

Questions to ask... ...ABOUT THE CHARITY GOVERNANCE CODE

The Charity Governance Code (the Code) was updated at the end of 2020 and is supported by the Charity Commission. Although the Code is not a legal or regulatory requirement, it aims to help charities and their trustees to develop high standards of governance and details best practice in the sector. The Code is split into seven principles. Some questions for trustees to ask in each area are provided below. These may be a useful guide for discussions at a trustee away day or a self-review of governance.

Foundation

All trustees are committed to the cause, recognise their public benefit responsibilities, understand their roles and responsibilities, and are committed to good governance.

1. Why are you a trustee?
2. Do you understand your role and legal responsibilities?
3. What difference do you want to make?
4. What will be your legacy?
5. What does good governance look like?

Principle 1: Organisational purpose

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

1. Is the charity still relevant and valid?
2. What difference do we want to make?
3. What difference have we made?
4. Are we future proofing the charity?

Principle 2: Leadership

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

1. Do the trustees live the charity's culture and values?
2. Is the board culture making you less agile or holding you back?
3. How strong is the board's leadership?
4. How dependent is success on one leader?
5. Do you have a succession plan for trustees?

Principle 3: Integrity

The board acts with integrity, adopting values and creating a culture which helps 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.

1. Do all trustees act in the best interests of the charity?
2. Do you have an agreed set of behaviours?
3. Are you inclusive as a board?
4. Do you have a live conflicts of interest policy?
5. Are conflicts managed effectively?

Principle 4: Decision-making, risk, and control

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

1. What risks would 'break' the charity?
2. How does the board review and manage internal controls?
3. Do you have a scheme of delegation?
4. Do you have a scheme of financial delegation?
5. What are you delegating and to who?

Principle 5: Board effectiveness

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

1. Do you have a culture to challenge and debate?
2. How are trustees trained?
3. Do you need to make space for different conversations?
4. Is there an objective board and trustee appraisal?

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Principle 6: Equality, diversity, and inclusion

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

1. What does equality, diversity, and inclusion mean to you?
2. Would equality, diversity, and inclusion strengthen your board?
3. Do you have equality, diversity, and inclusion objectives which are aligned with the charity's aims, strategy, and culture?
4. How will you measure and monitor the charity's equality, diversity, and inclusion? Is this information published?
5. Have you really created a place at the table for a diverse range of trustees?

Principle 7: Openness and accountability

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.

1. Who are your stakeholders?
2. Are you sharing information that will be useful to them?
3. How are you communicating with them?
4. Are you building trust and confidence?

Further resources:

Charity Governance Code

www.charitygovernancecode.org/en

It's your decision: charity trustees and decision making (CC27)

www.gov.uk/government/publications/its-your-decision-charity-trustees-and-decision-making

Conflicts of interest: a guide for charity trustees (CC29)

www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29

Charity Commission questions to ask about finances

www.gov.uk/government/publications/charity-trustee-meetings-15-questions-you-should-ask

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