

Case Study – collective responsibility

A charity was based in a small local community, but with a trustee board that was made up of people who lived in various parts of the country and some abroad. As a result they did not meet regularly. Because of this, a sub-committee formed which was made up of those trustees who lived in the community. Communication broke down, and major decisions were taken by the sub-committee rather than the full Board.

What happened?

The charity had begun to embark on major projects which had an impact on its finances and purposes. With trustees living over a wide area, it was difficult to arrange regular board meetings. Those that were held were often lengthy, and it became difficult to make decisions timeously and effectively. As a result, the sub-committee had begun to make decisions without referring to the whole Board.

Some of the decisions that the sub-committee took were not legal, because the governing document expressly stated that a certain number of trustees were required to make these decisions (a quorate). It was also clear that not all of the trustees were being kept informed of all of the projects that the sub-committee was managing.

Outcome

The trustees realised that they were not acting collectively, and that this was putting the charity and its assets at risk. As a result, they set up a calendar of meeting dates for the year and amended the governing document so that meetings via teleconference, video conference and Skype were a recognised form of meeting. Regular updates were provided by each project manager, and each project was properly and officially delegated to a dedicated new sub-committee.

What can you do to protect your charity?

Charity trustees must act collectively in taking decisions, as all trustees are responsible for the charity's affairs. Where sub-committees are established, there should be clear terms of reference. You should ensure that you follow the terms of your governing document and review it regularly to make sure that it stays fit for purpose.

- You can consult our guidance for charity trustees, and make sure that your trustees have read it and comply with it.
- Where you identify a need for new or reviewed procedures, you can seek the support of your local Third Sector Interface.

Guidance and support

- You can read our guidance for charity trustees at www.oscr.org.uk.
- You can find help and support from [your local Third Sector Interface](#).