



ICAEW

Big Trustee Breakfast

10th March 2026

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The exam question



How can charity boards assess their own effectiveness in a way that is proportionate, affordable and genuinely useful?

Good Question!

Caveats



- I am not a legal expert nor am I an accountant – but thanks for welcoming me back
- There is no single ‘right answer’ available today
- I’ve seen a range of governance reviews - some more helpful than others

Hopefully, you will find something helpful



**“I’ve seen many good charities with poor
governance systems”**

**“I’ve also seen many poor charities with
good governance systems”**

Former Charity CEO



What is 'good' governance

Best practice frameworks often try to address all the questions

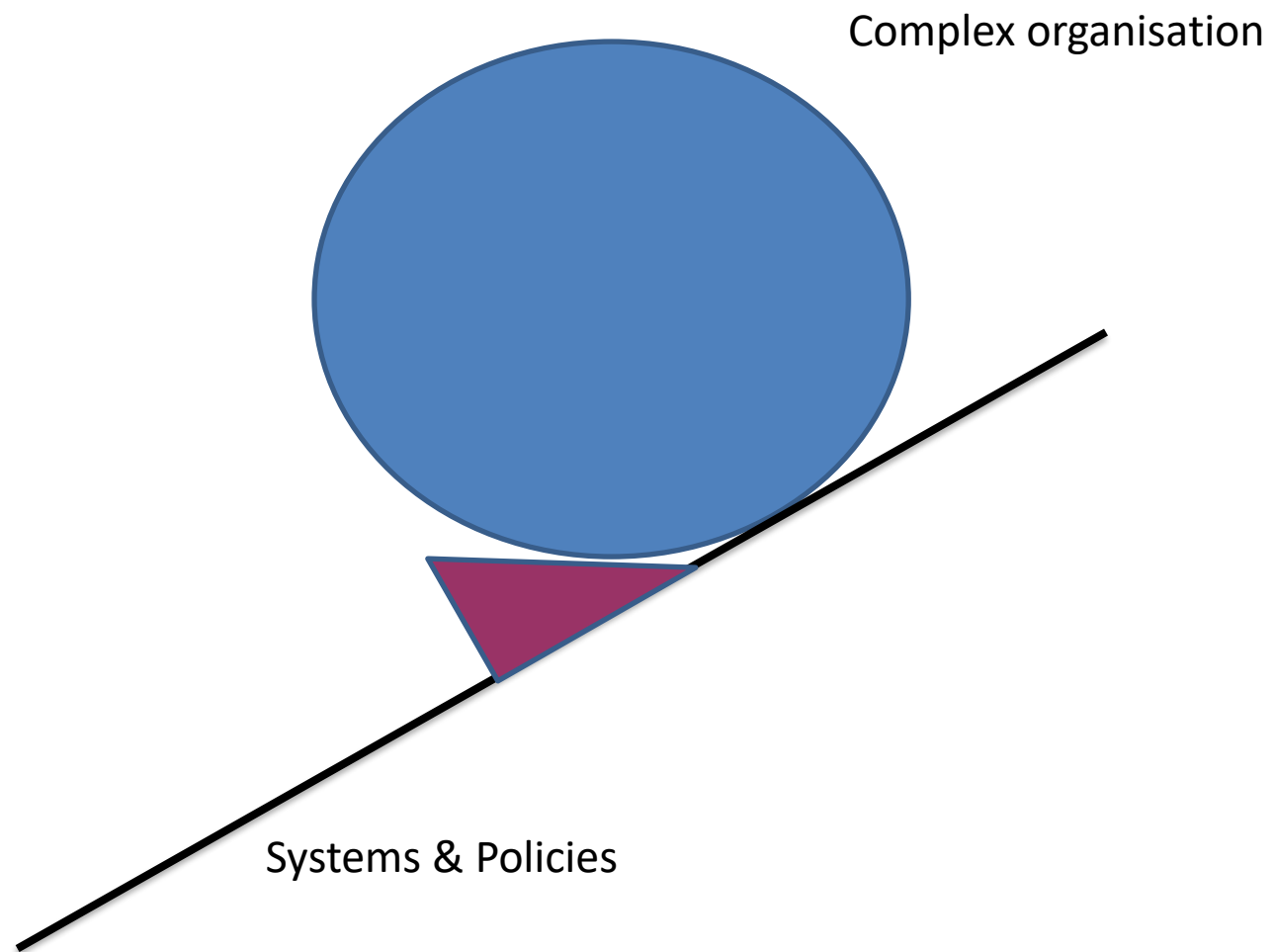


'Good' Governance or 'Appropriate' Governance?

You decide ...

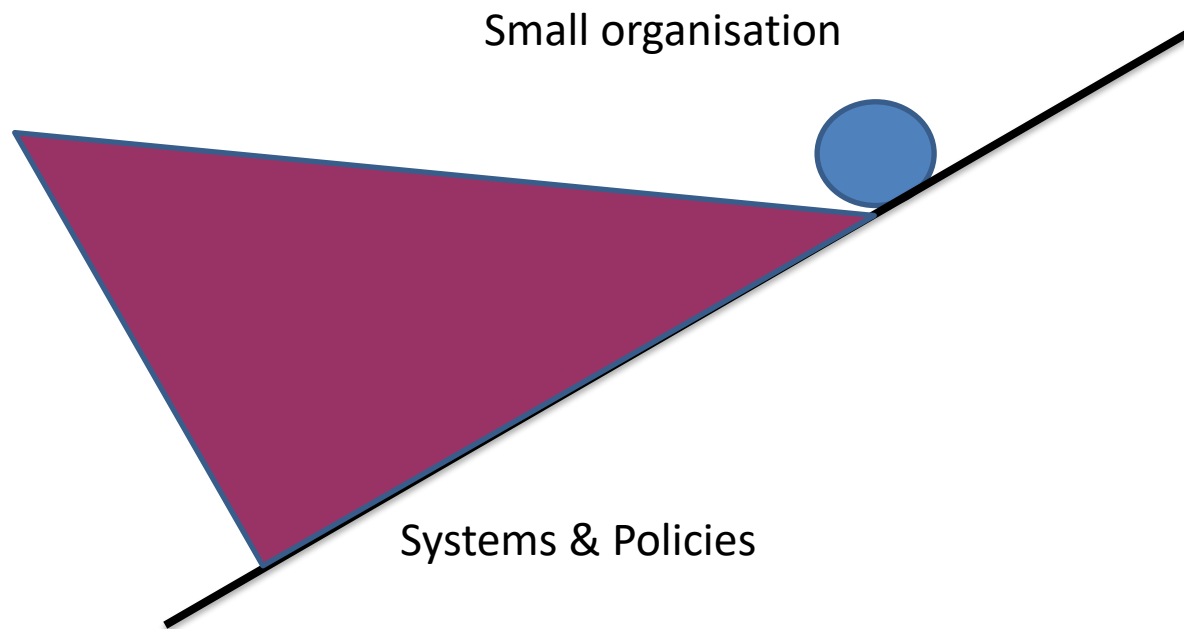


Inappropriate Governance



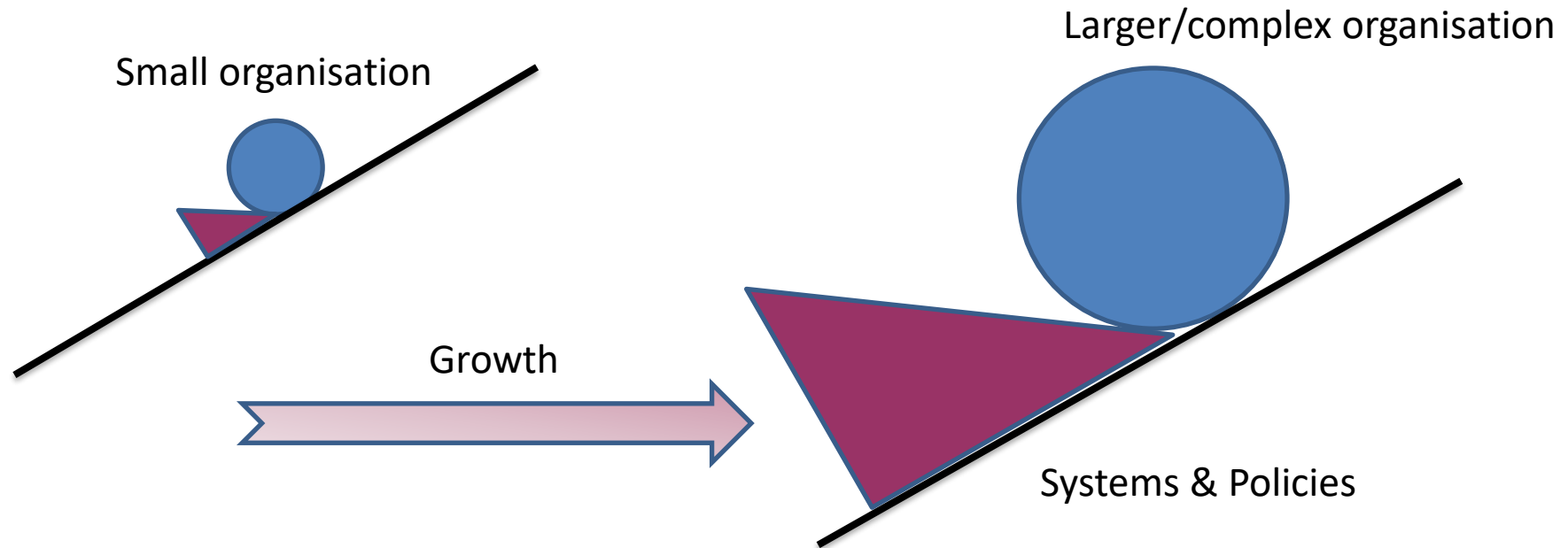


Inappropriate Governance



e.g. Funder applications
Risk averse

Appropriate Governance ...



... and appropriate reviews of Governance



Do I need to be able to read music to play in a band?

“It depends”

**One answer does not fit all
It's the same for governance**



Beware

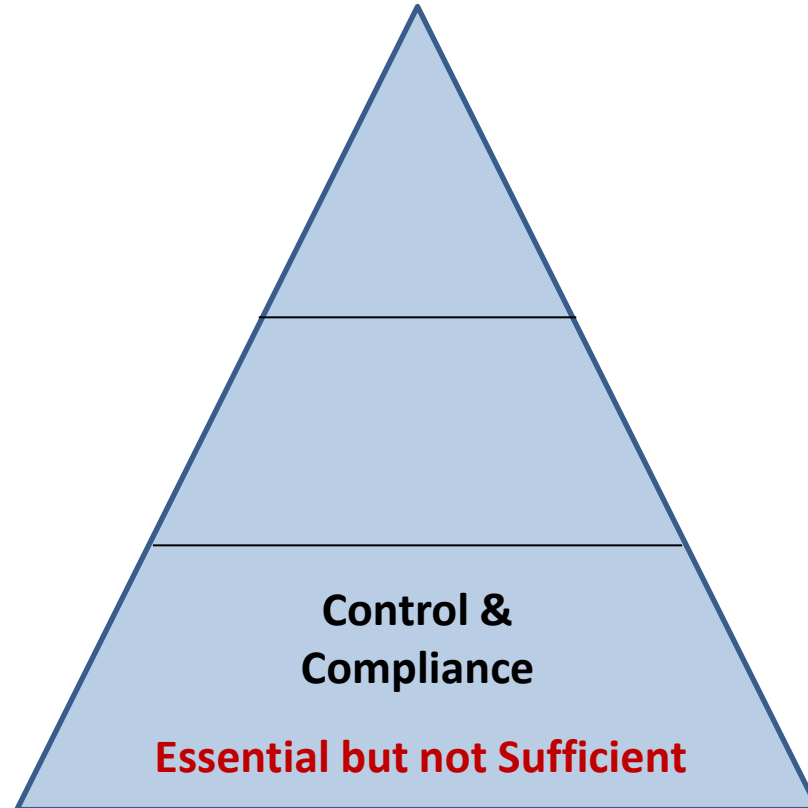
**Governance is more than control &
compliance**

Sir Terance Conran

Radio 4 Interview

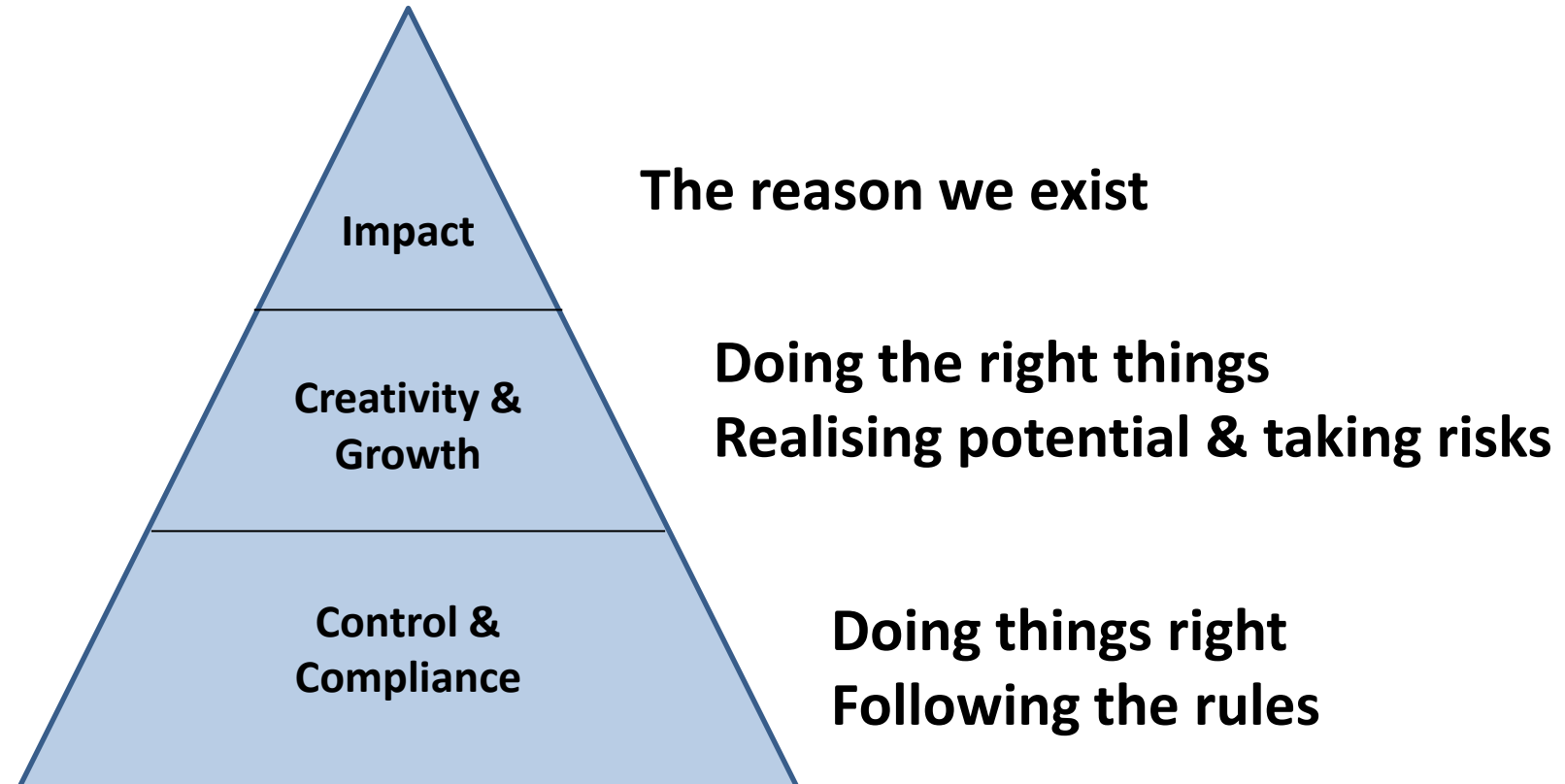
Play the notes but add feeling & perhaps some improvisation

The role of the Board



Doing things right
Following the rules

The role of the Board - Decisions



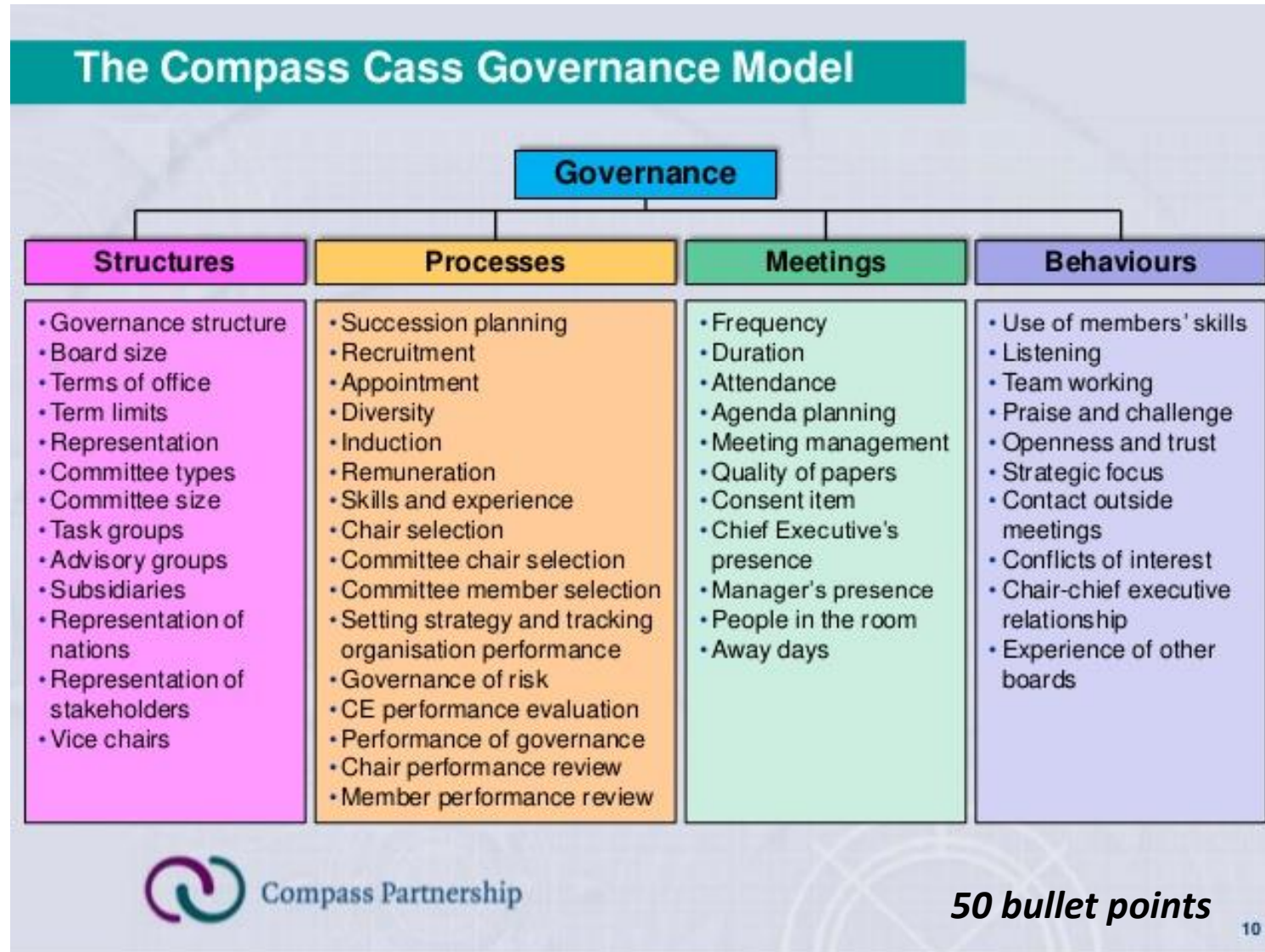


Three models for assessing board/governance

1. Compass Cass
2. Charity Governance Code
3. Bespoke

There are others ...

1. Compass Cass



2. Charity Governance Code



Broad sector acceptance

Charity Governance Code



I don't normally think in 'rooms'

I also struggle to remember 8 different things!

(Too many balls to juggle)

Another way to shape the code ...



To be an effective board, we must:

1. Understand our role as a Trustee (CC3)



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Foundations

- Ensure the charity provides public benefit & acts within the governing document
- Accountable and reports as required
- Utilise assets/resources responsibly
- Act with reasonable care and skill
- Always act in the best interests of the charity's purpose/beneficiaries (*)



(*) Charity's purpose, not 'the charity'



To be an effective board, we must:

1. Understand our role as a Trustee (CC3)

2. Make 'Good' Decisions

Just two things to remember!



To be an effective board, we must:

1. Understand our role as a Trustee (CC3)

2. Make 'Good' Decisions

Which means ...

Always make decisions in the best interests of the beneficiaries and charity's purpose

Manage conflicts of interest

Embrace diversity to explore different perspectives

Manage all resources available to the charity

Work as a single 'collective' team

Understand & manage risk (Trade-offs)

CFG Risk Leadership

Helpful to understand the difference between 'management' and 'leadership' decisions (*)

(*) Bletchley Park



Management Decisions	Leadership Decisions
<ul style="list-style-type: none">• Seek the right way to do things• Follow the rules	<ul style="list-style-type: none">• Are ambiguous• Often with no single right answer• Require trade-offs• Always incur risk

*Note: Current research at Bath University on board composition
Report due mid-year*



3. Tailored Review

- Define the questions that are right for you
 - Interviews with board and executive to define the questions
 - Refer to governance guidance
 - Narrow down to what's really important 'at this time'
- Questionnaire
 - Questions stimulate reflection
 - Results allow comparison between trustee & executive responses
 - Results stimulate dialogue between trustees and executive

What's the biggest issue in charity governance?



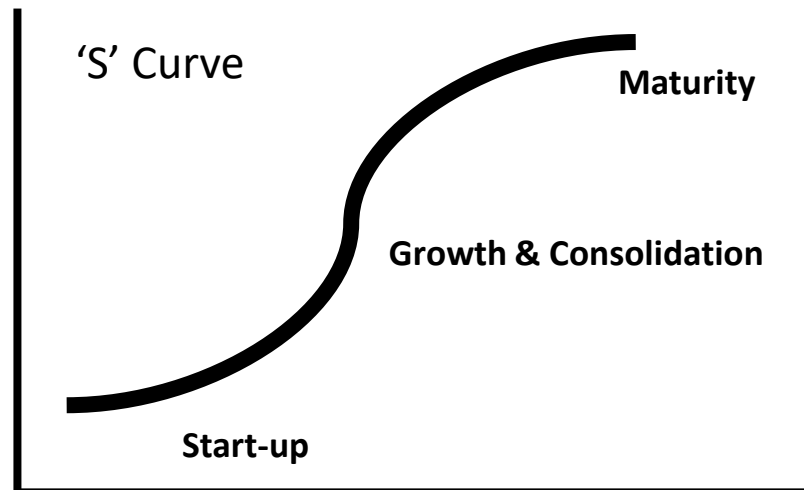
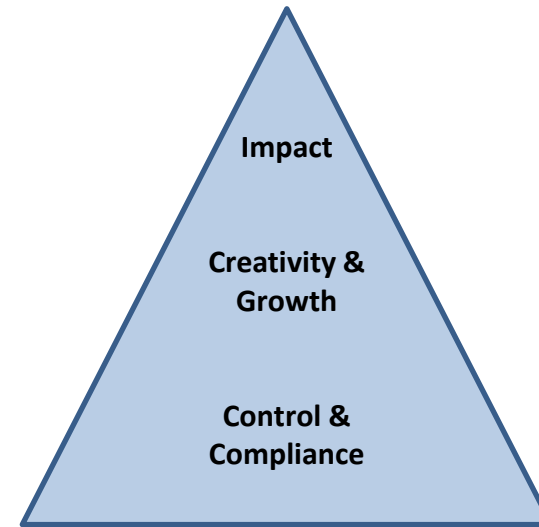
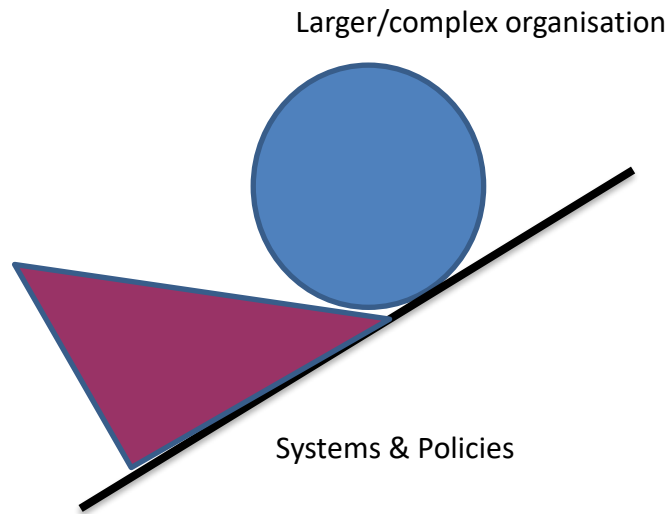
Example - Tailored review questionnaire

		<i>Strongly Agree</i>			<i>Strongly Disagree</i>	
	How do you react to the following statements?	1	2	3	4	5
		SA	A	N	D	SD
1	The trustees and executive work well together	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The trustees have all the required skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The executive have all the required skills to run the charity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Strategy should be set by the trustees and implemented by the executive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Trustees should decide how the income from charitable endowments is used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Strategic priorities are clear and agreed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	The financial performance of the charity is well understood by the trustees and the executive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	The charity is well run by the executive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	The charity maintains high standards of customer care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	The number of head office staff is too high	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



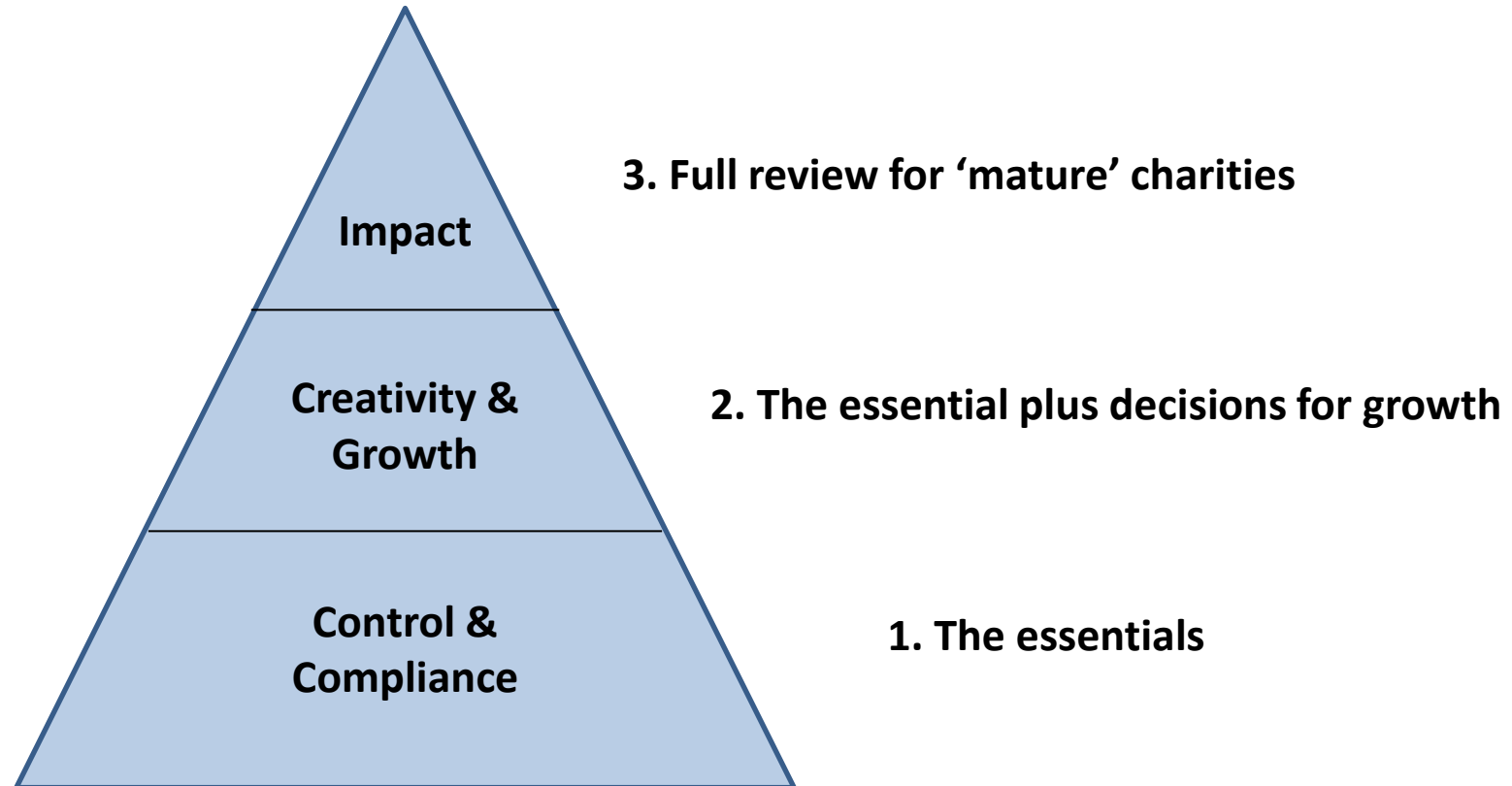
Building on this thinking

What if we combine the following?



One size does not fit all

Three levels of governance to review





Level 1 – The Essentials

- Start-up charity; Small charity; New board
- Charity in crisis; priority to stay in ‘business’
- Self assessment

- **Questions such as:**
 - Do trustees understand the charity’s purpose and who the beneficiaries are?
 - Do trustees understand the legal status of the charity?
 - Do the trustees understand their personal and collective role?
 - Do trustees understand where the money comes from to run the charity?
 - Do trustees understand how the money is spent?
 - Does the charity have the necessary policies in place considering the nature of our work?
 - Does the charity report on time and as required?
 - What are trustees worried about?
 - ...add your own



Level 2 – Decisions for growth

- Aiming to establish a strong future for the charity
- The charity operates with a board and executive

- **Questions such as:**
 - Is the charity strategy clear and linked to performance metrics including impact?
 - Are these metrics reviewed by the board?
 - Does the board understand the principal risks incurred during routine operations?
 - Do trustees have the time to commit to their board role?
 - Are the trustee terms of office clear?
 - Do trustees have the required skills and knowledge to fulfil their role?
 - Are trustees honest about their personal motivations and conflicts of interest?
 - Are appropriate procedures in place to safeguard the charity's assets and comply with restrictions on their use?
 - Are board decisions 'good' decisions?
 - ... add your own



Level 3 – Full Review

- Mature charity seeking further growth and longevity
- Trustees have time to review performance
- Open to examining Trustee/Executive differences

- **Questions such as:**
 - Are the board working to continually improve the way they work and make decisions?
 - Are board decisions truly ‘collective’?
 - Is the balance of power between trustees and executive ‘constructive and supportive’?
 - How are Executive performance reviews completed?
 - Are trustee reviews completed and succession plans in place?
 - Are the board continually looking to improve the effectiveness of the charity?
 - Do all the trustees understand the financial reports?
 - Is the board prepared to take risks to grow the impact of the charity?
 - Do the trustees actively seek to collaborate with other charities for the benefit of their beneficiaries?
 - Does each trustee feel fulfilled in their role on the board?
 - ... add your own



Thoughts on external support

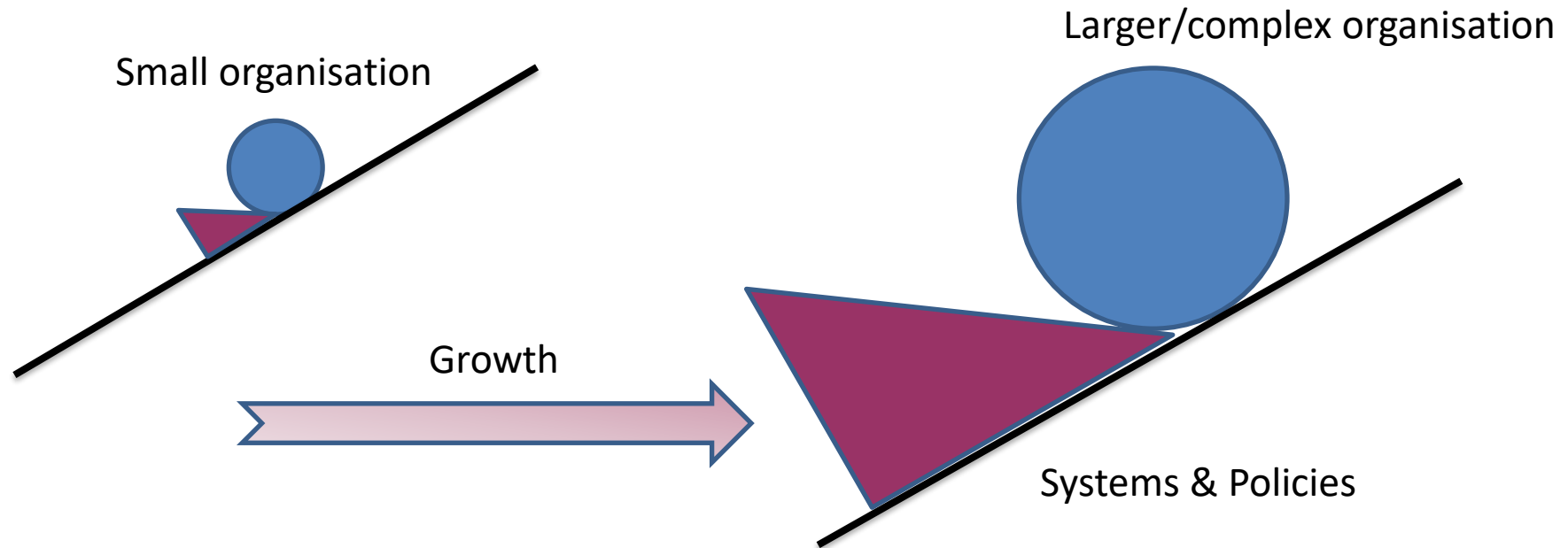
- It's difficult to carry out a review while also being part of the operation
- An external voice may be seen as balanced/impartial
- Anyone able to take a 'helicopter view' while keeping their feet on the ground...

... is a very tall person!



And so ...

Appropriate Governance ...



... requires appropriate Reviews of Governance



Key messages

- There is no 'one size fits all'
- Be clear on why you are doing a review (confidence; improvement ..)
- If a review isn't helpful, then don't do it!
- Be pragmatic, particularly in smaller charities
- You don't need to answer every question on a long check-list
- Be prepared to 'design your own'
- Not everyone needs to be able to read music!

Remember: There are many great charities with shaky governance systems!



Thank you

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