

Analysis and Insight

The Governance App

Findings and Trends 2024



directory of social change

Introduction



DSC has been providing governance support for decades, helping CEOs, Chairs, and trustees to be the best they can be for their organisations, and ultimately the causes and beneficiaries that they support. Our experience is that many of the problems and successes that charities encounter have at least something to do with the quality and impact of their governance. Governance is not just a dry and technical matter of good practice. It is fundamentally about promoting the charity's cause and having the best possible impact and outcomes for beneficiaries.

The need to define, embody and embed our charitable shared purpose and values is one of the highest responsibilities of the Board, enabling the charity to overcome lesser tensions and strains and obstacles.

Getting governance right matters, so as a part of our work to support boards, we took the principles of the excellent [Governance Code](#) and developed a free to use app, with the support of Clothworkers Company, Lloyds Bank Foundation for England and Wales, The Tudor Trust and the National Lottery, which enables boards and their executive teams to evaluate their performance and have meaningful discussions about where they could improve and what their priorities are.

Since [the Governance App](#) went live in 2021 over 4,000 Trustees and executives have completed the app and used its findings to improve their own governance.

As well as supporting individual boards to improve their performance, the reviews they've conducted using the Governance App have generated a substantial amount of data that gives us a new and interesting picture of how boards view their performance, and has enabled us to produce this report which outlines where boards think they do well and which aspects they find more challenging around the seven areas of the governance code.

We need to caveat this report by explaining that the app was not designed as a research project – but specifically for individual charities to use it to facilitate discussion to improve their performance at board level. So, this is not a technical research report, but a report intended to share and analyse the self-reported data that has been generated through the reviews that have been carried out.

This data is not analysing how charities are objectively performing in governance, but rather their perceptions of how good they are. They may be either better or worse than they think they are if an independent assessment was undertaken. Indeed, our years of experience tell us

that Boards tend towards over-estimating their performance and it is because of that we encourage charities to get both boards and their executive teams to complete the online questionnaire.

Typically, our experience indicates that Executive Teams tend to score their boards lower on most aspects of governance compared to how trustees score themselves – although in this report the data is not disaggregated in this way – and it is this discrepancy that makes the use of the app and the subsequent discussions on its findings such a useful tool for boards and their teams.

Further, we find that there can be big differences in perception of performance within any one charity, with some trustees scoring as low as one or two out of ten on a particular question, whereas others on the same board will score that same question eight or nine.

The questionnaire and its guidance on how to use the findings celebrates those differences, as that is what facilitates conversations about how to be a high performing board.

What the data also does, is give a very different picture of board performance across the sector. By tying the questions to the Charity Governance Code we are able to match the scores trustees are giving themselves to very specific areas of governance in a way that has not been done before. As a result, the findings should help to inform three core groups: those who regulate charities, those who serve them, and charities themselves.

The most effective thing that boards can do is regularly discuss and revisit what they need to do to govern well and ensure they have metrics in place to establish how good performance is. For regulators, making advice and guidance to boards simple and accessible and being able to help them navigate nuances where the right course of action is not always clear will help to improve governance overall. And for those organisations that serve charities, being themselves aware of what good governance looks like and making their support and advice easily accessible and affordable will also help.

We find it really encouraging that so many thousands of trustees and execs are using the app and that says to us that there is a real appetite for boards to look at their performance and work to improve their governance.

Debra Allcock Tyler

Chief Executive, Directory of Social Change (DSC)

Contents

Introduction	2
Executive summary	5
Average scores for all governance areas	7
Organisational Purpose.....	9
Integrity	12
Leadership	14
Board Effectiveness.....	17
Equality, Diversity, and Inclusion (EDI)	20
Openness and Accountability.....	23
Decision-making, risk taking and control	27
Differences in scores based on charities' financial size.....	29
Differences in EDI scores based on charities' financial size	31
Differences in Board Effectiveness scores based on charities' financial size	32
Variance of EDI scores across all income groups	34
Conclusions.....	35
Recommendations	37
Recommendations to Boards.....	38
Recommendations to Regulators and Infrastructure bodies.....	38
Recommendations to Funders	39
Commitments from DSC	39
About DSC.....	41
About the Governance App	41
More help from DSC.....	42
Other governance support	42
References	43

Executive summary

About this report

This report presents and analyses data from 1,126 users who completed a full governance review between August 2021 and May 2024 using DSC's Governance App, a free online tool that enables trustees to assess their effectiveness in the seven areas of the Charity Governance Code.

Trustees and executive teams were asked to rate how much they disagreed or agreed with 70 statements about their organisation's governance practices on a scale of 0 (disagree) to 10 (agree).

The data provides useful insights in to how confidently trustees and executive teams felt that their organisation was meeting the highest standards around seven governance areas which directly match those of the Charity Governance Code: Organisational Purpose, Integrity, Leadership, Board Effectiveness, Equality Diversity, and Inclusion (EDI), Openness and Accountability and Decision-making, Risk and Control.

The report uses self-reported, subjective data; however, it provides a unique insight from thousands of individual trustees and senior charity leaders on areas of governance in which users felt their organisations were doing well or where they felt areas were more challenging.

Trustees' confidence in integrity is high

Overall, Integrity was the governance area with the highest user scores, with 100% of the questions about integrity receiving an average user score above eight out of ten. The app scores showed that 'acting with honesty, trustworthiness and care' was the specific aspect of integrity that app users felt their organisations did best.

As positive as it is to see such high scores across all ten questions relating to integrity, it is always important for boards to consider the question: 'how do we know this to be the case?' and to reflect deeply on the logic behind their scores.

Confidence in Organisational Purpose, Integrity and Leadership is high, receiving overall average scores of 8.2/10, with 70% of questions scoring an 8 or above. Organisational purpose is the key driver of plans and priorities and, despite there being some areas where improvements could be made, it is encouraging to see that most users feel organisational purpose is well understood.

Equality, Diversity, and Inclusion is the biggest challenge facing boards

Equality, Diversity, and Inclusion (EDI) was the governance area app users scored lowest overall. Three aspects of EDI scored particularly low, suggesting that app users found them most

challenging: engaging in learning and reflection, leading organisational progress on EDI, and monitoring EDI targets. Broadly speaking, these are areas of EDI where Trustees and executive teams may require additional support to meet high standards.

The data gathered by the app broadly reflects our understanding of the state of play across the sector, confirming that when it comes to EDI work, there is still a long way to go.

Openness and Accountability was the second-lowest scoring governance area for users of DSC's Governance App. Publishing staff salaries and stakeholders holding the board to account were two particularly low-scoring questions related to openness and accountability.

The decision to publish staff salaries or not can be a challenging and divisive topic for all organisations, as evidenced by the spread of scores discussed in the analysis. When it comes to stakeholders holding the board to account, the first step of identifying stakeholders can be a challenging task in itself, especially for non-membership organisations.

Trustees have differing views on their performance in key areas

DSC looked at how much the scores among all users for each question differed from the average answer (the mean score). This spread of scores is called 'variance.' It can show how much consensus there was between the app users, and highlight areas where opinions were more divided.

Overall, questions about Equality, Diversity, and Inclusion (EDI) had the highest variance between scores (and least consensus between users). Compared to other governance areas, user opinions were more acutely split between those that felt their board was performing well in this area, and those that found it more challenging.

This may be in part because EDI is an area where not just boards, but many people lack confidence and understanding and, because it feels sensitive to tackle, many boards often avoid discussing performance in this area.

Openness and Accountability was the second most divisive governance topic after EDI.

Governance policies around publishing staff remuneration had the least consensus between users, which is unsurprising given that staff pay is a notoriously contentious and sensitive area, which can be difficult to navigate.

Conversely, Integrity was the governance area that had the lowest variance (and highest consensus) between user scores. Other high scoring areas, such as Leadership and Organisational Purpose also showed relatively high levels of consensus between user scores. App users agreed that their boards were meeting high standards across these three governance areas, which is an encouraging finding.

Charities with lower income rate their performance lower

Users in organisations with less income recorded lower governance scores, when compared to organisations with higher income. This was particularly evident for the governance areas of EDI, and Board Effectiveness.

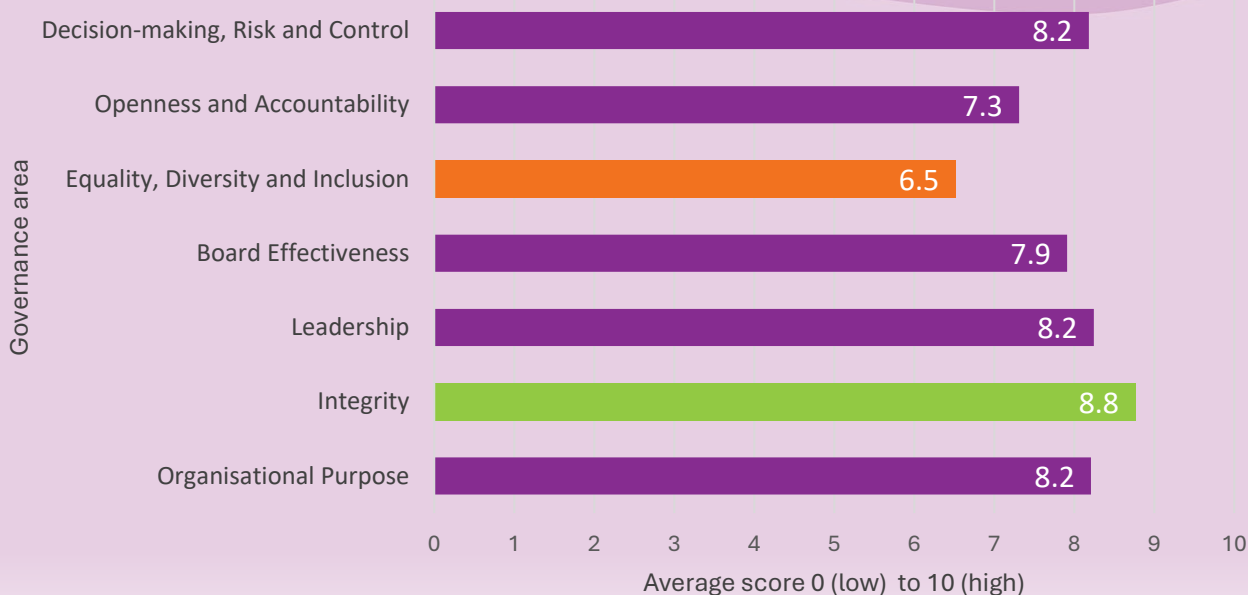
Our findings indicated a possible relationship between lower income and higher variance in EDI scores between users, which merits further research. DSC also investigated whether user scores differed based on the user’s charitable focus, or the gender of app users, but found no statistically significant variation.

Average scores for all governance areas

Figure 1 shows overall average scores for all Governance App users for each of the seven governance areas identified in the app. Each individual area is broken down further in the following sections of the report.

The scores, which range from 0 (I disagree) to 10 (I agree), represent each app user’s opinions on the extent to which their charity is achieving positive outcomes across all ten governance topics.

Figure 1: Top-level trends



Highest score

‘Based on average user scores, **integrity** was the governance area that scored highest’



Lowest score

‘Based on average user scores, **Equality, Diversity and Inclusion** was the governance area that scored lowest’



What does the data show?

As shown in *Figure 1*, Integrity was the area that received the highest overall average user score (8.8). This was an area where app users felt their board had strong governance practices in place. Organisational Purpose, Leadership, and Decision-making, Risk and Control were other relatively high scoring governance areas, each receiving an overall average user score of 8.2.

On the other hand, Equality, Diversity, and Inclusion (EDI) was the area that received the lowest overall average user score (6.5). This suggests that it is the governance area where app users most felt their board's current governance practices could be improved.

What does DSC say?

Looking at average user scores it's worth highlighting that a high score isn't necessarily objectively 'good' and a low score objectively 'bad' as all scores are self-reported and subjective.

Nonetheless, the average scores provide useful insights into what trustees and executive teams perceive to be the most and least challenging areas of charity governance.

Notably, average users don't reflect the degree of consensus between different individuals within the same organisation or app users overall. Indeed, all 70 questions asked within the Governance App, received a range of user scores between 0 and 10, which highlights the diversity of opinion between app users.

DSC's researchers, therefore, also investigated the variance between user scores to find out how much consensus or lack of, there was around app users' perspectives across different governance topics. This analysis can be found in the sections to follow, and it is an important feature of the app, because it draws trustees' and executive teams' attention to areas where board members and executive teams hold opposing views and it encourages everyone to enter into discussions to unpack why this might be the case.

Organisational Purpose

The app's users were asked ten questions about organisational purpose. Each user was asked how much they agreed with statements on a scale of 0 (I disagree) to 10 (I agree). *Figure 2* shows the average score for each question among all app users.

Figure 2: Organisational Purpose



Highest scores

Lowest score

'We regularly review our financial sustainability'

'We understand what the organisation is here to achieve'

9.1

6.4

'We know what we'd do if the charity wasn't needed any more or became unviable'

Scores across all ten questions

Mean score
8.2

Median score
9.0

Consensus

User consensus
High

What does the data show?

Organisational Purpose is a particularly strong governance area for users of DSC's Governance App. This area received an overall average score of 8.2 taking into account all ten questions asked, and 70% of the individual questions had an average user score over 8.0 (*Figure 2*).

Areas of high and low user scores

When app users were asked about different aspects of organisational purpose, the statement *'We understand what our organisation is here to achieve'* received the highest average score (9.1) alongside *'We regularly review our financial stability'* (9.1). These were two areas where app users generally felt that their board had good governance practices in place.

On the other hand, the statement *'We know what we'd do if the charity wasn't needed anymore or became unviable'* (6.4) received the lowest average user score. This statement scored notably lower than other aspects of organisational purpose, highlighting that generally, it may be a more challenging area for trustees and executive teams.

How scores differed between users

Of course, when average user scores are used alone, they only tell part of the story. DSC also looked at the most frequent scores, and the range of scores. Although the most common (mode) user score was 10 across all ten questions, user scores ranged between 0 and 10 for each question.

DSC also looked at the spread of scores among all users for each question to see how much they differed from the average answer (the mean score). This is called 'variance'. It can show how much consensus there was between DSC's app users, and highlight areas where opinions were more divided.

The overall variance in scores for this governance area was very low, suggesting a high degree of consensus between app users that their board was meeting high governance standards around organisational purpose.

However, the statement *'We'd know what to do if the charity wasn't needed or became unviable'* stood out as having a notably higher variance (and therefore, lower consensus between user scores) in comparison to the other statements about organisational purpose. Although this was a lower scoring area, app user perceptions were more acutely divided between those that felt their board was doing well in this area, and those that found it challenging.

What does DSC say?

It's interesting to consider whether, when discussing organisational purpose, charities explore how they have defined purpose and how well understood that is. For example, is it their charitable objects as written in their governing document or something more intangible?

People can agree that purpose is understood, but does everyone have a common understanding of what it is? However, defined, organisational purpose is the key driver of plans and priorities, so it is encouraging that there is such high consensus here. What would be interesting for boards to explore is how well the purpose is understood throughout the whole organisation, not just at senior level.

The other high scoring area was financial sustainability, and it is unsurprising that users generally felt that they reviewed it regularly as most organisations will produce quarterly financial reports for their boards. However, it is surprising that the lowest scoring area was knowing what they would do if the organisation became unviable. There is a clear mismatch between app users feeling like they know how well the organisation is doing financially and knowing what the plan is if things go horribly wrong.

Generally, it is good practice for boards to produce an 'in the event of the charity being unviable' plan well in advance of the risk being realised. They can identify several options and file it away to be reviewed yearly and pulled out when needed.

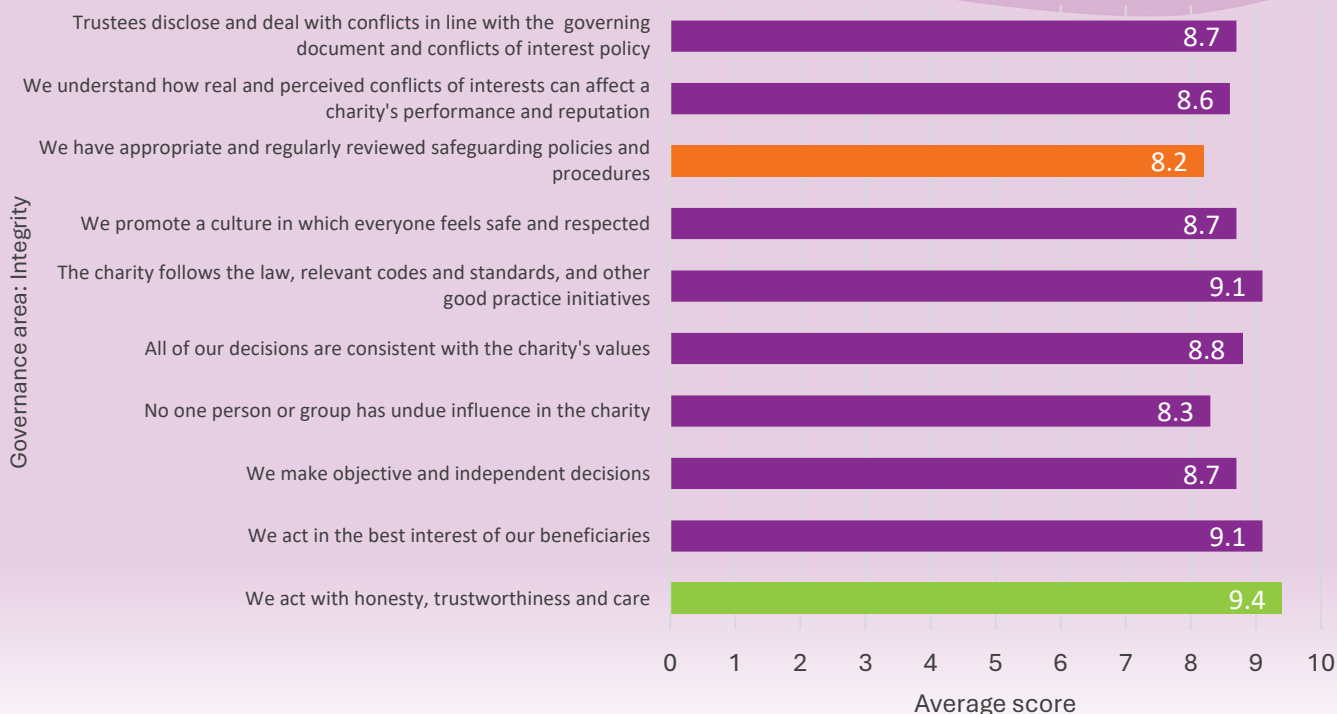
The second lowest score related to regularly evaluating the difference the charity is making. Often that may be because charities don't feel they have the resources to invest in impact assessments, so they don't do much. Most charities will have access to at least some data which, with some training and support, they can learn to analyse themselves. This is an area where funders might consider providing the support and training needed to help charities do that, especially when this is an issue that funders often require charities to report on.

Overall, the area of Organisational Purpose scored reasonably high, with high levels of consensus between users. This is encouraging and certainly demonstrates that boards mostly understand what they're there to achieve, who they are there to serve and what they need to know to deliver against it.

Integrity

The app's users were asked ten questions about integrity. Each user was asked how much they agreed with statements on a scale of 0 (I disagree) to 10 (I agree). Figure 3 shows the average score for each question among all app users.

Figure 3: Integrity



Highest score

Lowest score

'We act with honesty, trustworthiness and care'

9.4

8.2

'We have appropriate and regularly reviewed safeguarding policies and procedures'

Scores across all ten questions

Mean score
8.8

Median score
9.0

Consensus

User consensus
Very high

What does the data show?

Integrity was the strongest governance area for users of DSC's Governance App. When comparing this governance area to the others, we saw the highest user scores. This area received an average overall score of 8.8 across all ten questions (*Figure 1*), and 100% of the individual questions received an average score over 8 (*Figure 3*).

High and low user scores

When app users were asked about different aspects of integrity, the statement *'We act with honesty, trustworthiness and care'* (9.4) received the highest average score across all app users. Overall, this was the aspect of integrity that app users felt their boards were performing to the highest standard. Conversely, the statement *'We have appropriate and regularly reviewed safeguarding policies and procedures'* had the lowest, albeit still very respectable, average score of 8.2.

How scores differed between users

Average scores only offer limited insights. Therefore, DSC's researchers also investigated the most common (mode) score and range of scores. Although the most common user score was 10 across all ten questions, user scores ranged between 0 and 10 for each question.

DSC also looked at the variance in scores, to investigate how much consensus there was between DSC's app users, and to highlight areas where opinions were more divided. Overall, Integrity had the lowest variance in scores out of the seven governance areas. There was a very high degree of consensus between app users that their boards were meeting high governance standards around integrity.

What does DSC say?

In all ten supplementary questions under the overarching heading Integrity, app users scored very highly. This is of course encouraging.

However, as always with self-reported scores, there are some additional things for boards to consider. For example, the lowest score at 8.2 (which is still very high) related to appropriate and regularly reviewed safeguarding policies and procedures. This is good to see. However, it is not uncommon to have written policies and procedures that aren't adhered to. Has the board considered how effective these are and whether or not they are being implemented and briefed regularly to staff to remind them of what is expected?

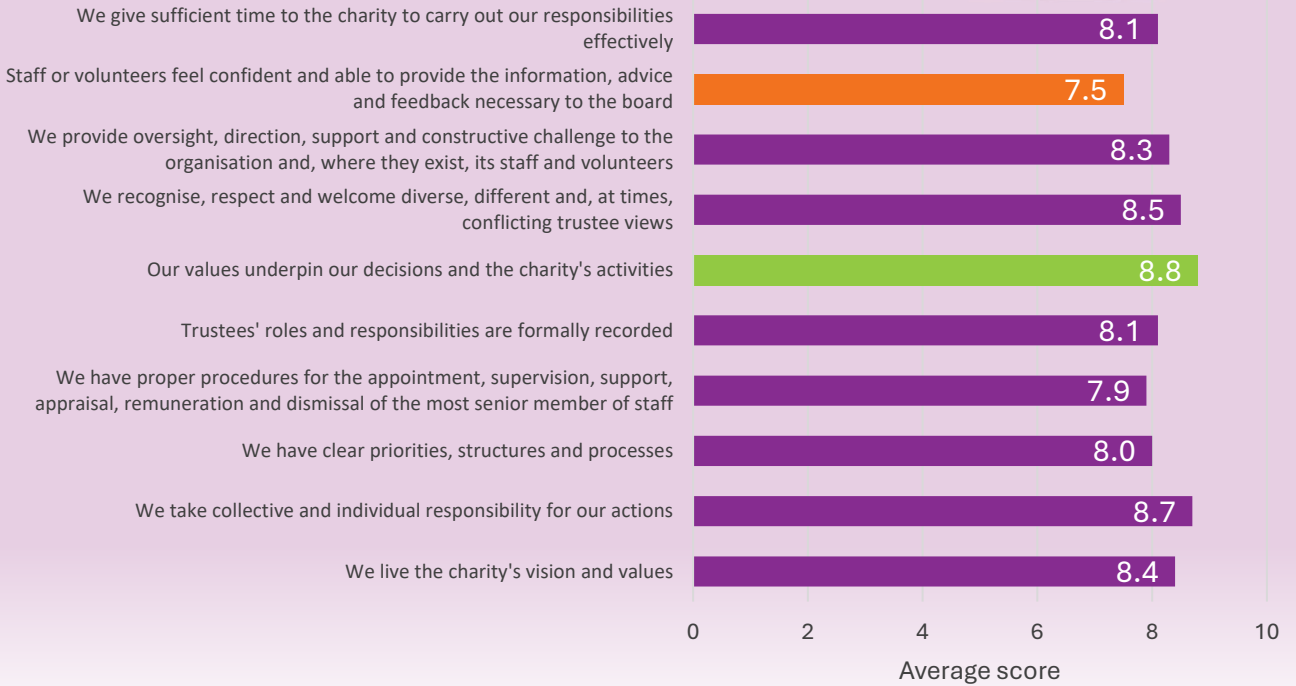
Further, have boards defined what they mean by 'regularly'? It is helpful to be clear whether that means quarterly, yearly, and so on. Every ten years might count as regular but may not be sensible.

Leadership

The app's users were asked ten questions about leadership. Each user was asked how much they agreed with statements on a scale of 0 (I disagree) to 10 (I agree). *Figure 4* shows the average score for each question among all app users.

Figure 4: Leadership

Governance area: Leadership



Highest score

'Our values underpin our decisions and the charity's activities'

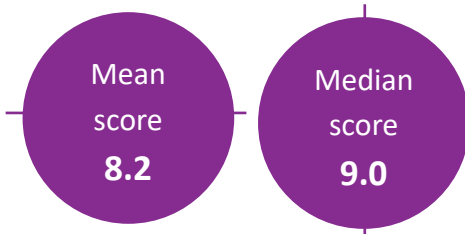


Lowest score

'Staff or volunteers feel confident and able to provide the information, advice and feedback necessary to the board'



Scores across all ten questions



Consensus



What does the data show?

Leadership was a strong governance area for users of DSC's Governance App, receiving an average overall score of 8.2 (*Figure 4*) across the ten questions.

However, overall, it didn't score as highly as some other areas of governance (such as Integrity and Organisational Purpose). Only half (50%) of the leadership questions, received an average user score of above 8.

High and low scores

As shown in *Figure 4*, when app users were asked about different aspects of leadership, the statement *'Our values underpin our decisions and the charity's activities'* received the highest average user score (8.8). This was the area of leadership where app users felt most confident that their boards were performing well.

On the other hand, the statement *'Staff and volunteers feel confident and able to provide the information, advice and feedback necessary to the board'* received the lowest average user score (7.5), indicating that, this is an area where app users felt improvements could be made.

How scores differed between users

Overall, there was a high degree of consensus between app users when reflecting on, and scoring, leadership practices within their charity.

What does DSC say?

In terms of responses, leadership scores fell somewhere in the middle of all seven Governance Code areas. However, as always with self-reported scores, there are some additional things for boards to consider.

For example, the lowest score of 7.5 related to staff or volunteers feeling confident in providing information, advice, and feedback to the board. Some questions boards need to consider are: how do you know staff or volunteers feel confident? What metrics do you use to determine if the answer to that question applies across the whole organisation?

Other questions to consider individually and as a Board include: when you think about the word 'constructive' what do you mean by that? And what instructions have you given to staff about how to feedback to the board? The reality is that most people find it difficult to give negative feedback to those they perceive to be senior to them, and if the requirement is that it be constructive, do teams manipulate their language in to not offend or annoy the board such that you are not really getting the message?

Similarly, with the question about living the charity's vision and values – how do you know that you do? And how do you know that the staff do? What are the visible, identifiable measures that allow you to assess this?

We would also encourage boards to query a high score about giving sufficient time to the charity to carry out their responsibilities effectively. It is possible that trustees have very different interpretations about what sufficient means.

For example, in DSC's decades of experience in working with boards of charities, we have found that there is often at least one, if not more, board members who don't respond to emails, regularly miss meetings, and generally seem disengaged. There may be perfectly valid reasons for this, but charities need to be sure they are clear about exactly what they expect of trustees in terms of carrying out their responsibilities.

With this in mind, DSC encourages boards to consider the following questions:

- Are there consequences if trustees regularly don't engage?
- Does the Chair follow up with trustees who are regular non-attenders or who are rarely heard from?
- Is there a set of written down roles and responsibilities for trustees that they are expected to adhere to, and is this revisited and monitored and consequences clearly explained?
- Do boards treat being absent from meetings as permission to not engage at all?
- Is there an expectation that if you cannot attend a meeting, you are still required to read the papers and submit your views or votes via email for example? (if there isn't there probably should be).
- Does the board have a written procedure for trustees who need to step away temporarily from their duties?
- Do trustees understand that whatever their engagement or not, they will still be held equally accountable and liable in law, regardless of whether or not they have actively participated in discussions and decisions either in person or by electronic or other means?

Board Effectiveness

The app's users were asked ten questions about board effectiveness. Each user was asked how much they agreed with statements on a scale of 0 (I disagree) to 10 (I agree). *Figure 5* shows the average score for each question among all app users.

Figure 5: Board Effectiveness



Governance area: Board effectiveness

Highest score

Lowest score

'Once decisions are made, the board unites behind them and accepts them as binding'

8.8

6.2

'The board reviews its own performance every year, including that of the chair'

Scores across all ten questions

Consensus

Mean score
7.9

Median score
8.0

User consensus
High

What does the data show?

Questions about board effectiveness attracted an average overall score of 7.9 across the ten questions asked. The average scores indicate that app users had slightly less confidence around board effectiveness, compared to other high scoring governance areas like Integrity and Organisational Purpose.

Areas of high confidence

As shown in *Figure 5*, when app users were asked about different aspects of board effectiveness, the statement *“Once decisions are made the board unites behind them and accepts them as binding”* (received the highest average score (8.8). Generally, uniting behind decisions is the area of board effectiveness app users felt their boards did best.

Areas of low confidence

On the other hand, the statement *‘The board reviews its own performance every year, including that of the Chair’* (6.2) received the lowest average score. App users perceived this as the weakest area of board effectiveness.

How scores differed between users

Overall, there was a high degree of consensus between users when they reflected upon their board’s effectiveness.

However, the following two statements had a notably higher variance in user scores than the other statements about leadership: *‘We have a formal, rigorous and transparent procedure to appoint new trustees, which includes advertising vacancies widely’* and *‘The board reviews its own performance every year, including that of the chair.’* For these two areas, there was less consensus between the app users, as evidenced by a more significant split in high and low scores between users who felt their boards were doing well in these areas, and those that found it challenging.

What does DSC say?

It is both surprising and unsurprising that both the lowest score here of 6.2 and a large variation in scores related to boards regularly reviewing their own effectiveness. Surprising in that simply by using the app the respondents were in effect reviewing their own effectiveness. Unsurprising in that it is one of the areas that boards find most difficult to do and it seems that many don’t even make the attempt.

There are a number of possible reasons for this. Often it is not always clear on what basis effectiveness is to be evaluated. This is of course one of the reasons that the Governance Code

was developed in the first place – to give boards a framework in which to evaluate how well they govern.

It is also surprisingly difficult for boards to find an effective way to review the performance of the Chair. The Chair's role is a unique and interesting one. For most charities, the Chair does not have an additional level of accountability in law unless specified in the charity's governing documents, and that is rare. But they are typically expected to lead the board in terms of governance and manage the relationship with the CEO and these activities can feel hard to evaluate.

Again, there are some simple and quite effective mechanisms for evaluating the Chair's performance and our advice to boards is to explore those. [The Association of Chairs](#) have some effective guidance and models in this area.

Done well, both board and Chair effectiveness can be a positive and rewarding exercise and will contribute to excellent governance.

Overall, it is encouraging that there was generally a high level of consensus. So, most app users agree that more needs to be done here.

We advise two things. Firstly, ensuring that the results of the app are discussed by the board and actions identified in areas they want to improve. And second, to revisit the app yearly and compare progress against each area to what the board aspired to.

The second area where there was a large variation in scores was about trustee recruitment. In our experience trustee recruitment standards and practices vary widely across the broad spectrum of charities. Smaller, more local charities typically find it more challenging to recruit trustees, in part because the 'pool' of candidates feels smaller.

There is still a common culture of 'nobbling a mate' or connection and often selection is not based on interviewing and assessing suitable candidates.

This is understandable to a certain degree as sometimes charities identify an individual who they think would be great for their board because they have a particular skill set or range of experience, or they are an excellent representative of the community the charity serves. Nonetheless, there should still be a formal recruitment process and ratification of the appointment by the whole board.

We also suspect that there is a stereotype of what sort of person a trustee should be which limits imagination and reach. For example, trustee adverts typically ask for board level experience or a certain level of experience in traditional skill areas such as law, accounting, IT etc and often word adverts in such a way that implies that applicants must be senior management or Director level to qualify. This can be off-putting to individuals who do not perceive that they are senior enough, or indeed old enough.

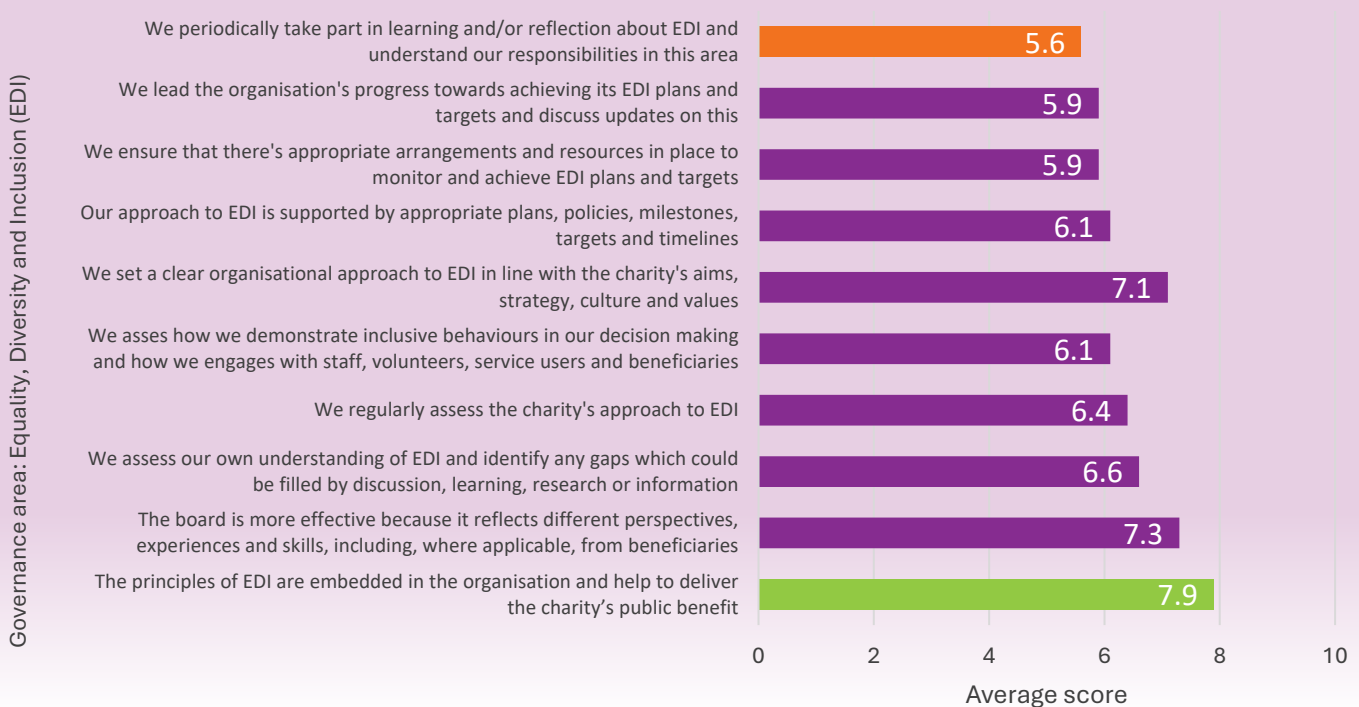
In reality there is no requirement in law for trustees to have any particular skills or background, and you can be aged 16 for a CIO or charitable company, and 18 for an unincorporated charity – so age does not have to be a barrier. Charities can limit their pool of candidates by framing adverts in a way that indicates more experience is required.

If a board needs marketing knowledge or social media skills for example, it doesn't have to be someone operating a senior level. It could equally be a marketing officer or a young person who is social media savvy who can add real value to the board.

Equality, Diversity, and Inclusion (EDI)

The app's users were asked ten questions about EDI. Each user was asked how much they agreed with statements on a scale of 0 (I disagree) to 10 (I agree). *Figure 6* shows the average score for each question among all app users.

Figure 6: Equality, Diversity, and Inclusion (EDI)



Governance area: Equality, Diversity and Inclusion (EDI)

Highest score

'The principles of equality diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit'

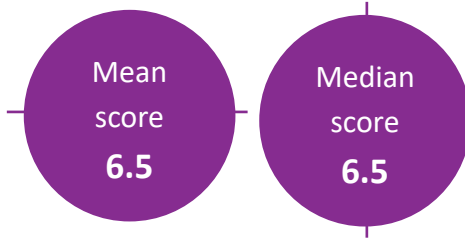


Lowest score

'We periodically take part in learning and/or reflection about equality, diversity and inclusion and understands our responsibilities in this area'



Scores across all ten questions



Consensus



What does the data show?

Equality, Diversity, and Inclusion (EDI) was the weakest scoring governance area. When comparing this governance area to the others, we saw the lowest degree of confidence in users' scores, with an average overall score of 6.5 (Figure 1), with 70% of question scores being below 7.0 (Figure 6).

High and low scores

As shown in Figure 6, when asked about distinct aspects of EDI, the statement '*The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit*' (7.9) received the highest average score but this was still relatively low compared to most other governance areas.

Conversely, the statement '*We periodically take part in learning and/or reflection about equality, diversity and inclusion and understands our responsibilities in this area*' received the lowest average score (5.6). This was the second lowest average score recorded of all 70 governance statements asked within the app. App users perceived this to be one of the most challenging aspects of governance practice.

The statements '*We ensure that there are appropriate arrangements and resources in place to monitor and achieve the organisation's equality, diversity and inclusion plans and targets*' and '*We lead the organisation's progress towards achieving its equality, diversity and inclusion plans and targets and discuss updates on this*' also received low average user scores under 6,

highlighting them as two further particularly challenging aspects of EDI, according to the opinion of the app users.

How scores differed between users

User scores ranged between 0 and 10 for each question. The most frequent (mode) score ranged between 5 to 10 depending on the question. The statements *'We lead the organisation's progress towards achieving its equality, diversity and inclusion plans and targets and discuss updates on this'* and *'We periodically take part in learning and/or reflection about equality, diversity and inclusion and understands our responsibilities in this area'* received the lowest mode scores of 5.

When DSC explored the variance between user scores, the two statements above had the most pronounced lack of consensus between app users, showing a significant split in users who felt their board were performing well in these areas and those that found them challenging. More generally, across all questions, there were major differences in individual's scores. Of all seven governance areas, EDI had the lowest consensus between user scores.

What does DSC say?

The immediate contradiction that leaps out here is the apparent mismatch between the highest scoring statement *'The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the charity's public benefit'* (7.9) and the lowest scoring statement *'We periodically take part in learning and/or reflection about equality, diversity and inclusion and understand our responsibilities in this area'* (5.6).

This suggests a conflict between boards supporting EDI principles in theory but not doing much in practice – or not knowing how to. EDI is an area where not just boards, but many people lack confidence and understanding. Because it can feel sensitive to tackle, many boards often avoid discussing performance in this area. However, it is encouraging that the answers to this statement broadly reflect our understanding of the state of play across the sector when it comes to EDI work which still has a long way to go.

The main issue appears to be fear of getting it wrong. It is perhaps also reflective of the data in other reports which show that boards are still typically white, male and of a particular socio-economic background where either they are unaware of the issues or lack the confidence to tackle them as they are themselves from an advantaged demographic.

Boards also struggle to identify what they mean by EDI. Is it about diversity of all sorts of skills and experience? Is it overwhelmingly about anti-racism? Is it about feminism? Is it about age or demographics? Is it about educational background? How much does the actual composition of our senior staff matter? How much does "representation" on our Boards matter? And why? Which issues are symbolic, and which really matter to our beneficiaries and stakeholders?

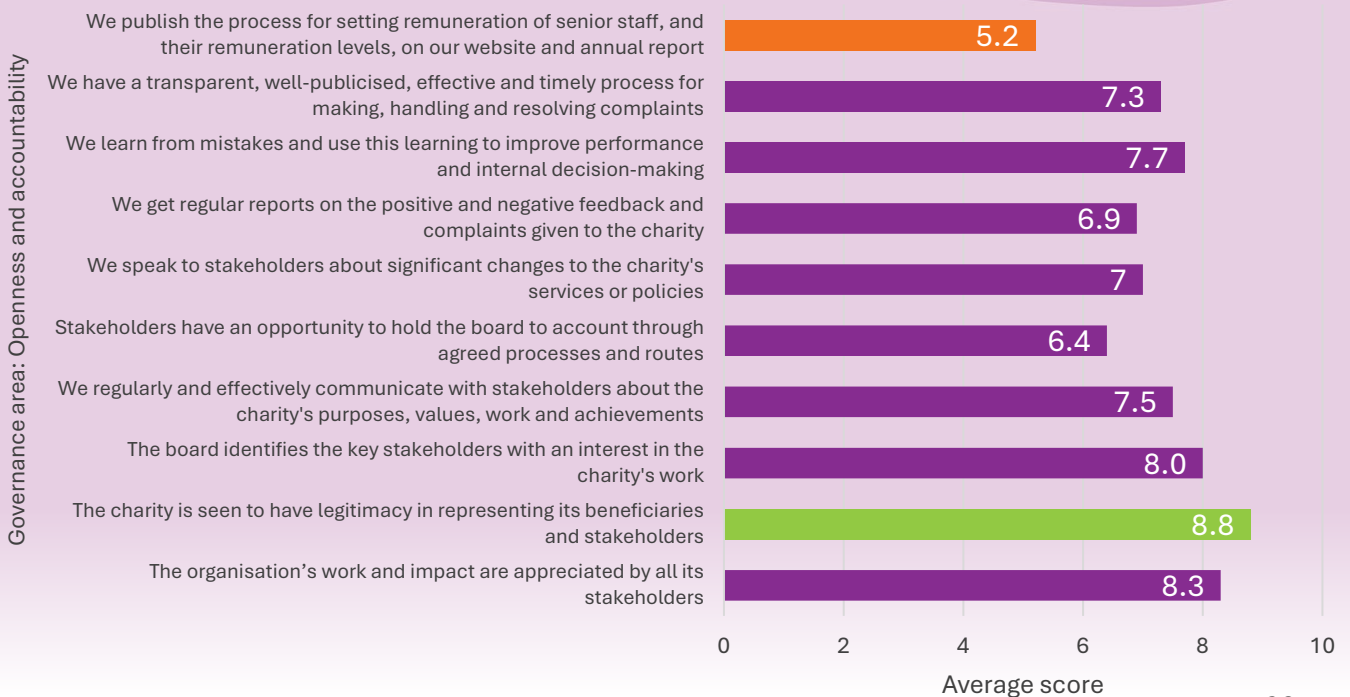
Notwithstanding all of that, a head in the sand approach will come to bite boards as we have seen recently in the many stories in the sector press of charities not getting this right, and morale, performance and reputation taking a battering as a result. Many charities also feel that they cannot progress in this area unless they do an external review and evaluation of their EDI performance which is perceived as expensive and therefore not a priority.

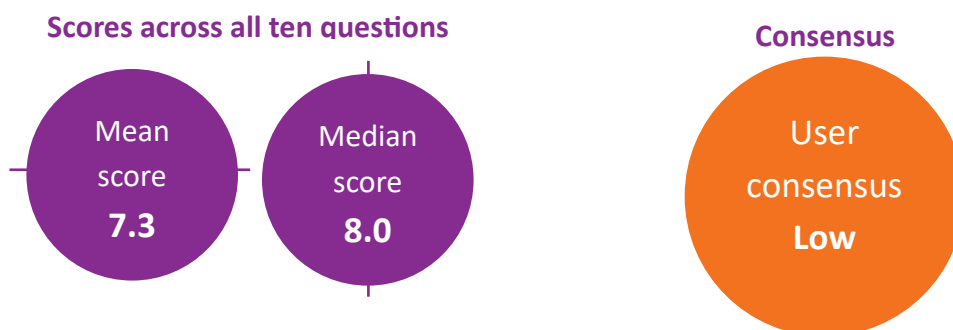
DSC’s advice here is simple. You don’t have to do external reviews if you can’t afford them. It’s easy to simply assume that performance here isn’t good enough, which is legitimate given that social norms reinforce both conscious and unconscious prejudice. Simply decide on what kind of an organisation you want to be, consulting and involving staff, volunteers, and other relevant stakeholders, and put in place the policies, procedures, structures, and training that are going to help you to get there. And make training mandatory for all, including trustees. It doesn’t have to involve sending people on courses or paying for someone to come and train you if you cannot afford it. You can at the very least buy everyone a copy of a relevant book, get them to read it and then discuss what they have learned, in staff meetings or at a session on the board. This can be embedded within awayday or governance review.

Openness and Accountability

The app's users were asked ten questions about openness and accountability. Each user was asked how much they agreed with statements on a scale of 0 (I disagree) to 10 (I agree). *Figure 7* shows the average score for each question among all app users.

Figure 7: Openness and Accountability





What does the data show?

Openness and Accountability was the second least strongly rated governance area for users of DSC’s Governance App, after EDI. Overall, it received an average score of 7.3 (Figure 1), highlighting it as an area where improvements could be made.

High and low scores

As shown in Figure 7, when app users were asked about various aspects of openness and accountability, the statement ‘The charity is seen to have legitimacy in representing its beneficiaries and stakeholders’ received the highest average score (8.8), indicating users generally perceived this was a strong governance area of board performance.

On the other hand, the statement ‘We publish the process for setting the remuneration of any senior staff, and their remuneration levels, on the charity's websites and in its annual report’ received the lowest average score (5.2). Generally, app users did not agree that their boards undertook this activity.

How scores differed between users

User scores ranged between 0 and 10 for each of the ten questions relating to openness and accountability. The most frequent (mode) scores ranged from 5 to 9 depending on the question, with the statement ‘We publish the process for setting the remuneration of any senior staff, and their remuneration levels, on the charity's websites and in its annual report’ receiving the lowest mode score of 5.

Overall, there were significant differences in the individual's scores, suggesting a low degree of consensus between users in this governance area. Openness and Accountability had the second least consensus between users, after EDI. There was a notable split of opinion between users that felt their charity had governance policies to support openness and accountability, and those that felt it was challenging.

'We publish the process for setting the remuneration of any senior staff, and their remuneration levels, on the charity's websites and in its annual report' had a particularly high variance, indicating low consensus between users around this topic. In fact, it had the highest variance score of all 70 statements included in the app by a significant margin. The lack of consensus here indicates this is a particularly divisive subject.

What does DSC say?

It is interesting that this is the second lowest rated section in the app, with one of the highest variance scores. The lowest ranked statement (and one with least consensus between users) related to remuneration of senior staff being publicly available. The Charities' Statement of Recommended Practice (known as the Charities' SORP), part of the accounting rules for charities, requires them to publish the total benefits of staff over £60,000 per annum. But they are not required to name those individuals.

This also applies to any trustees who might be in receipt of payments from the charity, including expenses and reimbursement of other costs, or financial transactions with the charity where the trustee may individually benefit. In the case of remuneration or personal gain those trustees do have to be named.

This is an understandable area of contention, particularly in relation to staff remuneration (it is actually quite rare for trustees to be remunerated or gain financially from their involvement with a charity).

Staff pay is a notoriously sensitive issue in all organisations, but particularly in charities where public perception of what donations are spent on can have a negative impact on the ability to raise funds to do the work. Or where funders have set ideas about salaries and will not fund your full costs if they think the salaries are too high. Additionally, often boards are reluctant to invite trouble within staff teams if some people believe that others are being unfairly paid more.

This is not an easy area to navigate well. However, some simple steps you can take to improve openness and accountability include:

- ensuring that you publish the process by which salaries are decided;

- having a job evaluation scheme which indicates how you rate certain roles and on what basis (for example, you may rate some technical roles such as accounting or IT higher than say a marketing role, based on current market rates);
- ensuring that the process for determining salaries is clear, open, and written down and not just decided by an individual without formal parameters;
- valuing the role not the person when advertising jobs, by stating what the salary is and clarifying that it is not negotiable. This is important as there is evidence to show that certain demographics are more likely to try to negotiate higher salaries on appointment, and this is how race and gender pay gaps can proliferate.

Another low scoring area here was the statement about stakeholders having the opportunity to hold the board to account through agreed processes and routes (6.4). This was somewhat contradicted by the highest scoring statement which was around the charity having legitimacy in representing its stakeholders and beneficiaries.

Here of course it is important for boards to identify what they mean by stakeholders. Do they mean staff, volunteers, beneficiaries, donors, or funders for example? And have they defined for each stakeholder group what is the best process for feedback?

For charities with a membership structure this is relatively straightforward as they have to engage and involve those members as part of their work. But for charities who do not have members and just serve their beneficiary group this can be a harder challenge to navigate.

Here again, the important thing is to have the discussion about what it is that stakeholders need to know and what mechanisms are the most appropriate for your charity to engage with them.

Decision-making, risk taking and control

The app's users were asked ten questions about Decision-making, Risk and Control. Each user was asked how much they agreed with statements on a scale of 0 (I disagree) to 10 (I agree).

Figure 8 shows the average score for each question among all app users.

Figure 8: Decision-making, Risk and Control



Highest score

'Our operational plans and budgets are in line with the charity's purposes, strategic aims and resources'

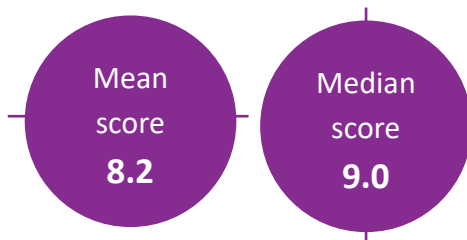


Lowest score

'We have a sound decision-making and monitoring framework which helps the organisation deliver its charitable purposes'



Scores across all ten questions



Consensus



What does the data show?

Decision-making, Risk and Control, was a relatively strong governance area for app users, with the average overall score (*Figure 8*) amongst all app users being 8.2.

High and low scores

When app users reflected on various aspects of decision making, risk taking and control, the statement *'Our operational plans and budgets are in line with the charity's purposes, strategic aims, and resources'* (8.8) received the highest average score. App users felt this was a strong governance area, where their boards performed well.

On the other hand, the statement, *'We have a sound decision-making and monitoring framework which helps the organisation deliver its charitable purposes'* (7.8) received the lowest average score. Generally, this was perceived to be a governance area where improvements could be made.

How scores differed between users

Overall, there was a medium degree of consensus between app user scores when answering questions about decision making, risk taking and control.

When DSC explored the variance scores for each question, the most divisive statement was *'We regularly review the charity's specific significant risks and make plans to mitigate and manage them appropriately.'* Conversely, the statement; *'Our operational plans and budgets are in line with the charity's purposes, strategic aims and resources'* had the most consensus between app user scores.

What does DSC say?

This area attracted encouragingly high scores across all users. There are likely to be a number of reasons for this. Firstly, many boards take risk seriously and review risk registers on a quarterly basis. Whilst this is not necessarily the most effective way of evaluating and responding to risk, it does nonetheless indicate that boards understand that it matters.

Additionally, many charities have either fully audited accounts or independently examined ones and part of this role involves risks being identified and pointed out to boards. Further, boards are also required to report on their risk management in their Trustees' Annual Report and Accounts. Therefore, regulatory structures are in place to ensure that this is an area that boards look at regularly, which partly goes to explain the high scores and reasonable levels of consensus.

Further, most quarterly board reports identify challenges/risks that the charity sees coming up in the future, identify performance against budget, and investigate where the variances are and

why that might be. Many also have sub-committees which look at risk areas in more detail – so it is unsurprising that there is a high level of confidence here.

Having said that, the biggest variance in scores related to the statement about reviewing significant risks and making plans to mitigate and manage them appropriately.

This may relate to the fact that some boards rely heavily on RAG (Red, Amber Green) risk registers rather than actively discussing real and present risks such as a downturn in forecasted income or a rapid increase in costs due to external pressures.

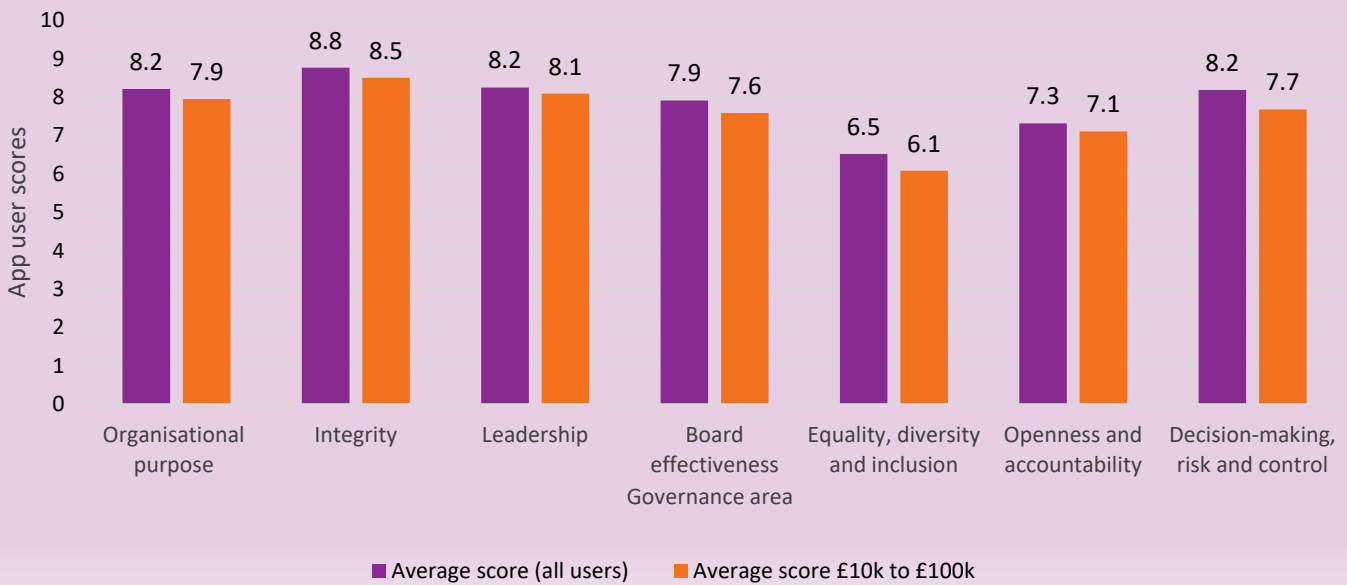
And some boards only review the risk register on an annual basis. The Charity Finance Group has some [excellent advice and guidance](#) on risk management mechanisms that are not performative but help in real time which boards would be well advised to look at.

Differences in scores based on charities' financial size

The app's users were asked to indicate their organisation's financial size, by selecting one of the following income brackets: **£10,000 to £100,000** (102 app users), **£100,000 to £1 million** (456 app users), **£1million to £10 million** (464 app users), **£10 million to £100 million** (102 app users), **More than £100 million** (39 app users).

DSC explored how charities' financial size affected average scores across the seven governance areas. *Figure 9* shows the average governance area scores for all app users (baseline) versus the average scores for organisations in the smallest income group (£10,000 to £100,000).

Figure 9: Income and Average Scores



What does the data show?

Users in the lowest income bracket, between £10,000 to £100,000 (102 app users) reported lower average scores across all governance areas, compared to the average charity. This is the only income bracket in which all scores in each governance area were lower than the ‘baseline’ average of all users.

By contrast, scores from users from organisations in the second lowest income bracket of **£100,000 to £1 million** (456 app users) matched the baseline almost exactly, with the exception of ‘Organisational purpose’ which was marginally higher (8.2 baseline vs. 8.3).

The analysis suggests a link between organisational income and appusers’ confidence that their organisation is meeting high governance standards. Lower income organisations reported lower average scores across all seven governance areas.

What does DSC say?

The findings make sense as smaller organisations typically have fewer resources to help them to manage governance overall and time and effort is spent more on operational activities. Larger organisations often have staff who have governance as part of their role description and the

board can rely on them to identify areas of work. But most organisations in the sector are small and do not have access to that sort of support.

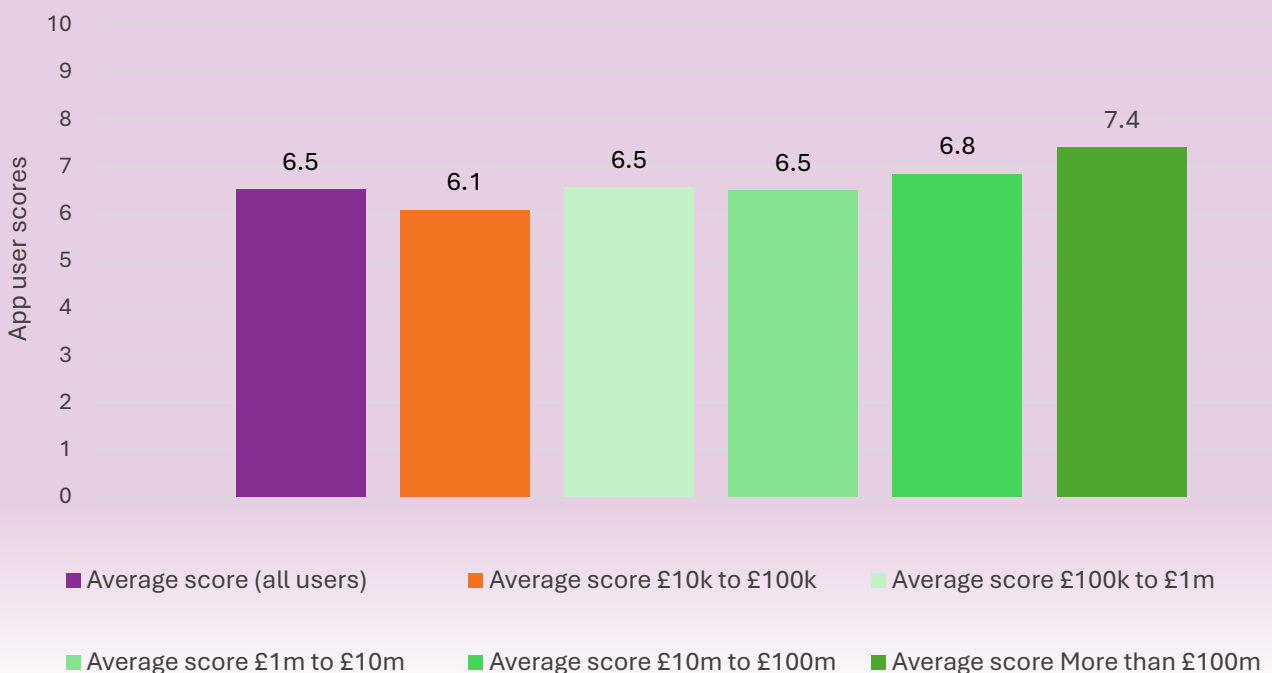
There is also a perception that governance is complicated and difficult but in fact it is often much more straightforward than trustees realise. All the relevant regulators covering the four nations publish excellent advice and guidance – some tailored specifically for small charities, which is easy to understand and navigate.

All organisations in the sector should make it common practice to refer in the first instance to advice from their regulatory body.

Differences in EDI scores based on charities' financial size

DSC's analysis examined how charities' financial size related to average scores across each of the seven governance areas. Two governance areas (EDI and Board Effectiveness) diverged from the reported scores in other governance areas. *Figure 10* shows the relationship between charities' financial size and average user scores for questions related to EDI

Figure 10: Average EDI Scores by Income Group



What does the data show?

DSC observed that the average EDI governance scores, ranged by income from low-to-high, generally increased with income size. On average, app users in financially larger charities (with income over £10 million), were more confident that their organisation had good governance practices in place to support EDI.

This trend was more acutely observed in relation to income in the area of Board Effectiveness (see *Figure 12*).

What does DSC say?

This result is unsurprising when you consider the likely make-up of charities as they increase in size and income. Once charities have paid staff, and as they increase in size and complexity, it is far more likely that they will have detailed and robust policies in procedures in place, and that they will have a dedicated personnel/HR lead (or even team) with the requisite expertise to provide support to their Board in relation to EDI.

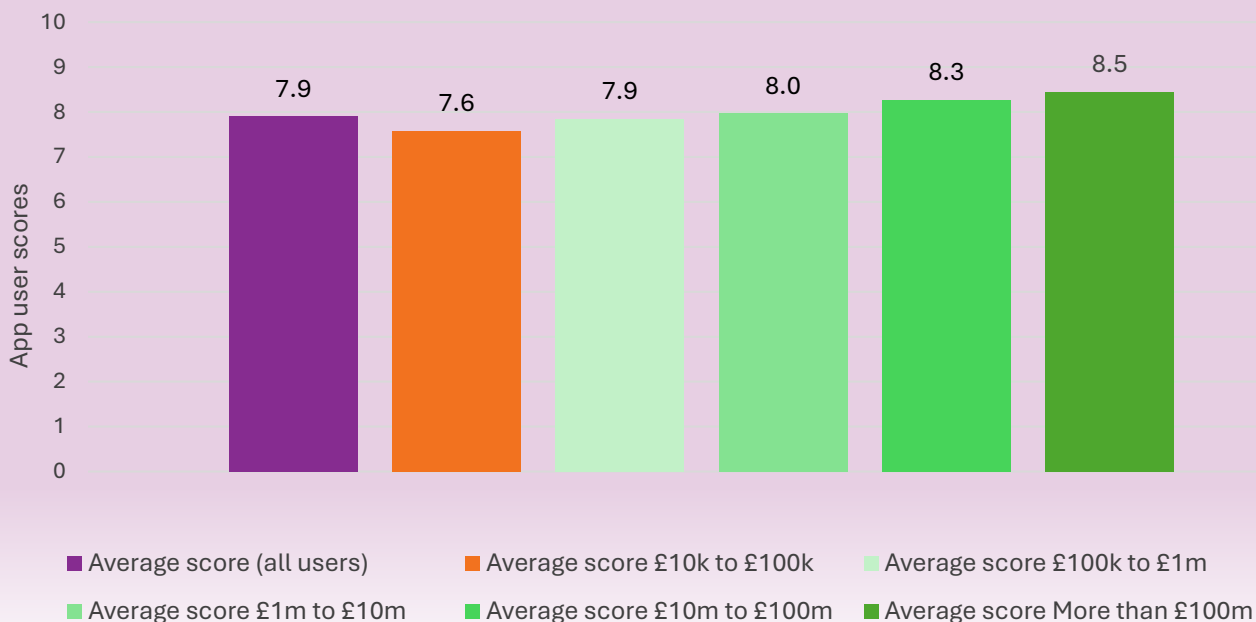
The focus on EDI from a governance and regulatory perspective is also quite recent, relative to regulations around purpose and effectiveness at least. In our experience, smaller and less well-resourced charities have struggled much more to find the time and expertise to support their Board's learning and development in relationship to EDI, while larger organisations have found it easier to commission reviews, bring in experts and consultants, and access learning and resources for their trustees that are harder for smaller charities to afford.

Regardless of these variations and the potential reasons, EDI is the lowest scoring governance area across the piece, and clearly needs much more support for organisations of all sizes.

Differences in Board Effectiveness scores based on charities' financial size

DSC's analysis examined how charities' financial size related to average scores across each of the seven governance areas. Two governance areas (EDI and Board Effectiveness) diverged from the reported scores in other governance areas. *Figure 12* shows the relationship between charities' financial size and average user scores for questions relating to board effectiveness.

Figure 12: Average Board Effectiveness Scores by Income Group



What does the data show?

Average Board Effectiveness scores raised incrementally with each income bracket. DSC observed that the board effectiveness scores stacked low-to-high corresponding to increasing income brackets, suggesting a relationship between income and score on this governance area. No other governance area scores showed this pattern so clearly.

DSC's app data suggests that on average, charities' financial size influences how successfully app users feel that they are meeting the highest standards around EDI and Board Effectiveness.

What does DSC say?

This finding again probably relates to resources. Larger charities with more staff and more senior executives are likely to perceive that they are getting better quality information to help them to govern well.

This, of course, could be just down to perception, as it is possible that lower income charities believe that they are doing less well than they are simply because of the lack of resources.

Variance of EDI scores across all income groups

Throughout the report, DSC's analysis has indicated where users scores varied, by providing a rating of consensus. Of all governance areas, EDI was rated as having 'very low' consensus between user scores.

Figure 13 explores a possible relationship between charities' financial size and the level of consensus for governance scores for EDI.

Figure 13: Score variance by Income Group for EDI Scores



What does the data show?

Figure 13 shows higher variance scores (indicating less consensus between app users) for the lowest income group (£10,000 to £100,000) for EDI, when compared to all other income groups. Additionally, lower variance scores (indicating higher consensus between app users) are seen for the highest income group (£100 million plus).

What does DSC say?

These findings suggest a possible relationship between income and variance in scores, which merits further research to ascertain whether lower organisational income (and therefore fewer resources) is related to more variance in governance scores.

Conclusions

What does the app data tell us?

This report looked at average user scores. It is worth highlighting that a high score is not necessarily 'good' and a low score 'bad' as all scores are self-reported and subjective. In fact, several users within the same organisation logged (sometimes drastically) different scores for the same questions.

The purpose of the app is to highlight differences of opinion and provoke conversation, to drive board improvement and development. Nevertheless, the average scores provide a unique insight from thousands of individual trustees and senior charity leaders on areas of governance in which users felt their organisations were doing well and those which they felt were more challenging.

Of course, average user scores alone only tell part of the story. So, DSC also looked at the most frequent scores, the range of scores and the spread of scores to gain deeper insights and explore whether app users agreed about which areas of governance were most challenging. It is our experience that where there is a lack of consensus in particular areas, this is often where the most productive conversations can happen for boards that are using the app and trying to improve their governance.

Integrity and Organisational Purpose were the highest scoring governance areas

Integrity was a standout area. Of all seven governance areas, Integrity received the highest average user scores, and there was also a very high consensus between users that their board were meeting high standards around integrity.

When asked about various aspects of integrity, app users were particularly confident about their board's ability to act with honesty, trustworthiness, and care, to act in the interests of their beneficiaries, and to follow the law and codes of best practice.

It is extremely encouraging to see such high scores across all ten questions relating to integrity. However, when reflecting on high scores, it is always important for boards to ask: 'how do we know this to be the case?' and investigate the logic behind users' scores. DSC believes that engaging in this deeper level of thinking shows excellence in governance, and failing to do so may result in unforeseen governance issues taking root.

Organisational Purpose, Leadership and Decision-making were high scoring governance areas. Purpose is the key driver of plans and priorities, and it is encouraging to see that most users feel organisational purpose is well understood.

When reflecting upon different aspects of organisational purpose, reviewing financial sustainability was one of the highest scoring areas, but knowing what to do if the charity became unviable was the lowest scoring area. This reveals a mismatch around the perceived effectiveness of financial planning.

EDI was the weakest scoring governance area

Based on average user scores, EDI was the weakest governance area, and interestingly it was also the most divisive topic, in that it had the highest variance and therefore the least consensus between user scores.

EDI is clearly a governance area where app users are less confident. Research undertaken by NCVO back in 2021 found that the majority of charities had plans in place to address EDI but that the impact of the pandemic and lack of resources served as barriers to doing so.

DSC's Governance App data suggests that EDI is still an area of concern and improvement for app users and boards is necessary. Although app users were likely to agree that the principles of EDI were embedded within their organisation, fewer agreed that their organisation took place in periodic learning, development, and reflection around EDI, which is a notable contradiction.

EDI is an area where not just boards, but many people lack confidence and understanding and, because it feels sensitive to tackle, many boards often avoid discussing performance in this area for fear of getting it wrong. This lack of understanding may contribute to the lack of user consensus around the topic.

Furthermore, our findings suggest that there may be a financial aspect of charities' ability to undertake effective EDI work, and that smaller charities with less income may find it more challenging to meet high governance standards around EDI.

Overall, it is notable that the answers to this statement broadly reflect our understanding of the state of play across the sector when it comes to EDI work which still has a long way to go.

Openness and Accountability was the second lowest scoring governance area

Overall, there was low consensus between app users when reflecting on this governance area.

When asked about different aspects of openness and accountability, **publishing staff salaries received particularly low scores and was also the most divisive topic** (with the lowest user consensus of all 70 questions asked).

This is an understandable area of contention. Staff pay is a sensitive issue for charities, and app users may reasonably disagree with the governance code's guidance on this, given it goes beyond what the legal requirements say.

Lower income charities score their governance lower, especially on EDI and Board Effectiveness

DSC analysed user scores based on charities' financial size, finding that **charities in the lowest income bracket, between £10,000 to £100,000 (102 app users) submitted the lowest average scores across all seven governance areas.**

The relationship between charities' income and average user scores was particularly notable for the governance areas of EDI and Board Effectiveness. In general, the more income a charity had, the higher its app users rated its current EDI and Board Effectiveness practices, which may indicate that financial resources affect perceived performance in those areas.

DSC also investigated whether the average app scores were affected by the charity's area of work, and by the gender of the app's users, but found no significant variances from the average.

Recommendations

There is no single or simple solution to improving governance across the sector. Individual trustees, and Boards collectively, need to properly understand their strengths and weaknesses to improve for the good of their organisations and beneficiaries, but they need support in doing so.

Regulators and infrastructure organisations have the ability to reach and provide support to large numbers of trustees and Boards much more efficiently than individual boards trying to improve on their own. They are also in a great place to add to the data and analysis presented in this report and enable specific support to be targeted exactly where it is needed.

And none of that can happen without the support of funders – whether that is as the informal regulators of charity governance through their application and assessment processes, or more specifically in supporting governance development through their grant-making.

The following recommendations draw on the findings of this report and provide possible next steps for a more co-ordinated and targeted response to the governance challenges facing charities than has been possible to date.

Recommendations to Boards

1. **Review your organisation's approach to EDI**, paying close attention to the recommendations of the Charity Governance Code. Identify where you could improve (from a governance and operational perspective), and put in place a robust, measurable plan to address any challenges.
2. **Complete a governance review at least every other year** and compare progress in each area across the reviews. Include other stakeholders in evaluating performance so that you get a wider range of views and get a better picture of how you are performing. Share the results of your governance review with staff and other stakeholders and report progress in your Trustees' Annual Report and Accounts.
3. **Do not allow resources to dictate whether you will or will not tackle a governance area** – there are many ways of improving your performance without spending large sums of money.
4. **Become a member of bodies that can help you to improve your governance** such as the Association of Chairs or other infrastructure bodies that provide support, guidance, and advice (a list of the major ones is available at the end of this report).
5. **Have a robust and regularly updated induction plan for new trustees.** Buddy-up new trustees with existing ones to ensure longer-serving trustees get routine refreshers on the core policies and procedures at the same time.

Recommendations to Regulators and Infrastructure bodies

1. **Provide more specific guidance and support** for boards and their Chairs on how to effectively improve their performance, especially in relation to the clearly reported challenges around Equality, Diversity, and Inclusion.
2. **Significantly improve the available data.** Actively build, analyse, and share the data being collected relating to the governance of charities will help to build an even better picture of where the challenges are, especially within certain types of charity, or sub-groups of Boards and trustees.
3. **Actively promote use of the Governance App to registered charities.** At the time of writing the Governance App had over 4,300 users who have registered and carried out at least a partial review of their governance. This resource is free for all charities to use and can help those struggling to prioritise governance improvement. A growing pool of users should enable us in the future to discern more patterns and trends for different sub-sections of app users, and to progress the development of differentiated support.

4. **Encourage and support charities to report on their governance performance** in a detailed and meaningful way in their annual reports. There is a particular role here for auditors who are in a good position to encourage higher quality reporting as part of the audit process.

Recommendations to Funders

1. **Think about how you can support ongoing improvement** in the governance of the charities that you fund, especially if you support smaller charities, which from the Governance App results are finding more challenges than larger ones.
2. **Support good governance with your funding**, for example, by setting aside part of grants for governance development or supporting governance through funder plus programmes. For funders with a clear and specific interest in either governance, system-change or Equality, Diversity, and Inclusion, consider setting funding programmes or priorities aimed at building a greater understanding of the challenges facing boards, and creating accessible solutions to addressing them, perhaps in collaboration with other funders.
3. **Fund infrastructure support for good charity governance.** Good charity governance is in everybody's interest, including for funders. Several grant-makers generously contributed to making the Governance App happen.
4. **Promote the use of the Governance App** to your grant holders – charities are likely to listen to and hopefully act upon supportive messages from their funders.
5. **Highlight good governance practice from your grant holders** when you see it and share it with others.

Commitments from DSC

The Governance App is a strategic development for DSC, and we are committed to continuing to run it for the benefit of all charities. Over the coming years, we plan to continue developing its functionality and usefulness to the sector. Here is what we are planning to explore in the future:

1. **Track and analyse the impact of organisations carrying out multiple reviews.** Knowing how app users rate their governance is interesting, but the purpose of the app is to drive improvement. As more boards revisit their initial reviews, a picture of how and where improvements are being made will develop, enabling us to question which interventions have been successful and identify where sharing approaches could benefit others.
2. **Connect the ongoing data and new research into strategic and sector-wide governance conversations.** Some of this will happen off the back of this report, but there are a range

of organisations, bodies and experts that could be more effective in their goals to support governance if the evidence base were stronger. We will continue to be open and seek to collaborate on how the data we are gathering might be used to drive improvements in governance across the sector.

3. **Work to better understand the relationship between lower income and lower governance scores.** The report illustrates a trend for lower governance scores for organisations with lower income and higher governance scores for organisations with higher income. DSC recommends additional research to explore this effect. In particular, to understand if financial resources affect governance scores, how to mitigate this effect for organisations with lower income.
4. **Continue to investigate board performance with Equality, Diversity, and Inclusion,** and to promote the sharing of knowledge and good practice on EDI for charities of all sizes.
5. **Continue to develop our work in this space from a position of understanding** that:
 - a. The more that trustees and Boards know about their own governance performance, the easier it is for them to improve and continue to learn.
 - b. The better regulators and infrastructure bodies understand the specific challenges facing trustees and Boards, the easier it will be for them to provide targeted and effective guidance and support.
 - c. The better trustees and Boards perform in their roles, the bigger and more positive the impact they and the charities they lead will be able to make.

About DSC

DSC is a charity with a vision of an independent voluntary sector at the heart of social change. We believe that the activities of independent charities, voluntary organisations and community groups are fundamental to achieve social change. We exist to support these organisations in achieving their goals through research, training and policy and campaigns work, and reach over 50,000 charities every year with our products, services, information, and advice.

DSC has a strong track record of providing boards with excellent support, products, and services to help them review and strengthen their governance. Alongside the Governance App we also support Boards and app users with a range of publications, training courses and events, all of which can be viewed here: [Directory of Social Change - Governance \(dsc.org.uk\)](https://dsc.org.uk)

About the Governance App

DSC's [Governance App](#) is a simple online tool that enables charity Boards of app users to assess their governance against the seven areas of the Charity Governance Code: Organisational Purpose, Leadership, Integrity, Decision-making, Risk and Control, Board Effectiveness, Equality, Diversity and Inclusion and Openness and Accountability.

[Click here to find out more about the Charity Governance Code](#)

The Governance App is designed to be relevant, useful, and simple to use for any charity operating in England and Wales, although is still highly useful for other non-profits with a comparable governance structure.

It is completely free for anyone to access thanks to funding from Clothworkers Company, Lloyds Bank Foundation, Tudor Trust, and the National Lottery Community Fund.

To date, there have been over 4,000 users of DSC's The Governance App. This report draws on self-reported data from 1,126 users who completed a full governance review between August 2021 and May 2024.

To carry out a review, all app users from an organisation score themselves out of ten on 70 questions or statements, and their responses are collated and presented back to them for discussion.

The purpose of the App is three-fold. Firstly, it helps boards to have specific and meaningful conversations about their governance. Their scores help to identify where they feel their strengths and weaknesses are, as well as where there might be differences in opinion, and enable app users to focus their limited time and resources on the most important areas.

Secondly, it gives them a benchmark at a point in time so that they can decide on relevant actions and improvements, implement them, and then review their impact at a later date by conducting another review.

Thirdly, and most importantly for this report, it helps to build a never-before-possible picture of where the specific challenges lie for the boards and app users of different types and sizes of charity.

More help from DSC

DSC has a range of books, training, and events to support your governance and your Trustees. To find out more, visit www.dsc.org.uk/category/governance/

Looking to carry out in-depth governance reviews or other evaluations? Do more with your data, elevate your evaluations, and ramp-up your research with expert help from DSC! For all your analysis and evidence gathering needs, look no further than DSC's award-winning research team. To find out more, visit www.dsc.org.uk/Research

Other governance support

The following organisations are all either directly or indirectly involved in supporting trustees, Boards, or charity governance in general:

- [Charity Governance Code](#)
- [Charity Commission for England and Wales](#)
- [Lloyds Bank Foundation](#)
- [The Clothworkers' Foundation](#)
- [The Tudor Trust](#)
- [Association of Chairs](#)
- [The Business School \(formerly CASS\)](#)
- [The Institute of Chartered Accountants in England and Wales](#)
- [The Foundation for Social Improvement](#)
- [The Chartered Governance Institute UK and Ireland](#)
- [NCVO](#)
- [Young Trustees Movement](#)
- [Cultural Governance Alliance](#)
- [Reach Volunteering](#)
- [Chartered Institute of Fundraising](#)
- [Trustees Unlimited](#)

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