

Charity guide

A new school of thought

How to ensure effective trustee meetings

Effective Trustee Meetings

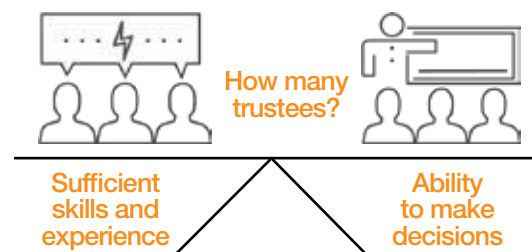
To enable effective strategic decision making it is essential that trustee meetings are properly constituted, conducted and documented. It is only through having effective meetings that the board can use their collective knowledge and experience for the benefit of the charity and its beneficiaries. The time the trustees spend together must be well-spent, with the right things being discussed enabling the right decisions to be made.

There are several practical aspects to ensuring that meetings of the trustees are effective. The latest edition of the Charity Governance Code includes a number of recommendations in this area. The practical guidance below should be read alongside the charity's Governing Document, which may provide specific detail on the convening of trustee meetings.

How many trustees?

There has been a trend in the sector in recent years for larger boards, with larger averages reported in charities than typically seen in FTSE 350 companies. The board should be large enough to provide the skills and experience needed for effective governance, but not so large that decision-making becomes unwieldy.

The Charity Governance Code suggests that between five and twelve trustees is the appropriate number, which seems like a sensible starting point. Boards outside of this range may want to consider whether the current position is appropriate, and take correcting actions as needed.

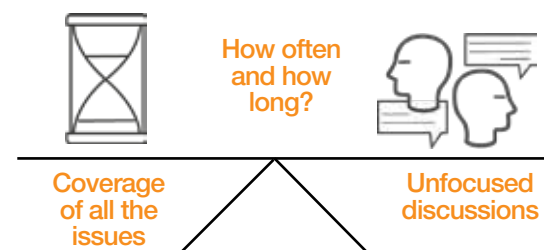


If the board is too large, it could be that there are other ways in which certain areas of expertise can be drawn upon rather than having every area represented by the trustees. For example, special advisors to the board or separate working groups or subcommittees reporting to the board on particular areas or issues.

Frequency and length

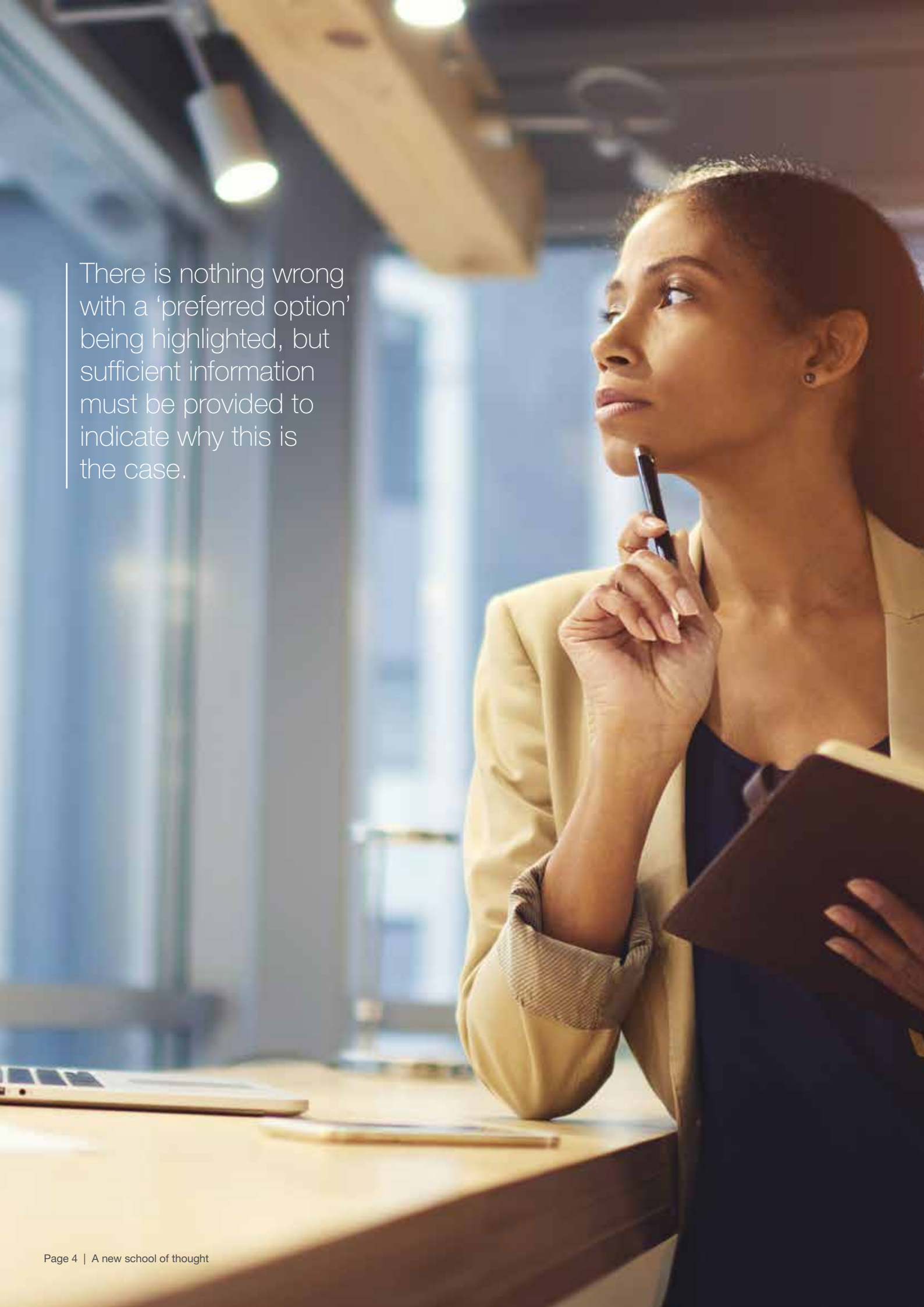
The Charity Governance Code says that the board should meet 'as often as it needs to be effective'. The ideal frequency and length of board meetings will vary between charities. The trustees of a small grant-making charity may need to meet less regularly than a charity providing a range of services to its beneficiaries. The requirement may also change over time - a charity facing significant operational or financial issues might require more frequent board meetings until the issues are resolved.

There is a balance to be struck between meeting often enough such that the important issues are discussed and dealt with in a timely manner, and meeting too often such that the trustees become disengaged. Meetings should be long enough such that there is time for considered debate and decision-making, but not too long such that discussions become unfocussed.



It is only through having effective meetings that the board can use their collective knowledge and experience for the benefit of the charity





There is nothing wrong with a ‘preferred option’ being highlighted, but sufficient information must be provided to indicate why this is the case.

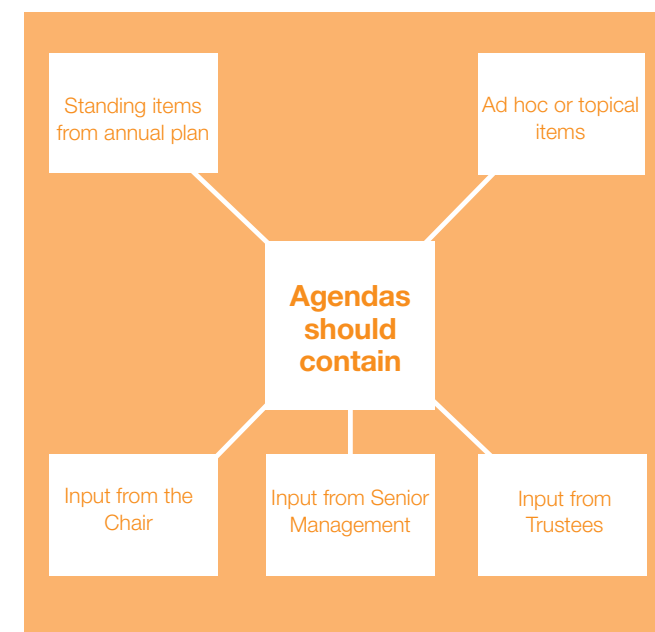
Setting an agenda

There are certain things that must be discussed by the trustee board, to ensure that they meet their responsibilities as trustees of a charity as set out under charity law. This includes the financial performance and position of the charity, the overall strategic aims and objectives, and the risks being faced and mitigating actions being taken. Conflicts of interest should be a standing item.

The agenda for board meetings should be developed from an annual plan of when standing items will be discussed, to dovetail with events such as the audit, budget setting etc. The agenda should be selective in what is discussed by the trustees. They are there to provide oversight of the charity, not management.

There should ideally be input from the chair, wider board and the executive team. A useful starting point can be to split the agenda between topics such as finance, strategy, risk, operational reports and people - and build from there.

The Charity Commission guidance “[15 questions trustees should ask](#)” also provides a useful prompt for charity trustees – the items within should appear on the agenda at least once each year.



Papers

Papers for trustee meetings should be clear and concise. They should indicate where a decision is needed, what the options are, and the implications of each. Papers should provide sufficient information to allow a well-informed and balanced decision to be made.

There is nothing wrong with a ‘preferred option’ being highlighted, but sufficient information must be provided to indicate why this is the case.

Jargon or technicalities should be avoided where possible. Agendas and supporting papers should be sent out at least a week before the meeting, ideally two weekends beforehand.

Beyond the meeting

Alongside the practical matters in respect of the meeting itself, there are a number of further considerations which are necessary for effective meetings:

- There should be a clear, documented scheme of delegation in place which details those matters which have been reserved for the trustee board and those which have been delegated to subcommittees, working groups or members of management. This ensures there is no confusion as to where decisions should be made.
- The trustees must be engaged, and understand their role and responsibility towards the various stakeholders of the charity. There should be job descriptions in place for the Chair, Treasurer and any other key positions. Induction processes and provision of ongoing training and support is key.
- Board discussions should reflect a range of views from individuals with a mix of different skills, perspectives, knowledge and experiences. A skills audit can be an effective tool here, with follow-up actions to recruit for any 'gaps' identified.
- A pre-meeting between the Chair and the Chief Executive can be an effective way to run through and refine the agenda, and make sure that the papers and areas that require decisions are fully understood.

Conclusion

Charity trustees perform a vital role, and it is essential that their meetings are effective. If they are not, this reduces the ability of the trustees to bring their significant knowledge and experience to bear for the good of the charity and its beneficiaries.

The above provides a framework of considerations, to ensure effective meetings. Boards should be flexible and recognise that what works well now, may not work as well as the charity grows and develops.

These considerations should therefore be revisited on a periodic basis, perhaps as part of the annual self-assessment of the board's performance recommended within the Charity Governance Code.

Boards should be flexible and recognise that what works well now, may not work as well as the charity grows and develops.

How we can help



Alastair Duke
Partner - Not for Profit
✉ aduke@pkf-l.com
☎ +44 (0)20 7516 2285



Nicky Whitehead
Director - Not for Profit
✉ nwhitehead@pkf-l.com
☎ +44 (0)20 7516 2462



Charlene Wilson
Manager - Not for Profit
✉ cwilson@pkf-l.com
☎ +44 (0)20 7516 2389

PKF Littlejohn LLP,
15 Westferry Circus,
Canary Wharf,
London E14 4HD

Tel: +44 (0)20 7516 2200
www.pkf-l.com

This document is prepared as a general guide. No responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication can be accepted by the author or publisher.

PKF Littlejohn LLP, Chartered Accountants. A list of members' names is available at the above address. PKF Littlejohn LLP is a limited liability partnership registered in England and Wales No. 0C342572.

Registered office as above.

PKF Littlejohn LLP is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

PKF International Limited administers a network of legally independent firms which carry on separate business under the PKF Name.

PKF International Limited is not responsible for the acts or omissions of individual member firms of the network.