

# Refreshing the Charity Governance Code

Summary of consultation responses

# Refreshing the Charity Governance Code: Summary of consultation responses

This report provides an overview of the responses received regarding the Charity Governance Code's proposed refresh, highlighting themes and messages to inform the next version of the Code.

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# Refreshing the Charity Governance Code: Summary of consultation responses

## 1. Executive summary

- 1.1 The Charity Governance Code (the code) is intended for use by charities registered in England and Wales. Much of it also applies to other not-for-profit organisations that deliver a public or community benefit, and those with a social purpose. The Code is overseen by the Code's steering group<sup>1</sup> who published the most recent edition of the Code in Summer 2017.
- 1.2 Understanding of what is good governance evolves, as do the expectations of the sector's various stakeholders. This was the context for the steering group's decision to review the Code at three-year intervals, to make sure that it remains current. A consultation was held between November 2019 and February 2020 looking at how the Code could be improved. That consultation ended prior to the emergence of the COVID-19 pandemic and its aftermath. Notwithstanding the subsequent events, the steering group believes there is still merit in analysing and publishing the consultation responses and updating the Code accordingly. This report sets out the number and nature of the responses to the consultation.
- 1.3 The steering group is delighted with the continued interest the Code receives from charities and their supporters. The consultation received almost 800 responses via a tailored online survey, alongside feedback through a Small Charities Coalition (SCC) survey of its members, email submissions, and online polls. 131 respondents provided substantive comments on most of the questions asked.
- 1.4 Of those responding, **90% have either fully, or partly adopted or are working towards full adoption of the Code**. Furthermore, **84% are satisfied or very satisfied with the Code**. However, this figure falls to 42% in the SCC survey which covered a range of issues, including governance, with 58% neutral on the question. Ensuring that the Code is relevant for smaller charities is an area that the steering group will look at further to see what more can be done to highlight the edition of the Code that is designed especially for volunteer-led and run organisations.
- 1.5 Overall, 85% of respondents agreed with the steering group's proposal to take a 'refresh only' approach to updating the Code this time round.

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<sup>1</sup> The steering group consists of ACEVO, the Association of Chairs, The Chartered Governance Institute (formerly known as ICSA), NCVO, SCC and WCVA. The Charity Commission continues to support the Code as an observer to the steering group. Rosie Chapman is the independent chair of the steering group.

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- 1.6** The question relating to integrity generated a wide range of responses and suggestions. The steering group will consider carefully what is meant by 'integrity' and the 'right to feel safe' and how best to reflect this in the Code. Additionally, the question of whether and, if so, how to reflect NCVO's Charity Ethical Principles in the Code received mixed comments from respondents and requires further consideration in order to avoid confusion or adding unnecessarily to the length of the Code.
- 1.7** The questions surrounding the diversity principle received wide support from respondents to broaden it to address aspects of inclusion and equality. To help take this forward we have commissioned specialist consultants to assist us and to provide expert input, including engaging in further consultation to develop this principle and support its implementation by charities.
- 1.8** Where next? The steering group originally hoped to publish the refreshed Code in Summer 2020, however in the current circumstances the timetable has inevitably been extended. The steering group will dedicate its time and focus to the limited changes identified in the refresh. It will seek the input of a range of experts and critical friends to road test any changes so that they represent good practice and are sensitive to the needs of the sector. We now plan on publishing the updated Code in the Autumn.
- 1.9** The steering group is grateful to everyone who took the time to contribute to the consultation. The Code's mantra is 'for the sector, by the sector' and the Code could not continue to be successful without the support of charities, sector-support bodies, professional services and individuals. The many comments received will be used to inform the refreshed Code published later this year, and to develop the steering group's longer-term approach for a more wide-ranging review in 2023.

## **2. Methodology**

- 2.1** The current version of the the Code was published in the Summer of 2017. Since then the charity environment has undergone several changes and good practice has evolved in specific areas, such as safeguarding and diversity.
- 2.2** Following a review of the Code by the steering group, it was decided to release a limited consultation on refreshing the Code in 2020, with a more far-ranging update scheduled for 2023.

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- 2.3** Accompanying the consultation document were a number of blogs detailing the steering group's approach and thinking. The purpose of this report is to summarise responses from the recent consultation on the refresh and to highlight the themes, key questions and options the steering group will consider in developing the next version of the Code.
- 2.4** Prior to the public consultation, the steering group had a number of conversations with selected individuals and organisations familiar with the Code through their professional roles. A series of working groups were hosted by the steering group to gather the insights of the people, who included lawyers, accountants, governance professionals, consultants and umbrella bodies between 22 August and 16 September 2019. These conversations helped to inform the consultation document and questions.
- 2.5** The consultation methods used both qualitative and quantitative techniques, including:
- Online survey for consultation responses with both open and closed questions;
  - Social media polls on key consultation questions; and
  - Email comments from organisations and individuals.
- 2.6** The online survey used Survey Monkey which ran from 4th November 2019 to 28 February 2020 and received a total of 273 responses, although some questions received more answers than others. 131 respondents completed more than the introductory questions of the consultation, providing answers to the specific questions relating to the current Code and proposed changes. The responses to each question can be found in Appendix A.
- 2.7** During the consultation period, the Small Charities Coalition (SCC) undertook a broader survey of its members. Some of the questions in that survey reflected the themes in the Code consultation document but were not identical. Where possible, SCC members' views on governance matters have been incorporated into this report, but it is not always possible to compare like for like questions and answers. This survey received 513 responses to governance related questions; again, numbers responding to different questions fluctuated. The insight adds context to the formal consultation from the small charity perspective.

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**2.8** Additionally, we received 12 substantive submissions by email, though a number of these also completed the online survey. These were mainly from organisations with a close working knowledge of the Code, utilising it as part of their professional activities.

**2.9** It is acknowledged that those contributing to the consultation exercise, in whichever format, are more likely to be engaged with good governance and the Code.

## **3. Specific questions**

**3.1** The discussion document focused on the specific changes identified in general feedback received from Code users and in the workshops organised ahead of the public consultation. These questions asked about the range of potential changes to be made, the integrity principle and the principle dealing with diversity. This section provides an overview of the responses to these questions.

### **3.2 User satisfaction**

Of those responding via Survey Monkey, **90% said they currently use the Code.**<sup>2</sup> The SCC questionnaire asked if respondents (a total of 513) had heard of the Code, with 364 answering positively, however only 174 reported using the Code.

**3.3 84% of Survey Monkey respondents were satisfied or very satisfied with the Code.**<sup>3</sup> This dropped to 42% of respondents from small charities, with the remaining 58% reporting a neutral stance to the Code.

**3.4** Although overall satisfaction levels are positive, there appears to be a significant difference in user satisfaction depending on the size of the organisation. Survey Monkey respondents were more positive in their reported satisfaction with the Code than those respondents to the SCC questionnaire. It should be noted that 43% of Survey Monkey respondents represented organisations whose income is below £1m. There are likely to be many reasons for this disparity in satisfaction levels between small and large charities and the different approaches of the formal consultation and the SCC questionnaire to its members. This would merit further investigation to improve understanding.

Feedback from a respondent on the Code:

*It is comprehensive, with the right breadth and depth to be useful and practical.*

<sup>2</sup> Of 125 respondents.

<sup>3</sup> Of 124 respondents.

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## 3.5 How the Code is used

Most respondents said they use the Code as a source of good practice suggestions (41%). However, smaller charities responding to the SCC questionnaire often reported using the Code as a 'checklist'.

## 3.6 As with user satisfaction levels, there is some divergence in how the Code is used depending on the size of the charity, according to the data drawn from the different sources available. This is worthy of further investigation at some point in the future.

## 3.7 Limited refresh

**85% of respondents agreed that the Code should be subject to a limited refresh** at this time. However, there were a few comments about the profile of the Code and the need to drive up awareness of and compliance with it. Eight responses disagreed with the proposal and suggested a more fundamental overhaul was required.

A sample of feedback from respondents:

*Limited changes will help charities to benchmark and track performance more easily.*

*The steering group's decision to limit the changes to the Code until 2023 is the correct approach. In our view, the Code still represents best practice and we do not consider the identified amendments to the Code to be urgent.*

*The 2017 enhancements, especially around behaviour, relationships and dynamics, made it a well-rounded Code.*

*No - the Code needs significant change - to move away from prescription. As currently written, it is unduly onerous, inefficient, and undermines achieving value for money... it is blocking the recruitment of able trustees.*

## 3.8 Charity ethics

**43% agreed unequivocally, with a further 19% offering qualified support, that the Code should say more about a charity's ethical principles and the right to 'feel safe'**.<sup>4</sup> Amongst small charities this support rose to **67%**.<sup>5</sup> This is an interesting area of difference between charities of different size.

<sup>4</sup> Of 104 responses on Survey Monkey. 19% of respondents did not agree with the question.

<sup>5</sup> Of 493 responses to the SCC questionnaire.

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A sample of feedback from respondents:

*Yes - safeguarding is very much in the spotlight and it is important to have appropriate policies and procedures in place. Ethics should underpin who you are as an organisation and how you work and interact with others. Without ethics how do you decide what is right and what is wrong?*

*We support the proposal to revise the Integrity Principle to say more about ethical principles and the 'right to feel safe'. The Integrity Principle currently focuses on the charity's reputation and dealing with conflicts of interest...The principle needs to be informed and developed in response to the wider safeguarding lessons. This is not only about protecting a charity's reputation but also a question of ethos, values and culture...*

*This principle is very much written from a protection of reputation standpoint. I would like to see more focus on some of the other responsibilities - staff welfare, safeguarding people who use the service etc...*

**3.9** Research carried out in 2019 by the accountancy service RSM into the take-up of the Code identified the integrity principle as one of the least well applied of the Code's principles.<sup>6</sup>

**3.10** With hindsight, the structure of this consultation question has thrown up a few issues that the Steering group will need to unpick in order to identify the best way forward. The following questions will need to be answered to help with the next version of the Code:

- What do we mean by 'ethics'?
- If, and how, NCVO's Charity Ethical Principles should be incorporated into the refreshed Code
- What do we mean by the 'right to feel safe'?

<sup>6</sup> <https://www.rsmuk.com/ideas-and-insights/decoding-the-charity-governance-code>.

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## 3.11 Defining charity 'ethics'

The consultation process has highlighted differences in people's understanding of 'ethics' with regards to individual charities and the sector as a whole. Below are ranked the different issues identified by several respondents in each case as part of the integrity question.

1. Safeguarding
- = 3. Fundraising and investments
- = 3. Behaviours
- = 5. Climate change and sustainability issues
- = 5. Conflicts of loyalty
6. Application of charity funds
7. Culture
- = 9. Whistleblowing
- = 9. Independence of thought
10. Public trust

## 3.12 The Code and NCVO's Charity Ethical Principles

Although Q11i did not specifically mention NCVO's Charity Ethical Principles, 13 respondents (12.5%) to Survey Monkey made that explicit link. Six said they should be embedded or reflected within the revised Charity Governance Code; while two suggested just mentioning them in footnotes. The steering group will need to strike a balance between reducing the number of documents charities need to refer to, and not expanding the Code unduly.

## 3.13 'Right to feel safe'

Safeguarding was a common theme in responses on the 'right to feel safe'. However, views were mixed on whether to include that right in the revised Code. 31 respondents to Survey Monkey were supportive, 21 were opposed.

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A sample of feedback from respondents:

*Charities ought to be exemplar organisations when it comes to keeping staff, volunteers and beneficiaries safe...*

*Safeguarding and the "right to feel safe" have moved on significantly in the sector since the 2017 version of the Code was drafted.*

*...the right to feel safe ...is clearly a key principle and fundamental to good governance, we are mindful that the Charity Commission have already published guidance on the right for everyone who comes into contact with a charity to feel safe...therefore caution that it may not be helpful to include too much additional guidance...*

## 3.14 Diversity

**69%** of Survey Monkey respondents **agreed that the Diversity Principle should be renamed.**<sup>7</sup> **46%** expressed a preference to renaming it **'Equality, diversity and inclusion'**.<sup>8</sup>

A sample of feedback from respondents:

*Diversity is the one single area that has moved the furthest since 2017 and the area of the Code will benefit from a full review and update in this area.*

*Equality is probably not the right term to include as treating people equally will not always address the issues of improving diversity and inclusion. 'Genuine equality means not treating everyone the same but attending equally to everyone's different needs', as such either 'equity' or 'fairness' might be a more appropriate term to add to 'diversity and inclusion'.*

*There is also overlap with the Integrity Principle and we question whether the changes highlighted in the blog on "Integrity" around employee mental health and wellbeing may fit more readily in this section, as a culture of inclusion will help to ensure that those with mental or other health issues are more able to ask for, and receive, the support they require.*

*I think it is fine as it is. The word diversity means just that.*

<sup>7</sup> Of 114 respondents.

<sup>8</sup> The question asked: Should the Diversity Principle be renamed 'diversity and inclusion' or 'equality, diversity and inclusion'?

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**3.15** A handful of respondents proposed the term 'equity'<sup>9</sup> rather than equality. The reasoning behind this varies, while some respondents clearly state a preference of the concept of equity, others suggested that this would divert people away from treating 'equality' as mere compliance with equality legislation. Any such compliance was considered unhelpful by many who commented.

### **3.16 Supporting practice for the diversity principle**

The findings with regard to diversity illustrate that there is an appetite for this principle to undergo reshaping. 67 respondents suggested practical guidance that could be included in a re-drafted diversity principle. However, the depth of responses in the survey only allowed limited insight into how these changes might be reflected in the recommended practice. The steering group has therefore decided that further work is required in this area to understand what good practice looks like and how this can be achieved. The steering group will therefore seek expert guidance and further engagement on this topic.

### **3.17 Other urgent changes**

The steering group identified those limited changes it felt were required sooner rather than later, to reflect the changing charity environment. It wanted to balance necessary changes with a desire for consistency within the majority of the Code. However, the experience of users is imperative to inform what is deemed 'urgent'. 89 people responded to the question as to whether there were any other urgent issues, with **53% saying there was nothing urgent to be considered** other than those highlighted within the consultation.

**3.18** There were, however, over 30 topics suggested for inclusion in the next version of the Code (that is the one planned for later this year). The full range of topics can be found in the appendix.

### **3.19 Useful resources**

Feedback from users has raised the issue of providing more resources to help charities implement the Code's principles and recommended practices. Over 20 individual resources were suggested for inclusion within the Code or its website. The issue of support for charities is covered in the next section.

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<sup>9</sup> Equality is the concept of providing the same level of opportunity and support, whereas equity is the concept of providing various levels of support and assistance depending on specific needs or abilities.

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## 3.20 Longer term issues

As detailed in the consultation document, the steering group proposed a more wide-ranging review of the Code in 2023. We were keen to hear respondents' views on what future changes should be considered for inclusion in the approach to deliver those changes.

Longer term issues identified for inclusion in 2023, by one or more respondents:

Environmental and sustainability issues (ESG, but not limited to investments)	Trustee succession planning	Executive pay
Intolerance in all its forms	Digital skills, opportunities and threats	More guidance around improving diversity
New SORP	Oversight and accountability of senior managers	Cyber risks
Mergers	Ethical investments	Impact reporting
Application to/by small charities	Barriers to trusteeship	Trustee remuneration
Membership charities	Reporting serious incidents	Governance professional
Financial governance and resilience	Data protection	Risk management
Financial sustainability	Independence	Lobbying

## 3.21 Any other issues

15 of 115 respondents to Survey Monkey provided additional comments about the Code. Of the 15 comments, each was quite different, but taken with the free-standing responses collected in earlier answers the following topics and issues came to the fore:

- The structure, tone, language and length of the Code could be more accessible, friendly, less prescriptive and more permissive;

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- Relation to other Codes, such as the Scottish governance code, and the UK Corporate Governance Code. Perhaps reflect good practice in those documents;
- Update to reflect the requirements relating to s172 of the Companies Act for those charities established as companies limited by guarantee;
- More detail and guidance reflecting the CEO's role in delivering good governance in a charity, but also covering issues around holding the executive to account;
- Amending the 'apply or explain' approach to 'apply and explain' as there is a desire to demonstrate the value of good governance in practice; and
- Placing the Code on a firmer regulatory standing, or other way to encourage compliance, as non-compliance is seen as a reason for a radical overhaul by those less enthusiastic about the current version.

**3.22** There were also some positive comments about the Code and the consultation.

*Thank you for all your work on the code - it's a really useful framework including the aspirational nature of it.*

*Simple format, easy to articulate and clear to deliver.*

*It has been very useful in communicating to staff and volunteers what good governance is, providing assurance to trustees and enabling a whole system view of governance.*

## 4. Feedback themes

4.1 Several themes recur from the consultation responses received. Many relate to the specific questions around integrity, the right to 'feel safe', diversity and inclusion, detailed in section 3. The open questions also provided an opportunity for respondents to share other thoughts about the future direction of the Code. These include comments on:

- a. the proposed 2023 road map
- b. providing guidance and support
- c. Principle 4: Decision-making, risk and control
- d. repetition and proportionality.

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## 4.2 Proposed 2023 road map

Despite the positive satisfaction ratings and the majority (85%) of Survey Monkey respondents supporting the proposed 'light touch' approach to the refresh, a considerable number of changes were suggested for inclusion in the next version of the Code. The steering group will review these and consider the best approach to developing a framework for informing a more wide-ranging review in 2023: a road map of some kind. It is our intention to be transparent and consultative in the approach taken to inform the 2023 review. Interested parties should keep an eye on the Code's website for future opportunities to get involved.

## 4.3 Guidance and support

Many respondents asked for more guidance, case studies and templates to help with the implementation of the Code. Comparisons with other governance codes would suggest that it is for the sector to fill any gaps in terms of how to implement the Code. However, that does not address the genuine calls from charities for more help.

There is a wealth of guidance available to the sector covering every aspect of the Code: much of it is free to access or included as part of a membership fee to an umbrella body. Given the diversity of the sector it would be impossible for the Steering group to produce guidance specific for each type of charity and the scenarios they meet. That being the case, charities still appear to struggle to identify sources of support.

**4.4** As the steering group is resourced by the good will of steering group members (via gifts in kind, technical know-how and time), with financial donations from Barrow Cadbury and the Worshipful Company of Clothworkers, there is limited capacity available to develop supporting resources. We will therefore investigate the options available to better support signposting to existing guidance.

## 4.5 Principle 4: Decision-making, risk and control

A number of respondents made specific suggestions about the size and content of 'Principle 4: Decision-making, risk and control'. In the main, observations related to it being too large, unbalanced in its approach to risk (with too much emphasis on risk management rather than opportunity), and specific calls for audit committees and internal audits to be introduced.

**4.6** These comments mirror discussions in the working groups held ahead of the public consultation. The steering group considers that now is not the best time to change Principle 4 as it would require a fundamental overhaul of the entire Code. Such a large change could undermine the sector's ongoing commitment to, and implementation of, the Code.

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## 4.7 Repetition and proportionality

Many respondents commented on the varying needs of different types of charities, particularly those deemed as large and small. Feedback suggested that the Code is currently too aspirational for some small charities, with too much overlap between the two versions.

These are issues which will be borne in mind for the more wide-ranging review in 2023.

## 5. Next steps

**5.1** This report provides an overview of the range and depth of responses to the consultation exercise. The steering group is delighted with the level of feedback received and grateful for the suggestions made to improve the Code for the benefit of the sector and the communities individual charities support. The steering group will spend some time considering those suggestions and how to implement changes, in a balanced and measured manner. Specific areas of activity will focus on those issues detailed below.

### 5.2 The Integrity Principle

There is strong support to reframe and augment the Integrity Principle to embrace and reflect the recent changes in the operating environment for charities.

**5.3** In deliberating over the future shape of the Integrity Principle, the steering group will discuss how best to reflect the introduction of NCVO's Charity Ethical Principles. The way forward is not obvious from the consultation responses and will warrant careful consideration in order to balance the need to avoid lengthening the Code, while reflecting evolving good practice.

### 5.4 The 'right to feel safe'

The 'right to feel safe' appears to be more widely embraced as a suitable change to the Code by SCC members than those responding via Survey Monkey. However, the responses pose fundamental questions which the steering group needs to address:

- Is this just limited to safeguarding, or does it include other issues such as wellbeing, health and safety?
- How far does that 'right' extend (social media and more widespread unpleasant behaviours)?

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- Is there sufficient 'common acceptance and understanding' of these issues for the Code to be able to include reasonable and proportionate practices that can be adopted by a wide range of charities, including those that don't deliver services? If not, is the Code the right place to provide that foundational information or can it be sourced elsewhere?

## 5.5 The Diversity Principle

Questions about this principle received the most responses across the range of communication methods to engage with users of the Code. This suggests there is keen engagement with the wider themes surrounding diversity, inclusion, equity and equality. Due to the question asked this is most noticeable in the strong support to change the name of the principle, however the responses also asked for wider change within the principle mentioning the need for cultural change and creating more accountability. These responses in turn will lead to an overhaul of the supporting key outcomes and recommended practice, as well as a change of the name. Hindsight would have led us to frame the questions on this topic better to maximise the feedback received, in terms of insight and suggestions for improvement.

- 5.6** The steering group has appointed an external consultant to support further work on developing the ambitions of respondents in regard to this principle and to facilitate additional stakeholder engagement to improve this aspect of the Code.

## 5.7 Signposting and additional guidance

There is demand for further information and support from those using the Code. However, there are already a wealth of resources available to charities, both free and paid for. There is a genuine debate to be had as to whether it is the Code, and the steering group's, role to fill that gap. A secondary question relates to the resources required to meet that need.

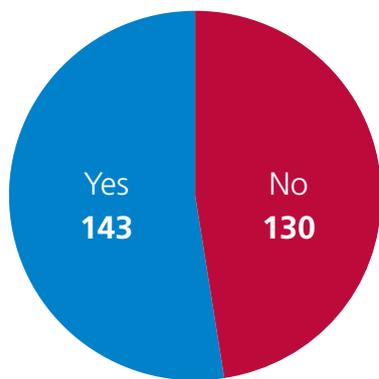
This is a discussion the steering group will address as part of the approach to developing the Code.

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## Appendix A: Consultation responses break down

### Q1. Are you responding on behalf of an organisation?

The following highlights the responses from those representing organisations.

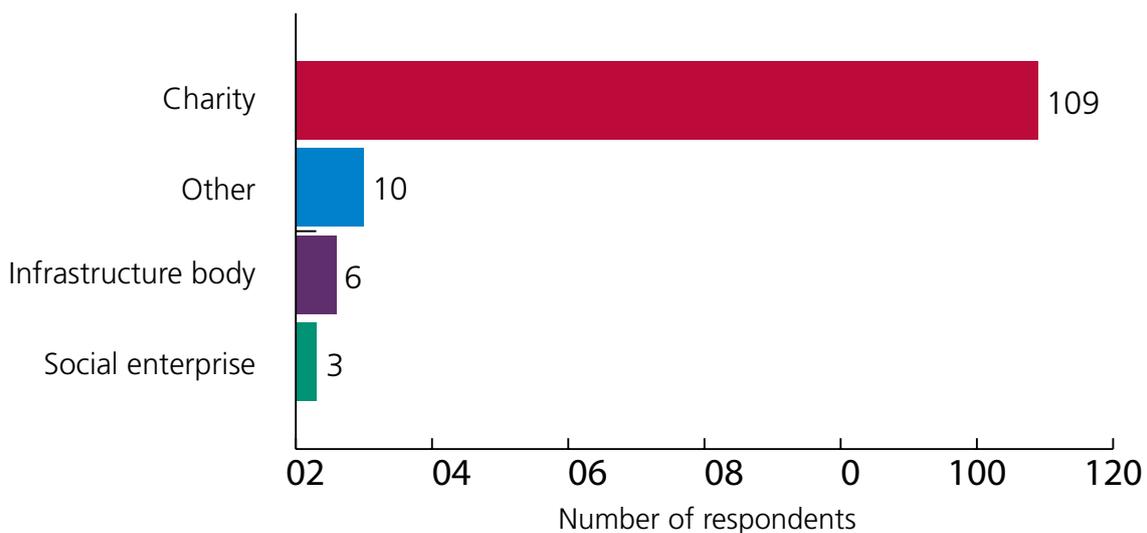


Total respondents = 273, Survey Monkey.

52% of Survey Monkey respondents were replying as part of an organisation.

### Q2. What best describes the organisation you are representing?

Of the 128 responses received for this question, the vast majority represented a charity.<sup>10</sup>



Total respondents = 128, Survey Monkey

<sup>10</sup> 107 self-identified as a 'charity' however two who initially chose to identify as 'other' stated their organisation as either an exempt charity or charitable trust. These responses have been grouped in with other 'charity' identifiers.

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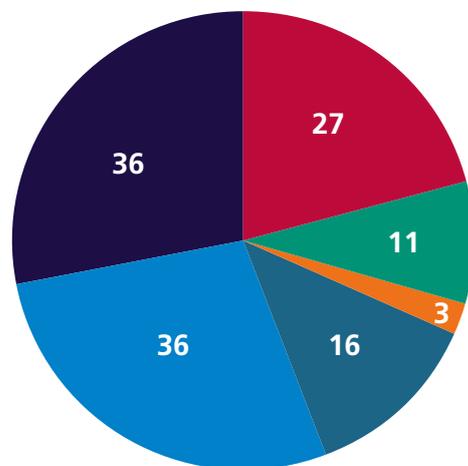
Of the 10 respondents who chose 'other', the organisations represented included:

Charity consultant	Independent body	Governance and audit firm
Government	Solicitors (x2)	Accounting and auditing firm
Professional services firm	Private sector	Consultancy/think tank

Most represented some form of professional advisory organisation with an interest in governance.

### Q3. What is the annual income of your organisation?

Of the Survey Monkey respondents, 129 people responded to this question with most, 57%, (74 out of 129 respondents) representing large charities (over £1m annual income, as defined in the Charity Governance Code).

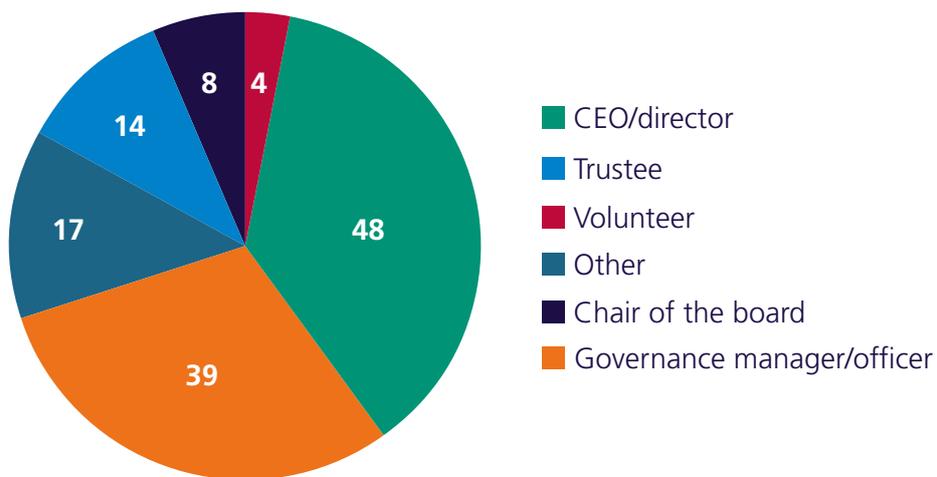


Total respondents = 129, Survey Monkey

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## Q4. What best describes your role in the organisation you represent?

The majority of online respondents to question four were CEOs or directors, with the second being governance managers.



Total respondents = 130, Survey Monkey

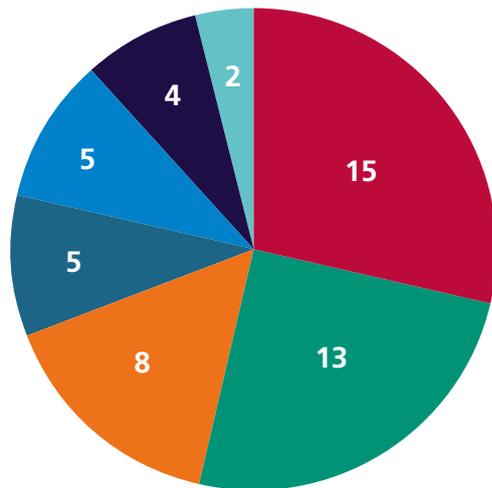
Of those that identified as 'other', the breakdown was as follows:

'Advisory'	Company Secretary (x4)	NFP partner <sup>11</sup>
Relationship Manager	Policy Manager	Senior Manager
Legal Adviser	Manager	Researcher
Internal Audit	CSR lead	
CVC employee with direct responsibility for governance	Professional Adviser and Auditor	

<sup>11</sup> This was entered twice, but only had one completed entry, so it has been assumed this is a duplicate entry given the unique title.

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Q5. What best describes your role?



■ Professional advisor ■ Charity employee ■ Chair of board  
■ Trustee ■ Someone with an interest in governance ■ Other ■ Volunteer

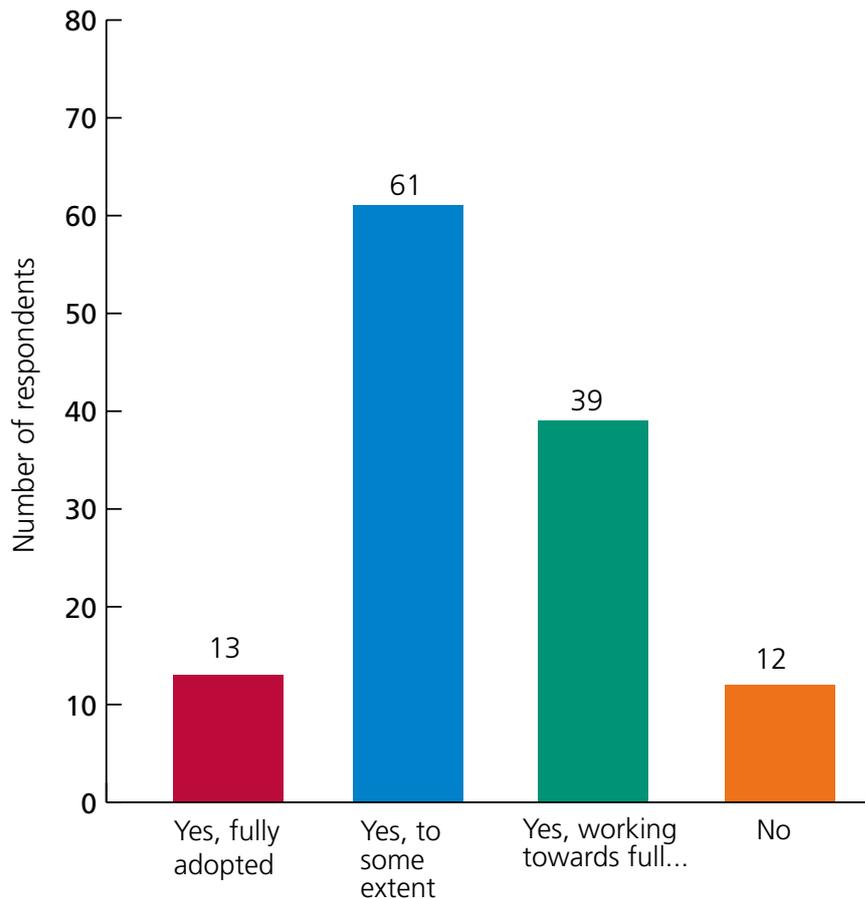
Total responses = 52, Survey Monkey

54% of respondents to question five had a professional interest in governance as an adviser or employee. Those choosing 'other' combined trustee with another position such as governance consultant, CEO, finance and governance consultant or professional adviser.

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## Q6. Do you currently use the Code?

Of the 125 people who responded to Survey Monkey answering this question, the majority (90%) had used the Code.



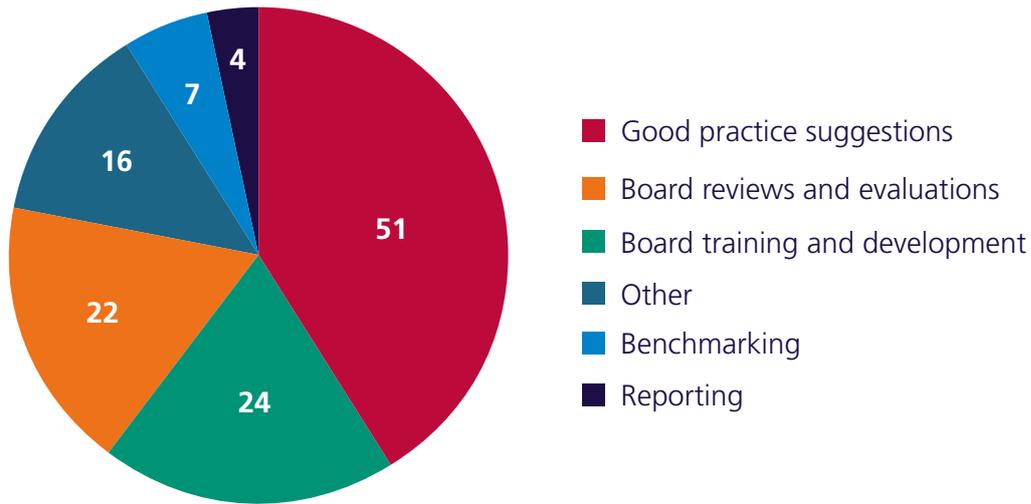
Total respondents = 125, Survey Monkey

The SCC questionnaire asked if respondents had heard of the Code, with 364 answering positively (71%). However, the number reporting using the Code fell to 174 (34%).

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## Q7. How do you use the current Code?

Of those that currently use the Code, the various methods utilised include:

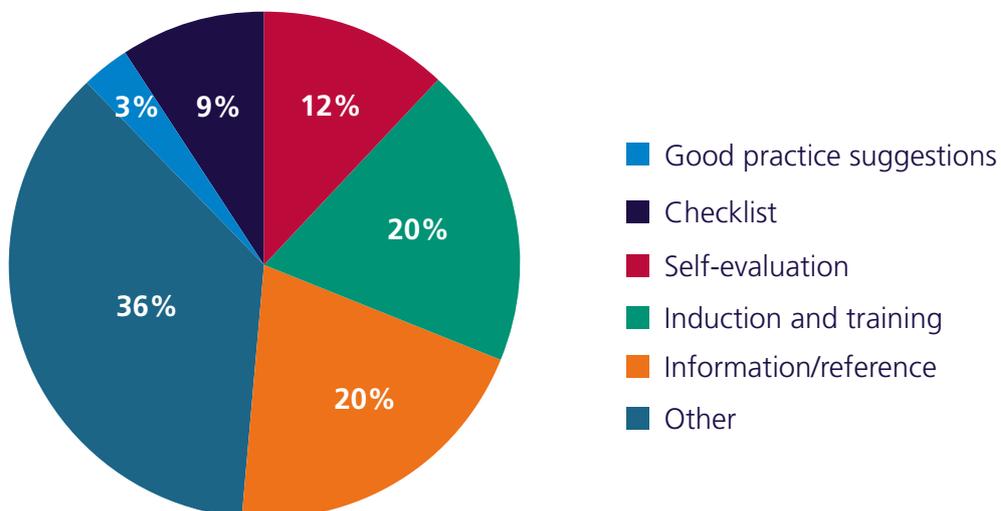


Total respondents = 124, Survey Monkey

It is interesting to note that the most popular use of the Code was to view it as a source of good practice suggestions (41%). Unfortunately, the survey did not allow people to choose more than one option with many selecting 'other'.

For smaller charities, responding to the SCC questionnaire, the breakdown was as follows:

How do SCC members use the Code?

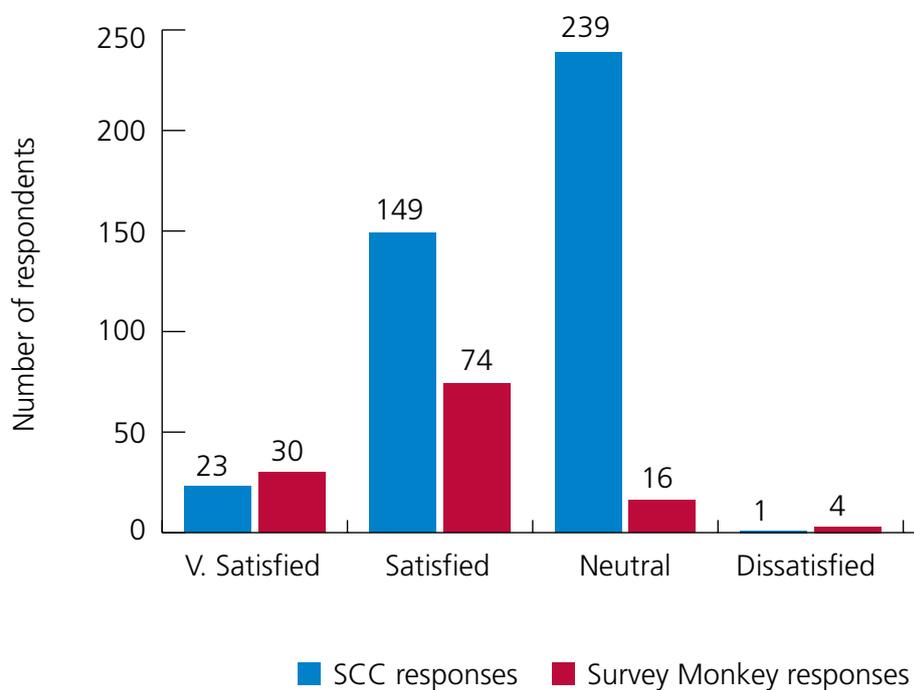


Total = 201, SCC survey

# Refreshing the Charity Governance Code: Summary of consultation responses

## Q8. How satisfied are you with the Code?

The responses to the question regarding satisfaction with the Code can be more easily compared as the question was similarly framed in both surveys. No-one was 'very dissatisfied' with the current version of the Code, with 84% recording a positive response to it in Survey Monkey. The SCC questionnaire responses were more mixed.



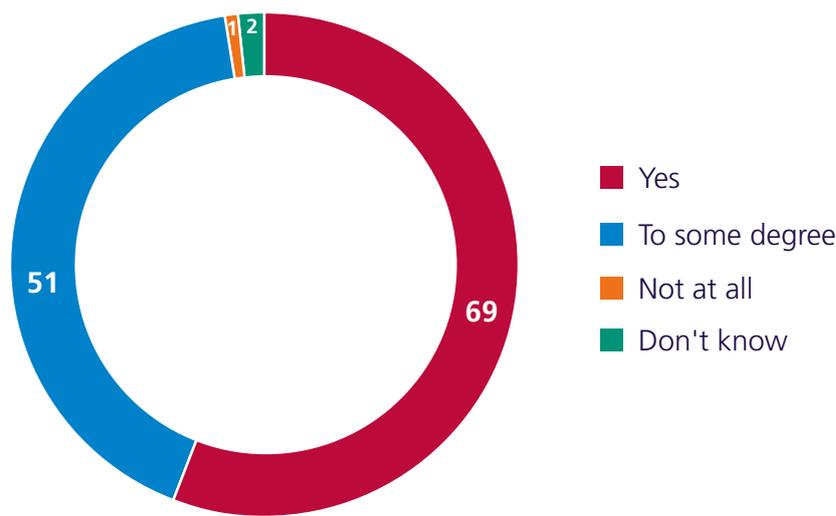
Total respondents = 536: SCC = 412, Survey Monkey = 124

42% of small charity respondents reported some satisfaction with the Code and only one was dissatisfied. The majority of SCC respondents were neither satisfied nor dissatisfied with the current version of the Code (58%).

# Refreshing the Charity Governance Code: Summary of consultation responses

## Q9. Does the current Charity Governance Code outline good governance practice and how it can be applied to charities?

With 41% previously reporting they use the Code for good practice suggestions it is unsurprising that 56% agree that it does outline good governance practice.



Total respondents = 123, Survey Monkey

## Q10. 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?

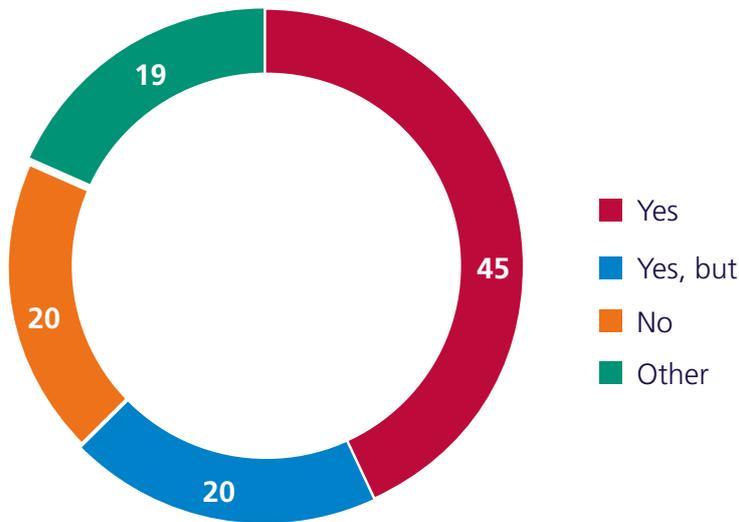
123 people responded to this question with 105 agreeing with the 'light touch' approach. Supportive comments in relation to a limited update included:

A considered approach	Change takes time	Give charities time to embed the current version
Avoid unnecessary disruption	The Code is still generating awareness and gathering traction	The Code is still up to date and relevant
Yes, but more practical guidance and case studies would be helpful	It's still aspirational for many charities	Major changes could be counter-productive
Keep changes to a minimum	A regular review is helpful for ensuring it reflects the sector's operating environment	Root and branch change not required – too disruptive

# Refreshing the Charity Governance Code: Summary of consultation responses

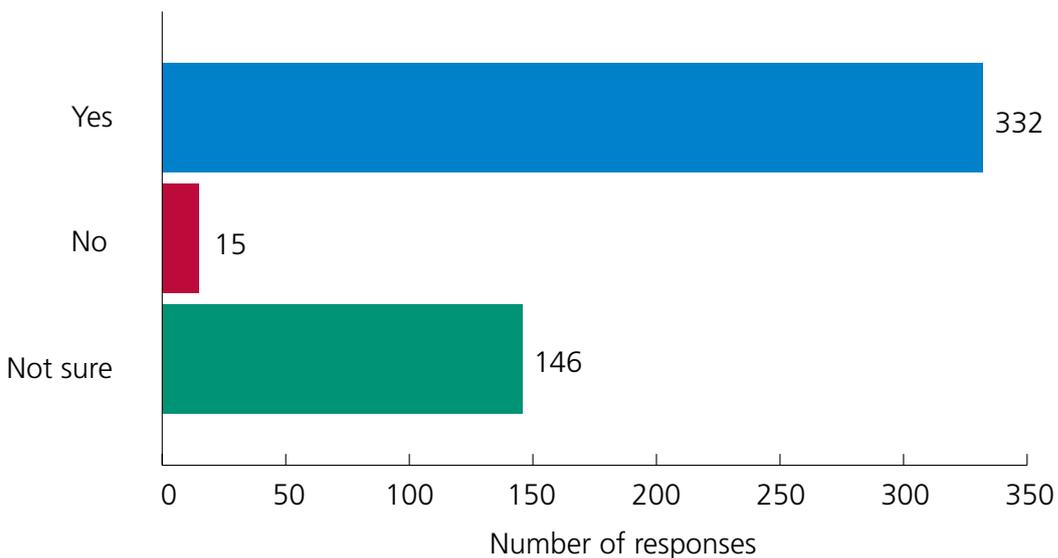
## Q11i. Should the Integrity Principle say more about charities' ethical principles and the 'right to feel safe'?

Survey Monkey elicited 104 responses to this question. 43% provided a clear 'yes' to the question although several positive responses were qualified to some degree. 19% were unequivocal in their disagreement to widen this principle further, as suggested.



Total respondents = 104, Survey Monkey

The SCC questionnaire asked a slightly different question: Should the Integrity Principle include the 'right to feel safe'? and generated 493 responses with 67% agreeing and 32% 'not sure'.

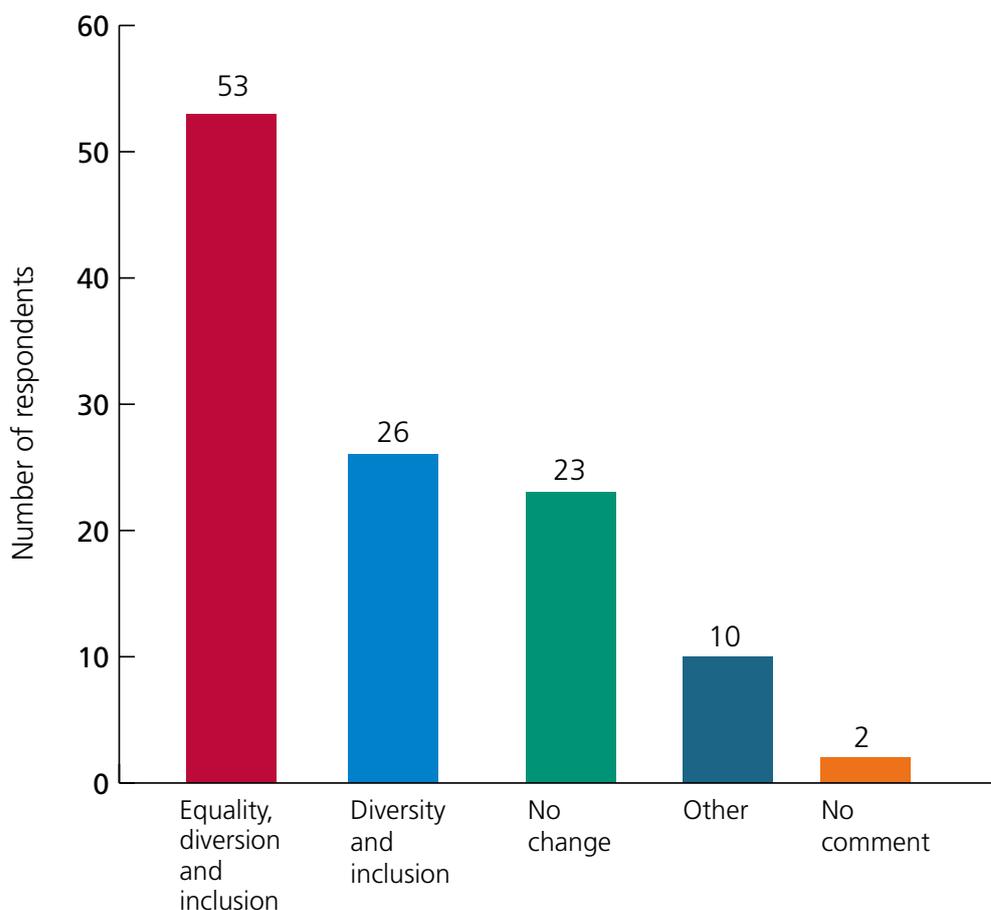


Total = 493, SCC

# Refreshing the Charity Governance Code: Summary of consultation responses

Q11ii. Should the Diversity principle be renamed, for example to 'Diversity and Inclusion' or 'Equality, Diversity and Inclusion' to reflect good practice in this area?

Survey Monkey elicited 114 responses to this question.

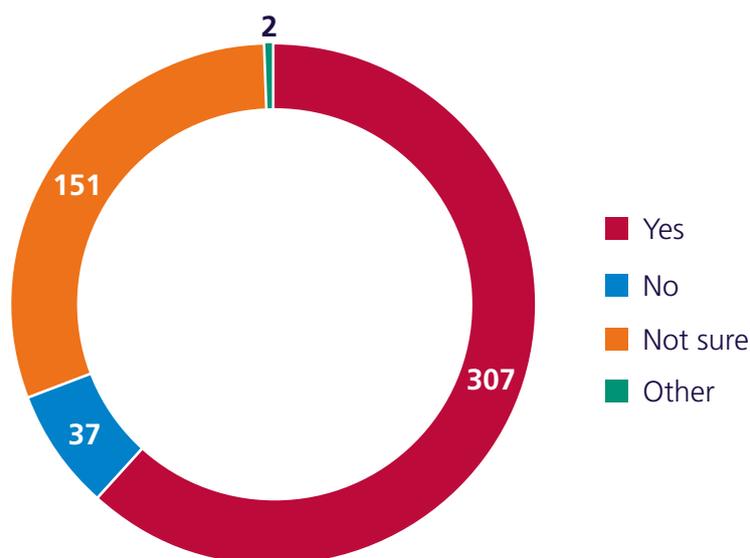


Total respondent = 114, Survey Monkey

The overwhelming response from the Survey Monkey sample is that the principle should be renamed, with 'equality, diversity and inclusion' receiving 46% of the opinions provided. It should be noted however, that 20% of respondents would not wish to see the principle change, with some strong opinions recorded.

# Refreshing the Charity Governance Code: Summary of consultation responses

The SCC framed the question slightly differently: Should the diversity principle be renamed for example to 'Diversity and Inclusion'.



Total respondents = 497, SCC

## Q11iii. Is there any additional or different recommended practice that should be included as part of this principle regarding diversity?

67 people thought that there were additional suggestions that could be included in the recommended practice accompanying the diversity principle. The suggestions are grouped into the following themes:

Theme	Ranked by number of mentions
Broaden 'diversity' beyond the protected characteristics	1
Improve stakeholder representation on boards	=3
Widen to include diversity of the whole charity	=3
Different (more supportive) trustee recruitment practices (Age UK, REACH)	4
Seek input from specific groups	5
Report on the benefits of diversity annually	=7
Public commitment to diversity with an annual explanation as to why the board is not sufficiently diverse, along with an action plan (diversity action plans)	=7

# Refreshing the Charity Governance Code: Summary of consultation responses

## Q12. Are there any other urgent changes that are required to the Code at this stage?

89 people provided definite responses to this question in Survey Monkey, with 53% saying that there was nothing urgent to be considered outside of the areas highlighted in the consultation documents.

The most common topics suggested, across all types of feedback received, as needing further review include:

Public benefit should be more explicit	Boardroom behaviours	Specific guidance to support small charities
Reducing the £1m pa income definition of a 'large' charity	Review the 'Risk, decision making and control principle' as it is currently too large	Reintroduce the senior independent trustee
Introduce compulsory audit committees and internal audit functions for charities of a significant income	More on holding senior managers to account	More on trustee recruitment good practice
Include reference to cyber-crime and the National Cyber Security Centre	Include environmental and sustainability issues	More focus on the role of the chief executive in effecting good governance
More on fundraising	Risk management covering more recent examples of poor governance	Reporting serious incidents to the Charity Commission
Remove the requirement for external reviews	Improve the language – could be more supportive and less prescriptive	Promote trustee remuneration to improve diversity
Extend Code to include membership charities	Information governance is not covered	Explicitly promote proportionate implementation of the Code
Include GDPR	Enhance guidance regarding trading subsidiaries	Address board effectiveness issues
Additional guidance on managing conflicts of interests	Mergers and de-mergers	More examples, guidance and case studies to help with implementation, and less process driven

# Refreshing the Charity Governance Code: Summary of consultation responses

Technology and data, general use of and specifically for board meetings	Importance of minutes and recording decisions – for outside challenges and CC inquiries	More balanced approach to risk
Reduce the length of the document – too many principles, overly repetitive, restructure for ease of use	Clearer guidance related to the role of members in a charity	Extending the Code to other types of non-profits, including CICs

**Q13. 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?**

A range of suggestions were submitted, and too many to cover in detail in this summary report. The steering group thanks everyone for their useful suggestions and will review if, and how best to incorporate them in the Charity Governance Code's resources.

**Q14. Are there any issues on the horizon or areas that the Code should consider in the longer term?**

Alongside the consultation document, the steering group suggested a roadmap would be created to address the future needs of the sector and how they should be represented in the 2023 version of the Code. A range of topics were submitted with the most frequently suggested outlined below.

Environmental and sustainability issues (ESG, but not limited to investments)	Trustee succession planning	Executive pay
Intolerance in in all its forms	Digital skills, opportunities and threats	More guidance around improving diversity
New SORP	Oversight and accountability of senior managers	Cyber risks
Mergers	Ethical investments	Impact reporting
Application to/by small charities	Barriers to trusteeship	Trustee remuneration
Membership charities	Reporting serious incidents	Governance professional
Financial governance and resilience	Data protection	Risk management
Financial sustainability	Independence	Lobbying

# Refreshing the Charity Governance Code: Summary of consultation responses

These will be useful to help the steering group plan for the 2023 version of the Code.

## Q15. Do you have any other comments you would like to make about the Charity Governance Code refresh?

15 of 115 respondents to Survey Monkey provided additional comments about the Code. Of the 15 comments, each was quite different, but taken with the free-standing responses collected in earlier answers the following topics and issues came to the fore.

<p>The structure, tone, language and length of the Code could be more accessible, friendly, less prescriptive and more permissive.</p>	<p>Relation to other Codes, such as the Scottish governance code, and the UK Corporate Governance Code. Perhaps reflect good practice in those?</p>
<p>Update to reflect the requirements relating to s172 of the Companies Act for those charities established as companies limited by guarantee.</p>	<p>More detail and guidance reflecting the CEO's role in delivering good governance in a charity, but also covering issues around holding the executive to account.</p>
<p>Amending the 'apply or explain' approach to 'apply and explain' as there is a desire to demonstrate the value of good governance in practice.</p>	<p>Placing the Code on a firmer regulatory standing, or other way to ensure compliance, as non-compliance is seen as a reason for a radical overhaul by those less enthusiastic about the current version.</p>