

# Codes of practice for the voluntary sector

The report of the Commission on the Future of the Voluntary Sector, published in 1996, challenged voluntary bodies to be clear and explicit about the key issues and relationships that govern their work. A JRF Group, with members drawn from the Commission's performance and governance Sub-Group, has responded with a report which provides guidance to voluntary organisations drawing up codes of practice.

Openness and clarity are the key themes for any Code of Practice: they are the qualities that underpin accountability and effectiveness.

It is unlikely that a single code of practice can do justice to the different needs and situations that reflect the diversity of the sector. Individual voluntary organisations will wish to take matters forward in conjunction with the intermediaries or umbrella organisations that support them. For illustrative purposes, a first suggested Code of Practice is set out below, intended for voluntary bodies that deliver services with the benefit of public funding.

As a voluntary organisation which seeks to be effective and accountable, we will be clear and open about our work and conscious of our social responsibilities. In particular:

## **Effectiveness**

- 1 We will state our purpose clearly and keep it relevant to current conditions.
- 2 We will be explicit about the needs that we intend to meet and how this will be achieved.
- 3 We will manage and target resources effectively and do what we say we will do.

## **Accountability**

- 4 We will evaluate the effectiveness of our work, tackle poor performance and respond to complaints fairly and promptly.
- 5 We will agree and set out for all those to whom we are accountable how we will fulfil these responsibilities.

## **Standards**

- 6 We will be clear about the standards to which we will work.

## **User involvement**

- 7 We will be open about our arrangements for involving users.

## **Governance**

- 8 We will have a systematic and open process for making appointments to our governing body.
- 9 We will set out the role and responsibilities of members of our governing body.

## **Voluntary action**

- 10 We will have clear arrangements for involving, training, supporting and managing volunteers.

## **Equality and fairness**

- 11 We will ensure that our policies and practices do not discriminate unfairly or lead to other forms of unfair treatment.

## **Staff management**

- 12 We will recruit staff openly, remunerate them fairly and be a good employer.

Different voluntary organisations will implement a code of this kind in ways that reflect their size and resources and the particular characteristics of their area of work. They will also take into account the relevant statutory requirements and professional practice guidelines.

## Good practice checklist for voluntary organisations

This checklist is intended to introduce the subject of a code of practice and provide a framework for debate among staff and board or committee members about the main subjects of the report.

Codes of conduct or practice are a means to an end and do not solve problems on their own. But the process of devising a code and its institution says clearly to everyone inside and outside the organisation that the subject is taken seriously.

It is essential that a code is owned by the entire organisation and for this purpose it is important for stakeholders, including staff and volunteers, to have an opportunity to contribute to the process of devising the code in the first instance and reviewing it once it has been formally adopted. By this means the code will be both dynamic and integrated into the organisation and never become a document that just gathers dust.

The checklist is not intended merely to be ticked off. There is no 'pass mark'. Other questions will come to mind during the process and some will be more or less relevant to particular types of voluntary organisations. The Nolan Committee's concept of proportionality should also be borne in mind. This allows for a more simple approach to be taken by a small or very local organisation than by a large, complex, multi-site body. Nonetheless, it is believed that every voluntary organisation - whatever its size, nature or purpose - will benefit from the process of considering every question on the checklist.

### Effectiveness

- Does your organisation publish a clear statement of its values and objectives?
- How is this distributed and to whom?
- Is this reinterpreted as circumstances change?
- Do all activities remain consistent with these values and objectives?
- Is the statement of objectives developed into a plan that shows what your organisation intends to achieve over a specified period and how it intends to achieve it? (This may be a simple annual work plan in a small organisation or a fully fledged operational plan in a larger one.)
- Is your organisation explicit about the needs that it intends to meet?
- If you are funded to provide key services, do you have mechanisms to ensure that you are targeting those who most need them in a way that is consistent with your resources?
- Does your organisation have effective mechanisms for consulting users on what they think of current services and about future services?
- Do you listen and respond accordingly?
- Does your organisation have a clear framework of internal regulations? (In small organisations, it may be sufficient if this clarifies who is entitled to incur expenditure and sign cheques.)
- Does your organisation have standing orders, financial regulations, policies and procedures covering all main areas of work to ensure that

resources are raised and spent effectively and that activities are carried out so as to meet objectives?

- Does your organisation take particular care with tendering and expenditure authorisation?
- Does your organisation monitor and evaluate its performance and achievements on a regular basis so as to learn from successes and mistakes and become more effective? (For a small organisation this might take place through an annual review. For a larger one there are likely to be a range of mechanisms from performance monitoring to user surveys.)
- Does your organisation tackle poor performance whenever it arises?
- Does your organisation take advantage of the training and support that it can receive from intermediary bodies and other mutual support networks?

### Accountability

- Does your organisation publish a clear statement that describes the range of organisations and individuals to whom it is accountable and how it seeks to fulfil these responsibilities?
- How is this distributed and to whom?
- If you are a service-providing organisation, or in receipt of public funding, do you maintain constructive relationships with statutory enablers (often local authorities or Training and Enterprise Councils)?
- Does your organisation assess and take account of the impact of your work on local communities?
- Does your organisation publish systematic arrangements for involving users? (This is particularly important for those providing services to vulnerable people or those who have little effective choice about where they can obtain the services they need.)
- Is your organisation open about its work and does it publish information for its stakeholders and the public?
- How is this distributed and to whom?
- Does your organisation have a code of conduct for trustee board/committee members and staff which includes such issues as conflicts of interest?

### Standards

- Is your organisation explicit about the standards to which it is working?
- Does your organisation consult users about the standards of service that they need and then plan services accordingly?
- Do you develop standards in a way which encourages ownership and commitment?
- Does your organisation seek regular feedback from users about its performance?
- Does your organisation have a systematic approach to quality?

## User involvement

- Does your organisation publish a clear statement of its values, policies and arrangements for involving users in the way that the organisation affects their lives?
- Does your board/committee have an effective mechanism for ensuring that it understands the impact of its decisions on users? (For caring service organisations, direct user representation is likely to be best.)
- Does your organisation publish the standards of service that it intends to provide so that users and other stakeholders can judge whether they are being met?
- How is this distributed and to whom?
- Does your organisation monitor service provision in order to ensure that users are being treated consistently and that no group is experiencing unfair exclusion?
- Does your organisation encourage and work with user-led organisations to plan and improve services?
- Does your organisation have a clear complaints procedure that is available to all your users and that sets out the way in which complaints can be raised, investigated and resolved?
- Does your complaints procedure ensure, as far as possible, that the complaints are not dealt with by those against whom they are being made?
- Does the procedure contain an independent, external element for complaints which cannot be resolved by the internal process?

## Governance

- Does your organisation publish a clear statement of how the board is elected/appointed?
- How is this distributed and to whom?
- Does your organisation have a written statement of the key responsibilities of the board which includes:
  - sharing responsibility for the organisation's objectives and setting plans to achieve them,
  - approving the budget and accounts and ensuring the organisation remains solvent,
  - establishing the framework of delegation to staff (if any),
  - monitoring the organisation's performance,
  - taking key decisions,
  - ensuring, with staff advice where appropriate, that the organisation's affairs are conducted lawfully and in accordance with accepted standards of best practice and probity?
- Do representatives of other groups or organisations on your board accept that their first responsibility is to the board and that they share responsibility for all its decisions?
- Does your organisation set out a clear statement of the personal role of each board member, with acceptance confirmed in writing, that includes:
  - supporting the values and objectives of the organisation,
  - contributing to board decisions, drawing on

- personal skills and experience and sharing responsibility for all decisions reached,
  - working constructively with colleagues, staff and other volunteers,
  - attending board meetings having read the papers prepared for them,
  - respecting the confidentiality of information,
  - following the organisation's code of conduct and declaring any interests,
  - procedures for registering interests and handling conflicts of interests?
- Does your board organise its business on a systematic basis including:
    - a regular cycle of meetings at times chosen to secure maximum attendance,
    - a clear agenda and relevant papers circulated well in advance,
    - separating items for decision from items for information,
    - recording decisions clearly in the minutes,
    - having clear arrangements for urgent decisions that involve appropriate consultation with available board members?
  - Does your organisation have a clear statement of the role of the chair that includes:
    - ensuring the efficient conduct of board meetings and general meetings,
    - ensuring that board members have the opportunity to express their views before important decisions are taken,
    - establishing a constructive relationship with and supporting the senior staff member,
    - ensuring that the framework of delegation is working effectively and bringing problems to the board's attention,
    - ensuring that the board receives the advice it needs, including professional advice when appropriate.
    - representing the organisation when appropriate,
    - in conjunction with other board members: appraising the senior staff member or team, determining senior staff pay, reviewing the composition of the board, ensuring that the senior staff member is replaced in a timely and orderly way?
  - Does your board carry out a periodic review of its effectiveness and assess the strengths and weaknesses of its current composition?
  - Is your board systematic in the way it recruits board members and achieves steady renewal, including:
    - assessing the range of skills, experience and other characteristics that their board requires and seeking board members that meet this profile,
    - identifying board members who may have no connection with existing board members,
    - giving new members effective induction into their responsibilities,
    - providing continuing training and support?
  - Does your organisation maintain a code of conduct for staff and committee members that ensures high standards of probity and makes it clear how any conflicts of interest are to be handled?

- Do committees of the board have clear terms of reference and clear accountability to the board?
- If your organisation has members, is there a clear statement of the membership policy and of the link between the membership and the board?

### Voluntary action

- Does your organisation value both the specific and wider community benefits that voluntary action can bring?
- Does your organisation give volunteers a clear statement of the task(s)/role that it wants them to carry out? Are the expectations and obligations in both directions explicit as well as the basis for claiming expenses?
- If your organisation relies on volunteers to provide key services to others, does it ensure that there is an adequate assessment and management framework to ensure that users get the service that they require while avoiding unnecessary bureaucracy?

### Equality and fairness

- Does your organisation develop, maintain and publish its policies for ensuring equal opportunities and fair treatment?
- Does your organisation monitor its services so that it can identify and resolve any gender, race or other unfair discrimination?
- Does your organisation monitor its employment practices so that it can identify and resolve gender, race or other unfair discrimination? Are employment practices regularly reviewed and kept up to date?
- Does your organisation consult with relevant minority groups so as to ensure that its services are appropriate and that access to them is open?
- Does your organisation endeavour to reflect the composition of the communities that it seeks to serve in the staff it employs and its board?

### Staff management

- Does your organisation comply with employment legislation, provide safe places of work and review its employment arrangements periodically to make sure that they comply with good practice?
- Does your organisation provide all staff with clear job descriptions, and appropriate induction, training, management, support and appraisal for them to carry out their roles?

- Does your organisation recruit staff openly, fairly and systematically? Is there a clear salary structure designed to attract and retain competent staff within the resources available to the organisation?
- Does your organisation periodically review its staff structure to ensure that it is still relevant to its circumstances and objectives?
- Does your board periodically review the effectiveness of its working relationship with staff? (External advice can help to resolve areas of difficulty.)

### Further information

Towards Voluntary Sector Codes of Practice is written by Julian Ashby, Managing Director of HACAS and associate of the LSE Centre for Voluntary Organisation. John Plummer of Audax Public Policy Partners acted as an adviser and co-editor during the final stages of the exercise.

The report includes a foreword from Lord Nolan, Chairman, Committee on Standards in Public Life. It considers good practice under eight headings: effectiveness; accountability; standards; user involvement; governance; voluntary action; equality and fairness; staff management. A chapter covers each and is followed by the Good Practice Checklist reproduced here, with similar checklists for intermediary bodies and for funders. The report includes details of other sources of good practice guidance and 'the seven principles of public life' from the Second Report of the Nolan Committee.

The JRF Advisory Group members were:

Mike Aaronson, Director General, Save the Children; Lynne Berry (Chair), Executive Director, Charity Commission; Richard Best, Director, Joseph Rowntree Foundation; Rodney Buse, Chair, Action Aid; Sheila Button, Chief Executive, Homes; Jane Campbell, former Chair, British Council of Organisations of Disabled People; Jane Kershaw, Secretary, The Commission on the Future of the Voluntary Sector; Malcolm Levi, Chief Executive, Warden Housing Association; Roger Singleton, Senior Director, Barnardos; Jane Sterck, Director, Rushcliffe Council for Voluntary Service; and Lady Tumim, Chair, National Council for Voluntary Organisations.

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