CHARITY COMMISSION

Partnership development

Quality assessment endorsement programme: quality assessment systems

An introduction to what they are and how they help charities stay effective.

Contents

A. Introduction

This guide is intended primarily to provide an overview of quality assessment systems that are typically managed by charities for the charitable sector. It does not, and cannot, provide an overview of generic commercially-available systems. The guide is mainly aimed at those running quality assessment systems who are interested in applying for the Commission's endorsement under the quality assessment endorsement programme. Details of that programme and a list of current endorsed quality assessment systems can be found on our website.

However, we hope that the information will also be helpful to:

- organisations in the charitable sector which are thinking of establishing quality systems, regardless of whether those systems would qualify for the endorsement programme

and

- funders, service-commissioners and service users who want to understand how quality systems work

What is a quality assessment system (QAS)?

A QAS is the term we use for a product which provides a framework for assessing how organisations are being run. Assessments can be done as one-off exercises, but clearly only have long-term benefits if repeated periodically[1]. This is because an assessment is a snapshot of an organisation at a point in time; the picture could change at any moment. Ideally, a QAS will monitor an organisation post-assessment to check that it remains on course.

---

1   For endorsed QAS usually every 3 or 4 years.

B. Quality management

A QAS is a process of quality management, which is not solely related to managing the quality of a service or product but also to the environment in which that service or product is created. The relevance of this is that quality management is not just about this service now, or this product now, but also about the consistency of the product and service from one period to another. A product may be good now, but if the means of creating a good product are not properly understood or managed, there is no guarantee that the product will remain a good one.

There are many elements that contribute to making a service or product a good service or a good product. It is not enough even to ensure that a product continues to be made in exactly the same way and with the same level of care as it always has been. If the product is no longer fit for purpose, in a practical sense it is not a good product.

For example, what is the purpose in producing beautifully-crafted cathode-ray, black and white televisions if the whole world only wants plasma screens showing high resolution colour pictures?

So, although quality of production is an element of quality management, there also needs to be a focus on development and improvement to ensure that the product remains relevant to its intended users. Quality management is, therefore, about achieving a consistent **outcome** rather than simply ensuring the **inputs** and **outputs** of production are to a good standard.

C. Who runs a QAS?

QAS are offered by a range of organisations in the private and charitable sectors.

Private sector providers are usually agents for the delivery of internationally-recognised standards. Obviously, this is a paid-for service. Some charities will feel obliged to use these providers, as certain funders will specify an internationally-recognised standard as an application condition. These standards have not usually been developed primarily with the voluntary sector in mind.

Private sector QAS providers are not eligible to take part in the Commission's endorsement programme.

Charitable sector providers generally take three forms:

- National representative bodies covering a specialist activity (eg Helpline Partnership)
- National representative bodies for groups of charities with a shared name and/or activity (eg Mind)

and

- National capacity-building bodies (eg Charities Evaluation Services)

For the purposes of the endorsement programme, we call the organisation which runs the QAS an 'assessing body'.

The assessing body usually owns the QAS and provides the administrative and decision-making processes needed to make it work.

A sector-run QAS can be a paid-for service, or sometimes the costs are covered indirectly by the membership fee, in the case of some federated groupings.

D. Why is quality management relevant to charities?

It is relevant for three main reasons:

The first reason is that a charity, like any service-providing organisation, should want to be the best organisation it can and provide the best service it can, and be as effective, efficient, and economical as it can.

Although the reasons why well-run charities are run well will vary, the kind of things they do to ensure operational success will tend to be very similar. Using a quality management framework takes the guesswork out of identifying the mechanisms for increasing the likelihood of good practice. A QAS makes it easier to build in the cyclical processes that will help the charity get into shape for the actual assessment.

Organisations that build quality assessment into their business planning are more likely to be resilient and, therefore, more likely to be sustainable.

The second reason is that the reputation of a type of service can be dependent not just on the quality of one service-provider but on how that service is provided generally across the sector. The sector as a whole could be damaged by perceptions that it is unprofessional in the delivery of its services.

This is why there are sector bodies which set standards for the specialist service activities undertaken by charities and other voluntary.

The reputational risk is perhaps even greater where there are organisations that share a common 'brand' name. This tends to arise with federated groupings of local charities, where there is a national umbrella body with a role as the guardian of the brand. The brand is one of a local member charity's most important assets, as it guarantees a higher profile and improves access to funding and contracts. The brand's reputation and standing is entirely dependent on the activities of all the charities which use it. The umbrella body, therefore, has a vested interest in ensuring that the performance of its members, and the quality of services they provide, are to a consistent standard.

Unsurprisingly, an increasing number of umbrella bodies are making quality assessments a mandatory condition of membership.

The third reason is that there is more probability of a charity getting funding if it is using some form of quality system. Funders and service-commissioners increasingly require the use of quality systems by charities as a condition of their application process. They see it as a way of minimising the risks of:

- their money being used inappropriately

or

- poor-quality services

or

- the charity folding

Managed properly, this is a reasonable strategy, and one which we will be encouraging.

E. What do quality standards cover?

Standards broadly fall into two types:

- activity-specific

and

- corporate governance

There may also be standards that fall somewhere between these two broad types.

E1. Activity-specific standards

These concentrate on particular aspects of an organisation's activities, for example:

- how it manages its people (eg IIP)

- how it manages its call centres (eg Helplines Standard)

- how it manages its advocacy services (eg Quality Standards for Advocacy Schemes)

The focus of these standards will be on the processes and systems that impact directly on the quality of the activity or service; they do not cover the way the organisation is run as a whole. However, they could be used in conjunction with corporate governance standards to assess particular activities or services.

We do not endorse standards which only cover specific activities.

E2. Corporate governance standards

These cover how the whole organisation is run. We recommend that charities should undertake at least some level of corporate governance assessment, as a way of ensuring that they meet their legal obligations, and of avoiding obvious problems.

This rough guide is primarily focused on QAS which use corporate governance standards – see F2 for more details about governance standards.

F. What does a quality assessment system consist of?

A QAS is a product which typically brings together different elements:

- User support and guidance
- Quality standards, including indicators and evidence
- Assessment process, including reviews and reporting
- Assessors (where the system relies on independent assessments)
- Other areas of system governance

The following sections cover in detail what good practice in a QAS could look like[2]:

F1. User support and guidance

There should be guidance provided to charities before the process starts which sets out what they can expect, the resources to commit, and the evidence to provide. Support and guidance may also be available post assessment, for example, by mentoring charities which failed to get a pass, or by helping charities plan developmental objectives identified through the assessment process.

F2. Quality standards

If you are familiar with the Commission's *Hallmarks of an Effective Charity* (CC10), then you will have a good idea of what quality standards look like. Quality standards are actually a set of standards, or top level characteristics, similar in nature to the 6 hallmarks.

As charity QAS are usually designed with a particular group of charities in mind, the standards will tend to highlight particular issues which are important to that group. This may be seen in the form of a bespoke standard or, more likely, in certain bespoke elements of a standard. This is one of the advantages of sector-led standards over off-the-peg systems designed for the private sector: they can target very precisely the key issues relevant to the governance of the QAS user.

For QAS which have corporate governance standards, these typically include areas such as:

- Governance
- Leadership and management
- Management of staff and volunteers
- Financial management and controls
- Service quality
- Stakeholder engagement
- Learning and development

---

2   These reflect the requirements of the Commission's endorsement programme.

Archived on 14 November 2019 because the strategy is no longer current and being reviewed.

8 of 12

The titles can vary. Usually the title will be followed by short descriptive text summarising what the standard characteristic looks like. For example, a governance standard could be introduced as follows:

Standard 1: governance

The organisation is effectively run, by trustees who have the necessary skills and experience, and in accordance with all relevant legal requirements.

The title of a standard and the summary text is never going to be detailed enough to capture all the elements of activity and behaviour that define the standard. So these are captured through a number of **indicators** specific to each standard. You should expect to see numerous indicators under each standard. For example, typical indicators for a governance standard would include:

- trustees are appointed in accordance with the organisation's governing document
- new trustees receive a structured induction
- trustees understand their legal responsibilities
- trustees take responsibility for the organisation's strategic development

In performance management terms, the standard sets out the '**what**' and the indicators the '**how**'. The third related element is the list of **evidence** for the indicators. This may relate to a single document, or found by comparing one or more documents, or by asking questions at a face-to-face meeting. For example:

Indicator	Where evidence can be found
Trustees are appointed in accordance with the organisation's governing document.	The governing document + records of trustee appointments.
Trustees are given and understand their role descriptions.	Copies of role descriptions + discussion with trustees.

These three elements of **standards + indicators + evidence** are usually referred to collectively as 'standards'.[3]

The standards may test a charity at one or more levels of achievement, but usually no more than three. With most multi-level QAS, the charity can choose the level of the standards it wishes to be assessed at. However, the assessing body may apply conditions that require charities of a certain size or complexity, for example, to aim for an assessment at a higher level.

---

3   See also Workbook 2 of the endorsement programme application pack which sets out detailed examples of indicators and evidence.

F3. Assessment process

A set of standards is not a quality system, though. They are only a statement of the desired characteristics you would ideally want to see demonstrated by a charity. As such they have some value as a piece of guidance.

However, when combined with a marking system, standards become an assessment tool. Quality assessment systems can be broadly of two types:

- Self-assessment
- Independent assessment

Some systems may include both types, either as an optional approach, or as different stages within the same process

Self-assessment systems can make a useful contribution to quality management. They may be particularly suited to smaller charities, or to charities just starting to become involved in quality systems. **We recommend that charities should at least self-assess on a regular basis, and cover the key aspects of their corporate governance.**

However, charities are likely to get more benefit from assessment processes where there is some element of independent review of the evidence. **The Commission's endorsement programme is only open to QAS which have assessments undertaken independent of the charities being assessed.**

The following are typical components of an assessment system where there's an independent review of evidence:

- Self-assessment
- Desk-based review
- Site visit (where used)
- Review report
- Moderation

There should be guidance provided to charities before the process starts which sets out what they can expect, the resources to commit, and the evidence to provide.

The following sections cover in detail at what good practice in an assessment process could look like[4]:

- **Self-assessment**

  Using the standards, the charity will undertake its own assessment of how it meets the indicators and what evidence it has. This is a useful process as it helps the charity get to grips with the detail of the QAS and prepares it for the independent review it will receive later. Ideally, self-assessment will be an on-going process that happens every year regardless of whether an independent assessment is due. But many organisations will probably only self-assess immediately before the independent assessment.

---

4   These reflect the requirements of the Commission's endorsement programme.

The results of the self-assessment are shared with the independent assessors, and will be used as part of the independent review process.

- **Desk-based-review**

The QAS will specify the documents (evidence) that the assessors need to see. These will include governing documents, accounts, policies, board minutes and reports. The assessor will use these documents to:

- check for facts; eg how trustees are meant to be appointed

- check for existence; eg that there is a fundraising policy

and

- check for evidence; eg that board minutes record key items, like declared conflicts of interest

Reviewers will use these documents to inform their agenda for the site visits (where used).

- **Site visit**

The assessor arranges to talk to the trustees and staff and even, possibly, with service users and other stakeholders of the charity. The site visit is particularly useful to allow the assessor to:

- hear different voices that can confirm (or otherwise) the story that the charity has told about itself at the self-assessment and desk-review stages

- check the reality gap between the WHAT, the HOW and the EVIDENCE

and

- get clarification or additional evidence about issues picked up in previous stages.

Not all QAS will necessarily use site visits as well as desk reviews. **However, site visits are a requirement of the Commission's endorsement programme.**

- **Review report**

There should be a standard report format divided into sections that reflect the standards and indicators being assessed. This records the markings awarded, and whether a standard has been passed. Ideally, it should also identify any work for further development (even where the standard has been passed). The markings should indicate whether the charity has passed the assessment overall.

Reports will be shared with the trustees to check for factual accuracy. But disagreements about markings should ultimately be handled by the assessing body via an appeals procedure.

- **Moderation**

It is not an assessor who should make the final decision about whether a charity has met all the standards. The assessing body has to ensure that there has been a consistent approach across all the assessments to protect the integrity of the QAS and in fairness to the organisations being assessed. Moderation is one of the means by which an assessing body ensures consistency. The assessments are checked to ensure that:

- the basis of the assessment is consistent with the assessment system's procedures and guidance

- the assessment is in line with the other assessments and recommendations

Where necessary, an assessment may be adjusted where it is outside the normal range of results. Moderation is often undertaken by a sub-committee of the assessing body, or an officer of the assessing body answerable to a sub-committee with oversight of quality standards.

F4. Assessors

Assessors can come from different sources, as the following examples show:

- employees of the assessing body
- peer reviewers drawn from charities other than that being assessed (from within any federation/network managed by the assessing body)
- peer reviewers drawn from charities other than that being assessed (from outside any federation/network managed by the assessing body)
- contractors

Wherever the assessors are drawn from, the assessing body should ensure that they have sufficient training in carrying out governance reviews, and adequate guidance on the requirements of the specific QAS. Training can be provided via internal or external programmes.

F5. Other areas of system governance

A QAS should ideally have policies and process in place to manage aspects of the operation of the system. These include[5]:

- detailed guidelines for assessors, including on evidence-gathering, the marking system and mandatory elements
- a procedure for appeals against the recommendations of the assessors and the decisions of the assessing body
- a policy and procedures for dealing with assessed organisations which subsequently breach the standards
- a policy for reporting discoveries made by assessors of serious abuses of beneficiaries or charitable assets during the course of their assessments

and

- a committee with responsibility for monitoring, assessing and developing the quality standards and the quality assessment process

F6. Awarding a pass mark

Charities which the assessing body has confirmed as meeting all the standards will usually be allowed to use some form of quality badge or logo to acknowledge their achievement. The logo will identify the name of the QAS and, if relevant, the level of the standards which has been achieved. Some assessing bodies also present a certificate confirming the award.

---

5   All are requirements of the endorsement programme.

G. Accreditation and endorsement

These two terms are often used interchangeably. However, they have slightly different meanings in normal English, and refer to different activities when talking about QAS and the endorsement programme.

Accreditation is what most of the sector-led QAS call the confirmation that a charity has met the standards and been awarded a quality mark. However, the United Kingdom Accreditation Service[6] (UKAS) is the sole national accreditation body recognised by government to assess, against internationally agreed standards, organisations that provide certification, testing, inspection, and calibration services. It is appointed as the national accreditation body by Accreditation Regulations 2009 (SI No 3155/2009) and the EU Regulation (EC) 765/2008.

In short, 'accreditation' is the process whereby UKAS recognises the competence of bodies that operate QAS to operate those QAS. In other words, accreditation is a process which sits above the process that is managed by our assessing bodies.

In view of this information, we have decided not to use the word 'accreditation' in our material to refer to the successful outcomes of quality assessments.

Endorsement is the Commission's process of recognising the fitness of purpose of sector-led QAS which meet strict terms and conditions. In that it is a verification process which sits above the systems managed by the assessing bodies, it is similar to the concept of accreditation in UKAS's use of that term. However, we have never used 'accredit' to mean 'endorse' in the context of the endorsement programme

Endorsement is, therefore, a test of whether a QAS provides a sufficient test of a charity's governance.

If you are interested in further information Commission's endorsement programme, see:

- Endorsing quality standards

G1. Accreditation Providers Forum

This is a sector-led forum which brings together charities which produce quality standards and QAS. We would encourage charities which set standards and manage QAS to participate in the forum. Contact details and other information can be found on the APF website.

---

6   http://ukas.com/