

Charity code of governance: Four steps charities can take towards effective leadership and compliance

Leadership is the second of the seven principles of the Charity Governance Code we are considering in our blog series (following on from our [previous blog](#) on organisational purpose), and it is a feature of governance that ultimately derives from the trustees. How can trustees take a proactive approach towards ensuring compliance with this principle?

Effective leadership in the charity sector

There is no question that strong and effective leadership is crucial for any organisation. Ultimately, it influences organisational culture allowing it to embrace a strategy suitable for delivering the business's aims, resulting in increased productivity. That very same principle applies to the charity sector.

Undoubtedly, being a trustee is a big obligation. Preparing for and attending board and committee meetings means devoting significant time. Setting out in writing the roles and responsibilities of the trustees and senior personnel enables each trustee to clearly understand their role and how they help contribute to the effective leadership of the charity.

It is important to highlight that all good leaders listen to their employees. It is vital for the board to create conditions whereby staff and volunteers are able to provide feedback and share their ideas. It boosts morale, drives motivation and, in turn, adds value to the charity.

Good governance derives from the trustees

Firstly, trustees should be ethical in their approach to leadership and adopt strategies that align with the vision and values of the charity with the goal of enhancing its reputation.

The culture of the charity should be embedded into its day-to-day operations through the leadership approach of its board. The trustees have collective responsibility for setting the charity's values and adopting appropriate processes to support this. It can be as simple as establishing the way work is approached by charity staff.

Effective leaders also need to recognise and welcome diverse and sometimes conflicting views, ensuring that the skills and experience of others contribute to the decisions being taken by the board.

Four steps charities can take to ensure compliance with the leadership principle

1. The board should review the charity's vision and values to ensure that they remain appropriate for the charity. The opportunity should be taken to remind trustees of the need to act in accordance with them and 'lead by example'. Consideration should also be given to how effectively the vision and values are communicated to staff and volunteers.
2. The board should ensure that the objectives of the charity are reviewed regularly (at least annually) to ensure that they remain clear and relevant and that there is an appropriate – and well communicated – strategy to achieve those objectives.
3. Ensure trustees and senior personnel are reminded of their roles and responsibilities (which should be written down) and the expectations of the charity. Ongoing training and governance updates should be provided to help relevant individuals discharge their responsibilities.
4. Ensure that board decisions are taken in line with the objectives and values of the charity. This can be achieved by including specific paragraphs in board/committee papers explaining how a decision would support the charity's objectives and values.

It takes time to implement such steps, potentially taking the focus away from the important day-to-day work involved in running your charity. Working with a trusted specialist advisor to ensure adherence to the Charity Governance Code might be an effective and worthwhile solution, saving you time and allowing you to concentrate on the charity's daily priorities.

If you would like to find out more about the help that is available, please contact us.

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