructive relationship with other organisations in the movement	
A high regard for other member organisations in the movement	
A facility to learn from other organisations in the movement	

3.3 *Managing conflicts of interest*

Both Wikimedia UK and the Wikimedia Foundation have given particular attention to policies and practices to manage conflicts of interest in the last few months. For example:

- The Wikimedia UK board passed a resolution in November 2012 stating that ‘no Trustee of Wikimedia UK will receive any financial benefit or consideration from

offering or engaging in consultancy services related to Wikipedia or other Wikimedia projects’.

- The Wikimedia Foundation is conducting a community consultation on conflicts of interest
http://wikimediafoundation.org/wiki/Guidelines_on_potential_conflicts_of_interest

The Charity Commission for England and Wales states that ‘a conflict of interest is any situation in which a trustee’s personal interests, or interests they owe to another body, may (or may appear to) influence or affect the trustee’s decision making’.

We note that the Commission guidance:

- focuses on potential conflicts of interest as well as actual ones
- includes conflicts of loyalty where an individual may owe loyalty to another organisation as well as the charity in question
- considers that ‘it is inevitable that conflicts of interest occur’
- requires both transparency and appropriate management of potential conflicts
- states that ‘the issue is not the integrity of the trustee concerned but the management of any potential to profit from a person’s position as trustee, or for a trustee to be influenced by conflicting loyalties’.

The Commission notes that much of its guidance is based on the fact that ‘the law states that trustees cannot receive any benefit from their charity in return for any service they provide to the charity unless they have express legal authority to do so’ and that ‘trustees should bear in mind that when they are dealing with the business of the charity, their overriding duty is to act in the best interests of the charity’.

As the declaration and management of conflicts of interest was the particular trigger for this review, we looked in detail at the sequence of events in 2011 and 2012, from which we noted a number of points².

- Wikimedia UK policies and procedures were established and have been further developed over the last 12 months. These were well researched and professional advice on them was sought and generally taken at most appropriate junctures.

² This report concerns the governance of Wikimedia UK. As indicated above the Wikimedia Foundation is conducting a community consultation to draw up movement-wide guidelines to help identify potential conflicts of interest when asking for resources belonging to the Wikimedia movement.

This involved on at least one occasion engaging the charity's lawyer to join a board meeting. It is recognised though that the broad intentions of these policies were not always implemented to the standard expected by the movement. A declaration of interests register was established but could have been made more widely accessible earlier.

- Trustees with potential conflicts of interest usually declared this and offered to absent themselves from board meetings but this was not always as clearly recorded as it might have been.
- One of the more difficult potential types of conflicts of interest to identify and manage is when the potential benefit is indirect or delayed. The transfer of ownership of QRpedia intellectual property was not resolved quickly and that lack of resolution and associated matters created the risk of outsiders perceiving a potential conflict of interest. This was also the case with respect to GibraltarpediA where a potential conflict of interest risked causing confusion.
- When a trustee accepts consultancy fees from an organisation with which the charity or movement is working or might work, however well managed, it creates an opportunity for the charity's reputation to be damaged and therefore will usually require the trustee to resign as a trustee. This is particularly the case when the consultancy is with the chair of the charity, who carries a particular responsibility for managing conflicts of interest.
- There is a need for communication from trustees to be clear about the capacity in which they are communicating, as a trustee or a private individual, and in a manner that makes this clear to the reader/listener.
- Within a movement it is appropriate that those involved in requesting a product, service or right from another organisation within that movement should proactively effectively identify any potential conflict at the time of the request. In our view this should happen however public the potential conflict of interest may be.
- It proved challenging to manage potential conflicts of interest amongst a group of committed voluntary enthusiasts who were working closely together to build the organisation. Wikimedia UK did more than might be expected for a charity of its size and age to establish policies and procedures for managing conflicts of interest. However, the organisation did not always manage to stand back from the detail of the policies and recognise the dangers of not taking greater and more decisive action.
- When a candidate standing for election for trustee at an AGM declares in their election statement the actual and potential conflicts of interest that arise if they

were elected, it is still not easy for an electorate of company members to decide unaided whether these potential conflicts of interest are ones that could be successfully managed if the candidate was elected.

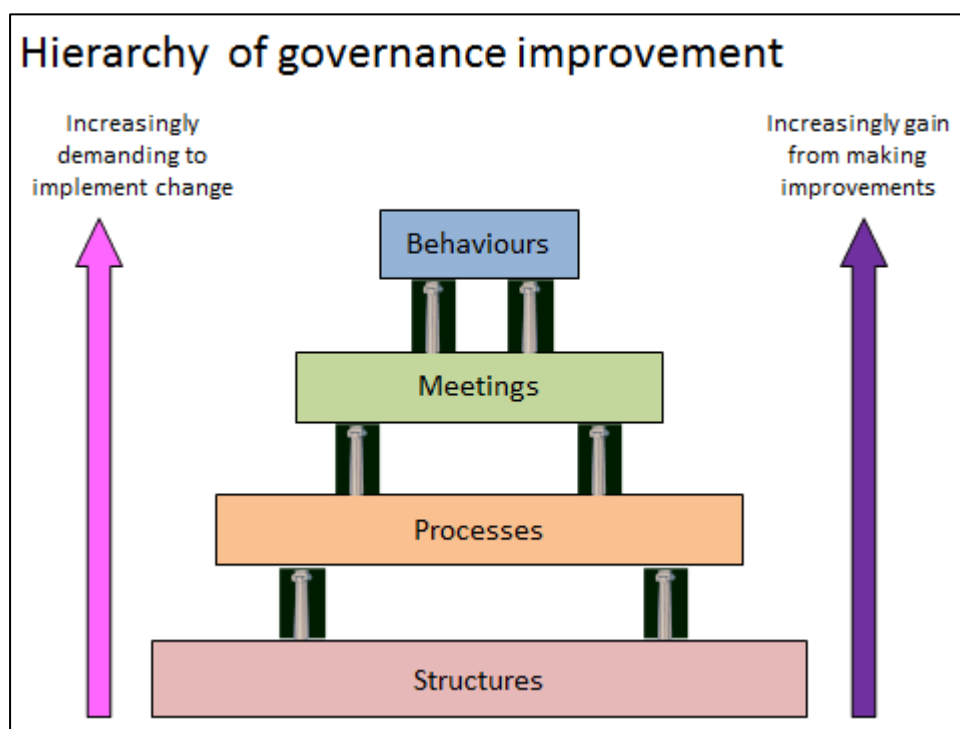
- Wikimedia UK Article 22.1 refers to trustees' obligation to declare the extent of any interest. This is an appropriate requirement and needs in future always to be followed through when a potential conflict of interest is identified.

4 Recommendations

The recent research by Compass Partnership and Cass Business School mentioned earlier suggests that strengthening governance requires work particularly on structures, processes, meetings and behaviours.

Appropriate structures provide the foundations for good governance, and these need to be supported by tightly managed processes. These provide the basis for effective meetings which in turn are dependent on excellent relationships and behaviours.

Structures are the easiest to modify and board behaviours are the most difficult to change. However whilst structures and processes need to be appropriate, the gains from changing them are less significant than the gains from having really strategic meetings and most important of all establishing open, honest and trusting relationships throughout.



Our recommendations are organised mainly into this framework of the four fundamental elements of governance, followed by a section on governance in a global movement. The rationale for many of them relates directly to the assessment we made and set out in chapter 3.

4.1 Governance structure

4.1.1 Board composition and terms of office

1. **The usual size of the board** should be increased to nine trustees, to allow for greater diversity of hard and soft skills and experience on the board. It is proposed that some new trustees are appointed by board co-option, that is to say the board recruiting and appointing them using a similar approach to recruiting someone for a job. This will allow the board to ensure it has an appropriate mix of skills at any one time. It is the approach taken successfully by the Foundation to the creation of its board. So, in future we recommend that the board should usually consist of six elected trustees and three co-opted trustees. (See also recommendation 9.)
2. The **maximum size of the board** should be increased to 11 trustees, to provide flexibility in managing transitions of trustees, skills and the Chair.
3. **Terms of office** of trustees should generally continue to be two years for all new trustees, with a maximum of three terms of office. This maximum should only be extended if there are very exceptional circumstances.
4. The **term of office of the trustee chosen to be the Chair** should be agreed by the board as two years as Chair. This gives enough time to undertake the role but is not overly onerous. The maximum terms of office of the Chair, as chair, should be six years, subject to reappointment by the board.
5. The Vice Chair should chair board meetings when the Chair is unavailable and be a source of wise counsel to the Chair and be chosen with this in mind. The board should continue to clarify the **roles of its officers** (Chair, Vice Chair, Secretary, Treasurer) and use standard charity templates to do so.

4.1.2 Committee structure

6. The board should establish a **Governance Committee** of at least three people which should be responsible for:
 - establishing and maintaining a grid of the skills and experience required on the board and identifying those that are currently met and unmet

- organising the review of the performance of trustees before they seek re-election
 - managing the process of electing trustees including checking that potential conflicts of interest are declared in advance and are permissible and manageable, and proposing any policies to inform the election
 - when required, advising the board on the eligibility for company membership, including whether company members who are blocked from editing or from other principal activities of the movement should have their company membership terminated
 - informing the organisation's members of the skills and experience the organisation requires on the board and when appropriate actively encouraging people with those skills to stand for election
 - organising the review of the overall performance of governance at least once every two years
 - anticipating and managing the process of succession of the Chair.
7. The **Governance Committee** should be chaired by the board Chair, except when decisions are being made about chair succession. It could include one or two independent external people with governance expertise if board members felt this was helpful, and should both have regard to and seek advice from the Wikimedia Foundation on governance matters that relate to the wider movement.
8. The board should have an **Audit and Risk Committee** of at least three people to take primary responsibility for audit and risk matters on behalf of the board. It should be responsible for:
- making recommendations to the board on the appointment of auditors
 - previewing the annual report and accounts, to ensure a quality document goes to the board
 - reviewing the charity's annual statement on internal control and its compliance with regulatory guidance and recommending it to the board
 - previewing the risk register to ensure that a considered document goes to the board

- undertaking other Audit Committee responsibilities as set out in the guidance from the UK Charity Finance Group.

This committee should be chaired by a member of the board, and have one independent member appointed by the board on recommendation of the Governance Committee.

It is envisaged that governance committees would meet less frequently than the board (and sometimes by teleconference or Skype) but when they do meet their meetings should be held at least two weeks before board meetings so minutes of their meetings can be circulated with board papers.

4.2 Governance processes

4.2.1 Recruiting and inducting members

9. The company members of the organisation should be asked to agree to changes to the **Articles** so that three trustees can be directly appointed by the board (i.e. co-opted). This would help to ensure that, following elections, the board has the skills and experience required to deliver its future plans. In the first instance these three members of the board should be sought by public advertisement, if necessary with support from external recruitment consultants. Provision may need to be made to ensure that all their terms of office do not end at the same time.
10. When encouraging people to stand for election or be considered for appointment, the Governance Committee should stress the importance of having a **diverse board**. Continuing efforts should be made to achieve diversity including finding women trustees and those with substantial experience of the governance of organisations with a global public profile.
11. In addition to induction³ there should be a continuing programme of **professional development** for all board members in which skill gaps are identified and addressed through individual development and group activities for the board as a whole.

³ Guides to trustee induction can be found in a number of books on charity governance. See for example Dyer P, *The Good Trustee Guide*, NCVO, London, 2008, chapter 20.

4.2.2 *Appointing and evaluating the Chair*

12. When possible the **term of office of the Chair** should begin at least six months after the board has been elected to allow chairing skills to be identified. This should be achieved by careful management of Chair transitions and by giving the Chair a term of office that expires at least six months after elections take place.
13. There should be a small **budget for the Chair** to use to access support from a mentor or coach, particularly during the implementation of the recommendations of this report.
14. One member of the board, possibly the chair of the Audit and Risk Committee, should be responsible for managing the **review of the Chair's performance**, at least once every two years.

4.2.3 *Overseeing organisation performance*

15. The board should agree with the Chief Executive achievable **strategic objectives** for the organisation. He/she should produce a quarterly high level report on progress, preferably on one or two pages with 'traffic lights' or a similar device indicating progress, together with a succinct commentary.

4.2.4 *Performance of governance*

16. The **performance of governance** should be reviewed at least once every two years by the Governance Committee, using one of the widely accepted methodologies from the voluntary sector such as PQASSO or reviews based on *Good Governance – a code for the voluntary and community sector*.
17. While the organisation is developing quickly and as an outcome of this review, an external **governance audit** should be commissioned to take place nine months and 18 months after delivery of this review.

4.3 Governance meetings

4.3.1 Meeting structure

18. To encourage a focus on top level strategy and to allow trustees with less time to serve, the board should move to meet **four or five times a year** for half a day or a day for formal board meetings with an option for a limited and reducing number of telephone meetings in between. Other activities such as policy exploration, ensuring board members get to know each other, briefings by outside experts and governance training should be organised around board meetings.
19. To keep up with events, **decisions between meetings** with implications for governance should generally be taken by the Chair consulting with the Chief Executive, with the Chair consulting trustees as he / she feels appropriate and keeping the board advised or seeking board approval, as appropriate.

4.3.2 Meeting management

20. **Board agendas** should be carefully planned by the Chair and Chief Executive to ensure that they focus on strategic governance matters. The Chair should be responsible for ensuring that all papers for board meetings are of high quality, in an appropriate tone and focus on strategic issues.
21. The Chair should continue to summarise board discussions in meetings with a view to moving the board to take a **decision**. When the board is considering delaying a decision, the Chair should check the implications of this delay with the Chief Executive who should make the implications of the delay clear to the board at the time.
22. To accord with best practice the board should have part of at least two meetings a year with **only the Chief Executive** present, and part of at least two meetings a year with no executives present.
23. The board should discuss its **forward agenda** at least twice a year.
24. The Secretary should be responsible for ensuring that **minutes** are a clear and complete record of meetings, particularly on issues which might have legal ramifications, such as conflicts of interest. The nature and degree of detail in

the minutes should largely reflect standard charity governance formats with some adjustment for the Wikimedia culture (Wikimedia Foundation minutes offer a format). Minutes should be agreed at or before the next meeting and only posted on the open web after they have been signed by the Chair as an accurate record of a meeting. They should indicate precisely the period for which trustees with a potential conflict of interest absented themselves.⁴

25. While acknowledging the value of transparency, boards tend to perform best if they have some confidential papers and hold some discussions in private, and thus **in-camera** sessions should continue to be permitted.

4.4 Governance behaviours

4.4.1 Effectiveness of board members

26. The highest standard for **managing conflicts of interest** in a charity should be followed and monitored. Recent changes have helped move Wikimedia UK in this direction and this progress should be monitored and kept under review including in the two proposed governance audits (see recommendation 17).
27. If any trustee believes that there is any potential for the **perception of a conflict of interest**, they should raise this with the Chair at the earliest opportunity and then with the board. In the case of the Chair, the potential conflict of interest will need to be raised with the board. In neither case need this first be at a board meeting – the Chair or board can be advised by email. The materiality of the potential conflict should be identified and made transparent (see recommendation 29). This includes, for example, a project where a trustee has a financial interest and the chapter intends to support that project in the future. The Nolan principles prohibit any trustee from ‘gain[ing] financial or other material benefits for [himself or herself and] ... the organization [he or she] ... represent[s]’. Under these principles, the board should continue to ensure ‘relevant declarations of interest in the different circumstances and roles [its trustees] play both within and outside Wikimedia’.

⁴ We suggest avoiding the term ‘recuse’ as it is insufficiently precise and may have different meanings in different countries.

28. **Declarations of conflicts of interest** should be updated in a timely way and disclosed proactively before any work proceeds on projects within the Wikimedia movement.
29. In assessing a potential conflict of interest, the board should ensure it has all relevant information, including **the size and extent** of the personal or financial interest and the identity of relevant business associates. If such information is not available, the board should assume that a conflict exists and may require the resignation of the trustee.
30. The board should not allow a conflicted trustee to use his or her Wikimedia **position and title** to advance a Wikimedia project or initiative related to the Wikimedia movement where the trustee has a financial conflict of interest. Blurring these roles could lead to confusion and poor governance, as well as potentially legal liability to pay over any monies derived from a position of conflict. To this end care needs to be taken with the use of titles and email addresses. The organisation should also be sensitive to exterior messaging, such as press releases and blogs that misidentify the role of a conflicted trustee or other conflicted persons.
31. If the extent or nature of any board member's potential or actual conflict is not compatible with continued membership of the board, that member should **resign** from trusteeship however valuable his/her contribution may be.
32. In addition to recent changes to the Conflicts of Interest Policy adopted by the board in November 2012, trustees should not seek or accept **any post or form of remuneration from organisations funded by Wikimedia UK** for a period of at least six months after they have been a member of the board, without the express permission of the board. Permission should usually be granted in the case of a trustee applying for a Wikimedian in Residence post, provided that that the trustee has absented themselves from discussions that lead to the creation, funding or agreement of the post.

4.4.2 Chair – Chief Executive relationship

33. The Chair should agree to a fuller **scheme of delegation** with the Chief Executive modelled on a standard for a similar sized charity.

34. As the board has **delegated** responsibility for day to day management of the organisation to the Chief Executive, instructions to staff should come from the Chief Executive and not from trustees. Communication between trustees and staff should generally be copied to the Chief Executive.
35. To ensure there is a single person managing the Chief Executive, he/she should **report to the board through the Chair**.
36. If at any point a trustee wishes to apply for a **central staff post**, the trustee should stand down from the board in advance of applying and take up the position only with the permission of the Charity Commission. If unsuccessful, they should not be eligible to re-join the board for 12 months.

4.4.3 Behaviour in meetings

37. Led by the Chair, all board members should share responsibility for ensuring that board meetings **focus on strategic matters**.
38. While the board should have robust discussions in meetings, these should be conducted with **respect**. Board members should be committed to taking subsequent **collective responsibility** for decisions.
39. The proposed governance audit (see recommendation 17) should **monitor the nature and tone of contributions** to meetings and the interaction amongst board members and with staff. These communications should fully reflect the organisational value 'to have respectful and professional working relationships internally and externally'.
40. The board has on several occasions sought **guidance** from advisers, including lawyers, on challenging matters. This should continue. If advice is sought and not accepted, then the board should be very sure this is the right legal, ethical and organisational course.

4.4.4 Behaviour outside meetings

41. Board members who are both operational volunteers and trustees should be **clear about these separate roles**. When acting as trustees they should be accountable to the board through the Chair for their activities and actions.

When acting as volunteers on projects, they should usually be accountable to the Chief Executive or through the leader of the initiative to the Chief Executive.

42. Board members should recognise their crucial role in **supporting the Chief Executive** to achieve the organisation's objectives. Through the Chair, the board should agree to objectives with the Chief Executive, manage his performance sensitively and recognise that maintaining good relationships in public and private is of paramount importance. The board should beware of any tendency to 'micro manage' him/her.
43. All communication around board meetings should accord with the organisational value of having '**respectful and professional working relationships internally and externally**'. If there are breaches of this it should be drawn to the individual's attention by the Chair.
44. The board should agree the overall **annual budget** for the organisation and then review exception reporting against it. Board members should generally not control spending of individual budget lines as these should be governed by general delegated financial responsibilities.

4.5 *Governance in a movement*

Strong and effective relationships are an essential ingredient of any movement with a central body licencing chapters to use the organisation's name in different territories. Trust and openness are vital. We therefore make a number of recommendations designed to strengthen this crucial relationship:

45. Key managerial and operational **communication with the Wikimedia Foundation** should usually be handled by the Chief Executive. This includes application for use of valuable movement resources, such as trademark licences. Governance level communication should be handled by the Chair or an individual delegated by him or her and copied to the Chief Executive.
46. The tone of all communication with the movement or any parts of it should be **respectful and professional** and in line with the organisation's values. This tone should be set and modelled from the top.
47. Where any project in which Wikimedia UK engages requires a trademark agreement from the Wikimedia Foundation the Chief Executive should

communicate with the relevant decision-maker at the Foundation about the request. The Chief Executive should proactively draw any known potential or actual conflicts of interest associated with the project or initiative to the attention of the decision-maker at the Foundation early in the communication.

48. We believe that the present draft of the conflict of interest guidelines under discussion by the Wikimedia community promises to offer helpful guidance on when to disclose potential conflicts of interest to ensure that a decision-maker in the movement is able to manage and evaluate that conflict appropriately⁵.

4.6 *Other*

49. The Chief Executive or Company Secretary should continue to develop a governance handbook which should bring together in one place all the documents relating to governance arrangements. This should be placed on the Wikimedia UK website.
50. Wikimedia UK should swiftly come to agreement with the owners of QRpedia on the future ownership of this software, and if agreement cannot be reached and if required, take steps to develop its own software platform.

⁵ See http://wikimediafoundation.org/wiki/Guidelines_on_potential_conflicts_of_interest

5 Implementation

The recommendations above are designed as a package to help further develop the governance of Wikimedia UK. We recommend that all are implemented unless the board has a powerful rationale for not implementing any of them.

Once it has done so, we recommend:

- The board should publish this report or a summary of it for company members of the charity, along with a report setting out the actions they propose to take.
- Wikimedia UK lawyers should review the report to note the recommendations and determine whether implementation requires any changes to the Articles. If so, members should be informed so that changes can be made at the June 2013 AGM.
- Implementation of the accepted recommendations of the governance review should be on the agenda of board meetings until implementation is complete.

Implementation timetable

	2013				2014		
	Feb - March	Apr- June	July- Sep	Oct- Dec	Jan- March	Apr- June	Apr- June
Board composition changes agreed							
Governance Committee begins work							
Recruitment and induction of new trustees							
Continuous development of trustees and the board							
Revisit strategy and agree KPIs							
Review of the performance of governance							
Implementation of revised meeting structure							
Strengthen meeting management and behaviours							
Governance handbook completed							

Appendix 1 Community consultation

Invitation

Chris Keating as Chair of Wikimedia UK kindly sent an email to about 200 recipients on mailing lists alerting them to a set of community consultation questions about the governance review to be found on the Wikimedia UK blog. This email read:

As indicated in a previous Wikimedia UK blog post we as Compass Partnership have been invited by the Wikimedia Foundation and Wikimedia UK to review Wikimedia UK governance, and in particular the management by the board of any potential conflicts of interest. We have been asked to make recommendations setting out any practical steps which we think should be taken to strengthen the governance of Wikimedia UK to ensure it conforms with good practice. As part of this review we would be pleased to have community views. If you wish to respond, please would you email your response to the five questions below to us at Compass Partnership at wiki@compassnet.co.uk by Wednesday 28th November 2012.

Wikimedia UK is a charity and company. It is governed by a board of trustee/directors. There are currently six trustees. They are not paid for their work as trustees. The organisation is subject to English charity law and the trustees have established governance codes of conduct. The role of the trustees has been described as planning, setting high level policy, and monitoring performance. The Wikimedia UK Chief Executive reports to them.

In your response, could you indicate to which numbered questions your replies relate.

- 1. What key things do you think have gone well with the organisational governance of the charity Wikimedia UK?*
- 2. What has not gone so well with its governance?*
- 3. The Charity Commission for England and Wales acknowledge that potential conflicts of interest or loyalty may well arise on a charity trustee board. When they do it is required that they be declared to the board and then appropriately managed by the board. Do you have any comments on how the Wikimedia UK board of trustees appears to have managed any such potential conflicts of interest or loyalty to date?*

4. *Over the year changes have been made to the Wikimedia UK board and its practices in part to develop the management of any potential conflicts of interest or loyalty on the board and between Wikimedia UK and the Wikimedia Foundation. In your view are any further changes in this regard to Wikimedia UK governance required, and if so what?*
5. *Do you have any other comments to offer to aid the future development of the organisational governance of Wikimedia UK as a charity?*

If you wish to respond please email your response to wiki@compassnet.co.uk Your response will be used by Compass Partnership to carry out its independent review of Wikimedia UK's governance on behalf of Wikimedia UK and the Wikimedia Foundation. Parts of your response may be quoted by Compass Partnership in its report to the Wikimedia Foundation and Wikimedia UK but would not be attributed to you as an individual. The details you provide will not be used by Compass Partnership for marketing purposes or be shared with any other third party.

Responses

By way of context it should be noted that there had been a range of blog posts including a number on the Wikimedia UK site and that many of these had been critical. The Wikimedia UK board noted this in their statement launching this review.

In the end six replies to the community consultation were received, of which five were substantive. Most of these respondents appeared to have good knowledge of the workings of Wikimedia UK but none were from board members or staff.

In summary, themes that emerged are set out below roughly in the order of the questions asked.

- There was an appreciation of the effort put in to develop the governance of Wikimedia UK and a recognition that procedures are transparent and that systems have been built up and developed as needed. It was noted that this was a particular achievement when people are relatively new to governance.
- There was a concern that the organisation has had to deal with rapid growth and that the board had not established a 'clear transition plan to being a non-executive board' and remained the main driver of programme activity, thus leading to some confusion and some micro managing.
- When asked about how potential conflicts of interest were handled by the board there was a feeling that procedures and policies were in place. While some respondents felt these had been followed, others thought they had not always

been fully or promptly implemented. As one respondent put it ‘the failures have tended to be of implementation and management. In retrospect decisions have not always been based on good judgement, and too much emphasis has been placed on trying to accommodate individual trustees’. Another referred to ‘some stubbornness before stepping back’. And there was a view that there is an absence of ‘career paths’ for volunteers leading to some people thus inventing them. The changes made to conflict of interest policies at the 17 November 2012 board meeting were commented on approvingly.

- There was a view that the relationship with the Foundation had not been well managed, and a desire to see the chapter communicate with the Foundation more promptly.
- There was a view that there are people who wish harm to Wikimedia in general and Wikimedia UK in particular and that the board did not have in place a strategy for dealing with this group.
- Also looking forward it was noted that ‘Wikimedia UK will continue to be a high growth, high profile charity and will need experienced and skilled trustees to manage the challenges of the future. Trustee recruitment should continue to be a priority for the chapter and I hope that a new effort is made this year to find new people with the right skills and experience who can help take the chapter to the next level’.
- While it was acknowledged that the board had ‘combated concerns about financial impropriety’ well, there was a call for the formation of an Audit Committee.

Compass Partnership

Compass Partnership is a management consultancy specialising in the management and governance of independent non-profit-seeking organisations. Founded in 1982, we have worked with over 800 not-for-profit clients and have built up a body of knowledge on management and governance in this field and a tried and tested range of approaches to consultancy. Our services include strategic planning, implementation support, management development, culture change, governance development and problems that cross the boundaries of management and governance.

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Our books

Delivering Effective Governance, Mike Hudson, Jacinta Ashworth, (DSC, 2012) identifies drivers of governance performance and highlights actions that should be taken to achieve the greatest improvements in governance.

Managing Without Profit, Mike Hudson, (DSC, 2009) sets out the theory and practice of creating highly successful nonprofit organisations.

Managing at the Leading Edge, Mike Hudson, (DSC, 2003) describes what can be learned from the management and governance of nonprofit organisations in the USA.

All are available from www.dsc.org.uk