

Press release: Address serious governance failures, RSPCA Leaders are warned

The Charity Commission has issued the RSPCA with an Official Warning, after finding that a group of trustees (“officers”) failed to ensure they were sufficiently informed before making a settlement offer to the charity’s former acting chief executive.

The Commission also found those trustees failed to act with reasonable care and skill in negotiating with that former executive.

In May, it was reported that the RSPCA’s former interim chief executive received a significant pay-out from the charity, prompting the Commission to examine the trustees’ decision making.

The Commission’s warning is critical of the trustees for not ensuring that the decision was properly made, particularly given the large sum of money involved.

The Warning concludes that these failings amount to mismanagement in the administration of the charity.

The Commission says it is vital that the RSPCA, an institution performing important functions, can demonstrate the highest standards of governance. But the regulator has had significant engagement with the RSPCA in recent years regarding the charity’s governance.

It says the level of its engagement has been concerning considering the charity’s size and importance. The RSPCA has seen unusually high turnover among its chief executives, and significant periods of time without a substantive chief executive in post.

David Holdsworth, Registrar of Charities for England and Wales and Deputy Chief Executive of the Charity Commission, says:

The RSPCA is a much-loved national institution performing a crucial role in animal protection, with its staff and volunteers undertaking vital work. The public, and the RSPCA’s many members and supporters, need it to succeed and to deliver important benefits for society. They rightly expect that it should be run by its trustees to the highest standards.

Unfortunately, that has not been the case and the charity’s governance has fallen short which has led to people asking legitimate questions about the pay-out to the former executive.

Issuing an Official Warning signals to the trustees that we expect them to resolve this important issue and take immediate steps to improve the charity's governance.

The recent election of a new Council, the introduction of a new code of conduct and the recruitment of a new chief executive, provide an opportunity for a fresh start for the charity. The trustees must now show leadership, and work with the new chief executive in driving forward the required improvements in governance.

The use of our formal legal powers is a significant step, and not one we take lightly. I hope that the trustees use it as an opportunity to work constructively with the RSPCA's new chief executive and to show to their members, supporters and the wider public that they are committed to good and effective governance.

If the trustees are not able to satisfy us that they have responded meaningfully and promptly to our Official Warning, we will not hesitate to take further regulatory action.

Speaking on the wider issue of governance in charities, David Holdsworth added:

Good governance in charities is not an optional extra, or a bureaucratic detail. Good governance is what underpins the delivery of a charity's purposes to the high standards expected by the public.

Charities that operate with their purpose at the core of all they do, and underpin this with robust governance and the highest standards of conduct will serve their beneficiaries better. Conversely, where we find weak governance, we are more likely to find a charity that is failing to meet its charitable potential.

So good governance should be a priority for all trustees, especially those involved in important national institutions.

The Official Warning sets out actions the Commission recommends the charity takes to address its concerns. Among the steps set out are that there should be formal training for RSPCA Council members to ensure they are fully aware of their responsibilities as charity trustees, and ensuring the RSPCA's council adheres to the charity's code of conduct.

The Commission also says the trustees should implement the recommendation of an independent report, commissioned by the charity, into the processes followed in recruiting and appointing a new chief executive.

The regulator's [published guidance on its power to issue an Official Warning](#) notes that trustees' failure to rectify breaches specified in a warning would

be grounds for it to take more serious regulatory action, for example using its powers to suspend trustees or appoint an interim manager.

The Commission notified the RSPCA of its intention to issue the warning in June, and before the charity's new chief executive took up post on 1 August 2018. The Commission has welcomed the appointment of a permanent chief executive and urged the trustees to work with him to improve the charity's governance and management.

ENDS

1. The power to issue charities with an Official Warning was granted by the Charities Act 2016. It is designed to ensure a charity or its trustees know that a breach, misconduct or mismanagement has taken place and that it needs to be rectified.
2. An official warning is not a statutory direction. The Commission cannot use an official warning to direct trustees to take specific action. However, it must specify any action it considers the trustees or the charity should take to rectify the breach, misconduct or mismanagement. Furthermore, failure to remedy any breach specified in a warning can be used as evidence of misconduct or mismanagement including when considering whether to exercise other specified powers.