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Charity
Governance
Code**

Charity Governance Code consultation

November 2019

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Introduction

The Charity Governance Code, first published in 2005, builds upon the assumption that good governance is fundamental to effective charity activity.

It is a sector-led Code, overseen by a steering group of ACEVO, Association of Chairs, The Chartered Governance Institute, NCVO, SCC, WCVA with the Charity Commission in attendance and with an independent chair Rosie Chapman. The Code's ethos is 'by the sector, for the sector'.

The Code has been widely supported and adopted by a range of different charities and also positively received by those that support the sector.

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Keeping the Code up to date

As a Steering Group, we see good governance as a process of continual improvement and we think the same principle applies to the Code itself. Understanding of what is good governance evolves, as do the expectations of the sector's various stakeholders.

When we published the new edition of the Code in summer 2017, our intention was to review the contents and impact of the Code at three-year intervals, to make sure that it remained current. However, we believe there is also a balance to be struck between continually updating the Code and potential disruption to those using the Code, especially as it can take some time to work through all the recommendations.

For this reason, we propose to undertake a light 'refresh' of the Code in 2020, with more far-ranging changes taking place in 2023. We will begin to develop a 'route map' of suggested changes for implementation in 2023.

By light refresh we mean to say we will set a high bar for making changes in 2020, particularly to the Code core elements, that is the seven principles and their associated rationale and outcomes. We will focus more on additions and revisions to the Code's recommended practice. In the consultation document we have identified a few areas where we think there is a case for urgent change.

We have had consistent feedback, from users in informal workshops discussing the Code and at other activities raising awareness of the Code, such as the RSM's research (www.rsmuk.com/ideas-and-insights/decoding-the-charity-governance-code), that users of the Code like its structure, language and user-friendliness. The steering group sees the role of the Code as setting standards. We see it as a role for others to produce tailored guidance to support the Code. We do intend however to add more signposts to useful resources. In the consultation we ask for suggestions on resources you have found useful for each principle.

In addition to the refresh we plan to develop a 'route map'. This will allow us to set out other changes that have been suggested that we think have merit, for a more in-depth revision in 2023. This will be useful for people who are already fully complying with the Code seeking additional guidance on emerging good practice. We hope it also allows existing users to be aware of additional changes that may be expected in future years. During the consultation, and subsequently, we plan to publish a series of blogs exploring these potential longer-term changes.

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Consultation process

The consultation process will run from the week commencing 4 November 2019 until 28 February 2020.

Respondents are invited to submit comments through the online survey available here www.surveymonkey.co.uk/r/TMRJFHF.

Alternatively comments can be sent by email or post to the addresses below, marked Charity Governance Code Review, or via the Charity Governance Code website www.charitygovernancecode.org/en/front-page.

policy@icsa.org.uk

Policy Department
The Chartered Governance Institute
Saffron House
6-10 Kirby Street
London
EC1N 8TS

The deadline for comments is 28 February 2020

A 'refreshed' Charity Governance Code will be published in the summer of 2020.

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Consultation questions

1. Are you responding on behalf of an organisation?
 - Yes
 - No (please go to Q5)

2. What best describes the organisation you are representing?
 - Charity
 - Social enterprise
 - Infrastructure body
 - Other (please specify)

3. What is the annual income of your organisation?
 - Less than £10,000
 - £10,001 – £100,000
 - £100,001 – £1million
 - £1 million – £10 million
 - £10 million – £100 million
 - More than £100 million

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4. What best describes your role in the organisation you represent?

- Chair of trustee board
- Trustee
- Governance manager/officer
- CEO/director
- Volunteer
- Other (please specify)

5. What best describes your role? (Please ignore if you responded to Q4)

- Charity employee
- Chair of trustee board
- Trustee
- Professional adviser
- Volunteer
- Someone with an interest in governance
- Other (please specify)

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6. Do you currently use the Charity Governance Code?

- Yes, to some extent
- Yes, working towards full adoption
- Yes, fully adopted
- No (please go to Q8)

7. How do you use the current Code?

- Board training and development
- Benchmarking
- Board reviews and evaluations
- Good practice suggestions
- Reporting
- Other (please specify)

8. How satisfied are you with the current version of the Charity Governance Code?

- Very satisfied
- Somewhat satisfied
- Neutral
- Somewhat dissatisfied
- Very dissatisfied

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9. Does the current Charity Governance Code outline good governance practice and how it can be applied to charities?

- Yes
- To some degree
- Not at all
- Don't know

10. Given that the Code was only last updated in 2017, do you agree that we are right to limit changes to the Code at this stage and only focus on urgent items? Please provide comments for your response.

11. We have identified the following areas where the Code might benefit from immediate changes. The following questions explore these areas:

i. Should the Integrity principle say more about charities' ethical principles and the right to feel safe? If yes, what might it say or require?

ii. Should the Diversity principle be renamed, for example to 'Diversity and Inclusion' or

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'Equality, Diversity and Inclusion' to reflect good practice in this area? Please explain your response.

- iii. Is there any additional or different recommended practice that should be included as part of this principle regarding diversity? Please provide further information.
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- 12. Are there any other urgent changes that are required to the Code at this stage? Please provide further information.
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- 13. Do you have any suggestions for guidance or websites that might be helpful for charities trying to implement the Code that we could signpost to? Please provide further information identifying to which principle the guidance or website relates.
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- 14. Are there any issues on the horizon or areas that the Code should consider in the longer term? Please provide further information. (See also our blog flagging up possible issues www.charitygovernancecode.org/en/front-page.)

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15. Do you have any other comments you would like to make about the Charity Governance Code refresh?

- No
- Yes, please enter your comments below

Thank you for taking the time to respond to this consultation. Your feedback will be very useful for developing the Charity Governance Code.