

Government response: Charity Commission responds to draft Charity Code of Ethics

The Charity Commission has submitted feedback to the National Council for Voluntary Organisations' [consultation on its draft Charity Code of Ethics](#). The code aims to support charities in recognising and resolving ethical issues and conflicts.

In responding to the draft, the Commission said:

We welcome this sector-led response to recent high profile safeguarding incidents, and its broader view of ethical issues and their potential implications.

Our research [Trust in Charities, 2018](#) highlighted the importance for charities of following ethical principles and reflecting their values in every aspect of their work. This is a key element of trustworthiness. The public rightly have high expectations of charities' conduct and behaviour because of the importance of the work they do, their unique status and the vulnerability of some of their beneficiaries.

As recent events have shown, ensuring that charities live up to their purpose and the public's high expectations is about more than compliance with minimum legal requirements. Changes need to be rooted in organisational culture and what is considered acceptable in terms of individual attitudes and behaviour. We welcome the statement that "all charities should proactively champion ethical behaviour and reflect their charitable ethos in every activity they undertake, going beyond legal and regulatory requirements." Voluntary codes set by the sector should promote higher standards than regulators can expect or require.

The scope and focus of this Code may need to be more explicitly defined. The section on 'Integrity' has a broad application and highlights different areas where ethics are a consideration. These are described in the bullet points, starting from relationships with people but also encompassing probity, resources and environmental impact. The section on 'Openness' deals with accountability and transparency in its widest sense. But the sections on 'Beneficiaries first' and 'Right to be safe', together with the bullet points in the introduction, position the code as being about relationships with people. Emphasising the understandable public concern about safeguarding might seem out of balance with the wider points about ethics.

If the Code is intended to apply to a very broad range of ethical issues, some themes may need to be drawn out more explicitly. For example, where the section on integrity touches on resources, if it is intended to encompass social and ethical investment, it would benefit from clearer statements to that effect. We would also welcome stronger statements about moral

leadership, and the importance of a proactive approach to inclusion. Risk and risk appetite may also need to be considered. For example, clearly, a good safeguarding culture is needed and charities must do all they can to prevent abuse or mistreatment. However, we also need to recognise the nature of the environment and risks that many charities operate within.

We note that this Code has been developed through a consultative process involving a range of charities of different sizes and with different purposes. Is NCVO satisfied that it has been sufficiently tested in terms of ease of practical application by this broad range of charities? How will this Code be promoted, implemented and its adoption monitored?

One minor related point: the definition of a 'charity's purpose' makes reference to 'the charity's article of association'. Not all charities are set up with articles of association. This might unintentionally convey the sense that the code is only for certain types of charity.

We welcome the statement that the Code is complementary to the Charity Governance Code. We would like to see close alignment and mutual support between these two codes, to make it straightforward for charities to follow both. We note the suggestion from the Chair of the Charity Governance Code that, in time, the Charity Governance Code could be developed to encompass the key elements of the Code of Ethics.

The Commission's updated guidance on safeguarding will enshrine the principle that charities should ensure the safety of any individual who engages with them.

Ends.

Notes to editors

1. The Charity Commission is the registrar and regulator for charities in England and Wales. We are an independent non-ministerial government department accountable to Parliament. For more information see the [About Us](#) page on GOV.UK.