

Back to school for charity trustees



The [Charity Commission](#) continues to work through its heavy caseload of potential incidents of misconduct involving UK charities. Though each case is unique, there are some broad lessons for charities and their trustees to take on board to ensure that vital public confidence in charities is maintained. One of those relates to poor trustee decision making.

Put simply, the Commission is advocating more time and effort be spent in trustee decision making. Any number of defective transactions, misapplication of charity funds or trustees receiving personal benefit in breach of trust, have poor decision making and lack of oversight as their root cause.

How do trustees improve decision making?

First, by being properly informed about their charity and its activities. Read the governing document and take time to review the Commission's guidance – it is comprehensive, useful and regularly updated.

Secondly, the Commission says, by focussing on seven key factors (especially when making decisions that are significant or go to the future strategy of the charity):

- act within the trustees' powers (and in accordance with the charity's governing document);
- act in good faith and solely in the best interests of the charity;
- make sure trustees are sufficiently informed about the matter at hand;
- take account of all relevant factors;
- ignore any irrelevant factors;
- properly manage conflicts of interest; and



- make decisions that are within the range of decisions that a 'reasonable' trustee body could make and explain them in all the circumstances.

All the trustees are collectively responsible for their charity, so all must engage and play a full part when they are making decisions. All are responsible for making sure that sufficient safeguards are in place to minimise the risk of things going wrong. Any trustees who fail to do so, merely deferring to the opinions and decisions of others who are simply more vocal or more involved, or simply following past practices, without question, are potentially failing to fulfill their duties.

By contrast, good decisions critically made and objectively reviewed by trustees who are holding each other accountable and challenging underlying assumptions will ultimately result in well thought through decisions or policies, which will more than reward the time and effort taken to reach them.

Considering these seven key factors and documenting discussions with proper minutes will also help trustees to demonstrate good governance. Above all, it will help to secure the public's trust that the charity's funds are being properly applied in support of its charitable objects.

Our [charities team](#) are ready to answer any questions you might have about trustee decision making or compliance issues generally. We are also able to conduct a periodic review of your charity's internal procedures if you would like to take stock and ensure that they remain fit for purpose as your charity grows.



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