



GOVERNANCE FACTSHEET – THE BASICS

Carrying out a governance review

- **Why it's important to carry out a governance review**
- **Different types of governance review**
- **What to think about before starting a review**

Use this page to learn about the different types of governance review and what you need to consider when carrying out a review.

A governance review is a process that allows a charity to assess compliance and governance arrangements and to identify and plan for improvement.

Why it's important to carry out a governance review

Reviewing your charity's governance helps to make sure you're:

- continuing to be compliant with the law and relevant regulations
- promoting a culture where the organisation functions in a way that works towards meeting the charity's purpose.

Adopting a recognised framework to review your charity's governance offers structure and helps make sure best practice is followed. The Charity Governance Code offers this.

At NCVO we have developed our [Governance Wheel tool](#) that allows boards to quickly identify how they are performing against the Charity Governance Code.

What to think about before starting a review

- **The framework:** It's important to adopt and agree on an appropriate standard against which to assess your governance. The Charity Governance Code offer a clear set of principles and practice. For most charities, this will be the most suitable framework. Depending on the context and legal form of the organisation, there may be Codes which you want to use either alongside or in place of the Charity Governance Code.
- **External involvement:** Using an external consultant for a governance review has several benefits. They're independent, experts and act as a facilitator. This means all internal views can be factored. Find out more about how [NCVO can support your governance review](#).
- **Who to include:** We recommend always gathering input from all trustees and senior managers. It's also worth considering if there's value in wider consultation with staff, funders, partners and the people the charity exists to serve.

- **Timing:** When to hold a governance review and how long it will take are important to think about. The findings of the review can be helpful in informing budgeting, strategy and recruitment decisions. It's also important that trustees have enough experience of the board to help input. The Charity Governance Code recommends that a board review the governance of their charity annually and that every three years larger charities involve an external expert in this review.
- **Skills and diversity audit:** It's common practice to run regular skills and diversity audits. This will help the board understand where gaps are. Undertaking these audits along with a governance review will help give a full picture of the board's areas for development. A skills or experience gap doesn't mean the board must recruit a new member. A board can decide to recruit, undertake training or simply make sure there's awareness of the gap so they can seek advice when that issue or topic arises.
- **Sharing your findings:** Sharing an overview of your findings and commitments helps make sure accountability for the changes you hope to make. It also reveals and reassures stakeholders that you're committed to good governance and aware of the areas for development. Clearly, findings from governance reviews can be sensitive information and so careful consideration should be given to how best to communicate the outcomes.
- **Commit to a future review:** Achieving good governance is a process of continuous improvement. Understanding of governance and good practice evolves over time. The Charity Governance Code encourages annual review of governance and external review every three years to allow you to track progress and adjust plans. Making an early commitment to continual review is a great way of demonstrating how serious you are about meaningful change. The Code encourages trustees to include a statement in their annual trustee report on how they have used the Code and the areas in which they have decided to focus on for governance development.

[Access NCVO's skills audit tool](#)