Champions of good governance

As a business you will want to know if a charity you are going to support has any weaknesses in its governance that may put the charity at risk and your business. For that matter, if your relationship with a charity spans several years then the on going monitoring of the governance of a supported charity is just as important.

With the UK Government and the Charity Commission backing a drive to improve governance in the charity sector it is worth considering how businesses can support this agenda when deciding on which charities to support or be a donor to. *This puts businesses in a commanding position to champion the regulator's agenda to improve governance in the charity sector.*

Do the right thing

When deciding which charity to support, do you apply due diligence just as you would for a supplier in your supply chain? Many failures in the charity sector have been attributed to poor governance and a charity's governance was hard to assess before the availability of Digi-Board's online charity governance self-assessment.

When comparing the two routes below to select a charity to support, which would you have more confidence in?
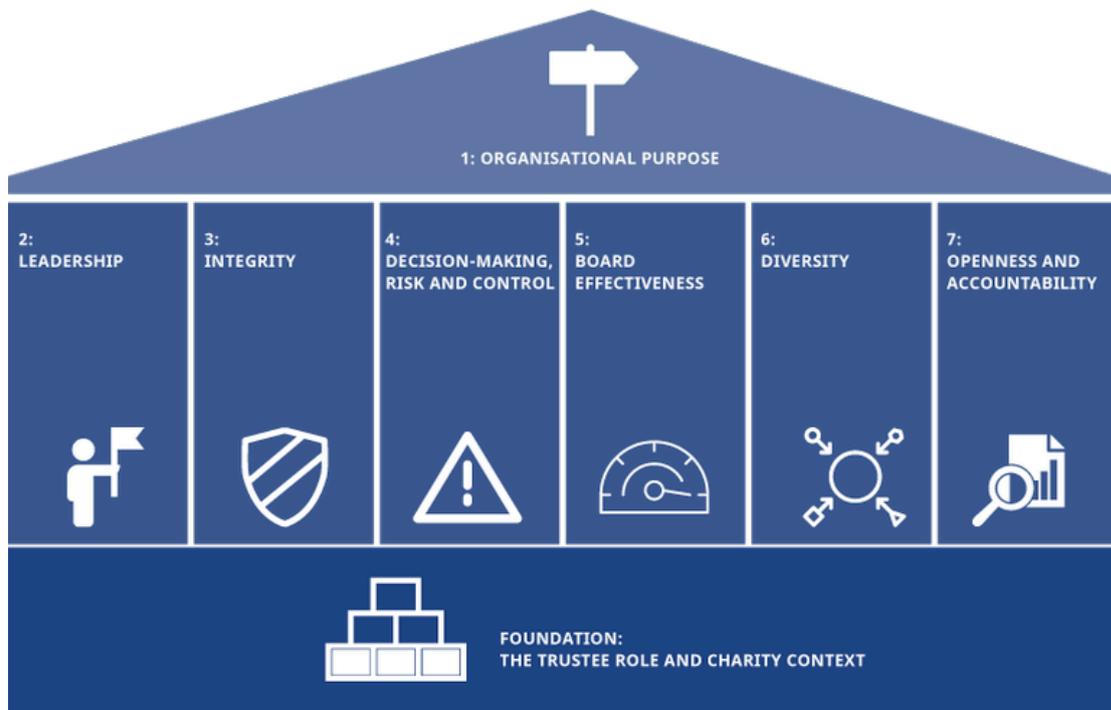
Due diligence of charity to be supported	1	2
Involve employees in proposing worthy charities	✓	✓
Invite applications from charities	✓	✓
Review applications and shortlist	✓	✓
Invite shortlisted charities to pitch	✓	✓
Verify charity's governance automatically benchmarked against the Charity Code of Governance	✗	✓
Qualify new shortlist based on benchmark results	✗	✓
Invite shortlisted charities to pitch. Question aspects of governance that have been highlighted as needing attention	✗	✓
Decide on charities to be supported	✓	✓

Option 2 has a charity completing the Digi-Board online charity governance self-assessment.

The examination of a charity's governance should precede the decision to support a charity, requiring them to demonstrate their commitment to a standard of governance demanded by the regulator.

Step change in charity governance

The Charity Commission in a statement announcing the new Charity Code of Governance (the 'Code') in July 2017 stated the purpose of the Code is: *'to help charities and their trustees develop high standards of governance. As a sector, we* ***owe it to our beneficiaries, stakeholders and supporters*** *to demonstrate exemplary leadership and governance.'*

Acknowledgement: Charity Governance Code

The challenge for many charities is to impartially demonstrate the standard of governance they achieve against the Code - Digi-Board make that easy.

Corporate supporters of charities protect their business and serve the charity when applying rigour (Option 2 before) to their election, by reason of *an objective test of a charity's commitment to a standard of governance demanded by the regulator.*

To incorporate this approach to supporting your charities please contact:

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