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# *Charity governance under review*

Louise Thomson FCIS, ICSA: The Governance Institute

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*British businesses must act on corporate governance, executive pay ... and boardroom diversity to maintain the country's strong international standing in corporate governance and address a worrying lack of trust of business among the public –*

*BEIS Committee report into corporate governance*





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Robust governance requires good structures, processes and behaviours. It demands strategy and foresight as well as a culture of scrutiny, support and challenge –

HoL Select Committee report: “*Stronger charities for a stronger society*”



# *Recent developments in charity governance*

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- Charities Act 2016
  - House of Lords Report – March 2017
  - Revised charity governance code – June 2017
  - Law Commission review – summer 2017
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# *Law Commission review of charity law and regulation*


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- Changing charitable objects and internal administrative procedures
- Reducing the complexity of cy-près schemes
- Asset transfers when a charity incorporates
- Land acquisition, disposal and mortgages
- Remuneration of trustees for providing goods

Recommendations and draft Bill expected over the summer


# *Revised Charity Governance Code – consultation themes*

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- Over 200 responses
  - 90% said they were “very or somewhat satisfied” with the new code
  - Constructive feedback:
    - Status of the code
    - Principles
    - Apply or explain
    - Financial management
    - Leadership and behaviours
    - Public register of interests
    - Open and accountable
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# *Revised Charity Governance Code - work in progress*


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- More graphics
  - Strengthen section on financial management and oversight
  - Tighten up some of the language
  - One code fits all?
  - Supporting documentation
  - Website update
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# *Governance thinking*

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- Not just about policies and procedures
  - Behaviours and culture are integral to success
  - Accountability and transparency
  - Does not occur in a vacuum
  - Proportionality
  - Regular reviews to ensure it is fit for purpose
  - Amended accordingly
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*Thank you*

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