

The Essential Trustee 2015

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Trustees do an important job

- Responsibility for:
 - Assets
 - Beneficiaries
 - Volunteers and staff
 - Reputation
 - Making decisions (and their consequences)
- Time and effort
- Usually unpaid
- (Hopefully) rewarding in other ways



Inevitable focus on when it goes wrong – media likes bad news

CHARITY
COMMISSION

- “Trustee used charity to launder money made through brothel”
- “Hounded to death by cold callers”
- “High Court intervenes in row between charity and learning-disabled beneficiaries”
- “Charity goes into liquidation owing more than £900,000”
- “Charity in abuse scandal”
- “**Charity boss posed with AK-47 fighters**”
- “Charity lost personal data of 101 people in theft”

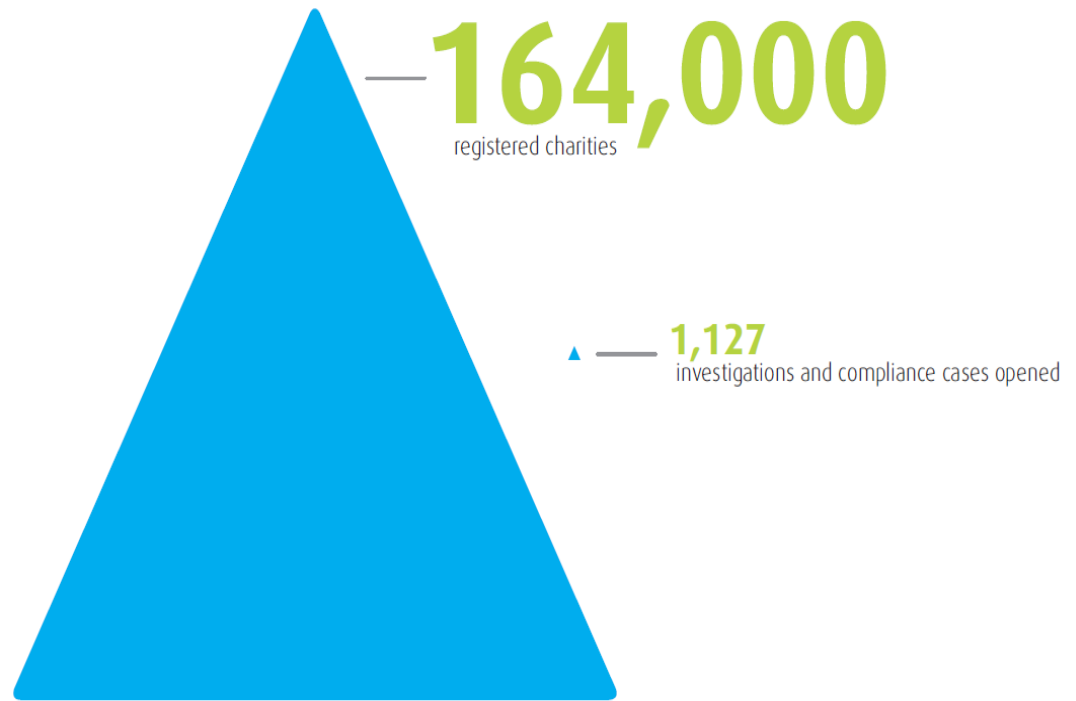
The vast majority of trustees are trying to get it right

CHARITY
COMMISSION

- 164,000 registered charities
- c.164,000 charities don't have to register

- 2014-15:

- 1,127 investigations & compliance cases
- 1,169 permissions cases
- 120,000 letters, emails & phone calls
- 2,129 RSIs; trustees dealt with most of them



If you are a trustee, this guide is for you

CHARITY
COMMISSION

- Explains your responsibilities clearly and simply
- Will help you:
 - Ask the right questions
 - Check your knowledge
 - Review your charity's practices and procedures
- For the few who don't take their duties seriously, ignorance is no excuse

How we got there

The consultation

21,413
consultation page views



50
responded by email



64
completed the online survey



34
people attended workshops



The essential trustee – what's new

CHARITY
COMMISSION

- Better layout for reading online (also printable format)
- Plainer language
- Summary (also available as brief guide)
- Links to other guidance – less repetition
- Lessons from investigations – how to avoid common mistakes
- Emphasising that it's for all charity trustees, not just registered charities

The law and good practice

- The guide explains what trustees:
 - **Must** do – legal and regulatory requirements
 - **Should** do – good practice
- We expect trustees to:
 - Follow and apply the good practice to their charity
 - Be able to explain and justify their approach
- Following good practice will help you:
 - Run your charity effectively
 - Avoid difficulties and basic errors
 - Comply with your legal duties

Why good practice matters

CHARITY
COMMISSION

- In some cases, you will be unable to comply with legal duties if you don't follow good practice, e.g:
 - Deal with conflicts of interest
 - Have sufficient financial controls
 - Manage risk appropriately
 - Take expert advice when you need to

Trustees' duties at a glance

CHARITY
COMMISSION

The Charity Commission logo is a green rounded rectangle with the words 'CHARITY' and 'COMMISSION' stacked vertically in white, uppercase, sans-serif font. The background of the slide features a photograph of a modern, multi-story brick building with large windows. In the foreground, several people are visible, some appearing to be in conversation or looking towards the camera.

You must:

- Ensure your charity carries out its purposes
- Comply with your governing document and the law
- Act in your charity's best interests
- Manage your charity's resources responsibly
- Act with reasonable care and skill

You should:

- Make sure your charity is accountable

Ensure your charity is carrying out its purposes

CHARITY
COMMISSION

It's about:

- Understanding your charity's purposes – what you can and can't do
- Knowing how your charity's activities fulfil its purposes and benefit the public
- Knowing what difference your charity is really making

Comply with the governing document and the law

CHARITY
COMMISSION

It's about:

- Being familiar with your governing document
- Being up to date with filing accounts, returns and any changes to its details
- Knowing enough about other laws that apply to your charity
- You don't need to be an expert; you do need to take reasonable steps to find out

Act only in your charity's best interests

CHARITY
COMMISSION

It's not about:

- preserving the charity for its own sake!
- The personal interests of individuals

It is about:

- What furthers the charity's purposes
- Making balanced, adequately informed decisions
- Recognising and dealing with conflicts of interest
- Making sure trustee payments or benefits are permitted
- Being prepared to question and challenge
- Accepting majority decisions

Manage your charity's resources responsibly

CHARITY
COMMISSION

It's about

- Managing risks, protecting assets (reputation) and people
- Getting the resources your charity needs
- Having and following appropriate controls and procedures
- Dealing with land and buildings
- Responsibility for, and to, staff and volunteers

Act with reasonable care and skill

CHARITY
COMMISSION

It's about:

- Using your skills and experience
- Deciding when you need advice
- Preparing for meetings
- Getting the information you need (financial, management)
- Being prepared in case something does go wrong

Ensure your charity is accountable

CHARITY
COMMISSION

The Charity Commission logo is a green rectangle with the words 'CHARITY' and 'COMMISSION' stacked vertically in white, uppercase letters. The background of the slide features a photograph of a modern brick building with large windows, and a group of people standing in front of it.

It's about:

- Fulfilling statutory accounting and reporting requirements
- Being able to demonstrate that your charity complies with the law and is effective
- Showing accountability to members and others with an interest in the charity
- Ensuring that staff and volunteers are accountable to the board
- Accountability as an opportunity not a burden

You may find useful

- Guidance on reducing the risk of liability
- Different legal forms and what they mean for trustees
- Charity officers – Chair and Treasurer

Incorporation?

Insurance?

CIO?

Pension
deficit?

Accounts?

Holding
trustees?

Contracts
?

'Essentials' that CC3 points to

- It's your decision: charity trustees and decision making
- Conflicts of interest: a guide for charity trustees (CC29)
- Charities and risk management (CC26)
- Managing charity assets and resources (CC25)
- Charitable purposes and public benefit



The Essential Trustee: what you need to know,
what you need to do