



An Rialálaí
Carthanas
Charities
Regulator

Board appraisal for Complex Charities

Legal Disclaimer

This document is issued by the Charities Regulator under section 14(1)(i) of the Charities Act 2009, to encourage and facilitate the better administration and management of charitable organisations. It is published as part of a suite of guidance, intended to provide support to charity trustees to meet their legal duties, by putting in place systems, processes and policies which ensure charities are managed in an effective, efficient, accountable and transparent way.

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Introduction

Good governance is essential to a charity’s success. It involves putting in place systems and processes to ensure that a charity achieves its charitable objectives with integrity and is managed in an effective, efficient, accountable and transparent way.

One of the most effective ways for charities to enhance governance and achieve their maximum potential is by the improvement and development of their board of charity trustees.

This is recognised in the [Charities Governance Code](#), which recommends the following:

Non Complex Charities	
Core Standard 5.9	“From time to time, review how your board operates and make the necessary improvements.”
Complex Charities	
Additional Standard 5.13	“Conduct a regular review that includes an assessment of: <ul style="list-style-type: none"> • The effectiveness of your board as a whole, office holders and individual charity trustees; • Adherence to the board code of conduct; and • The structure, size, membership and terms of reference of any sub-committees.”
Additional Standard 5.14	“Do regular skills audits and provide appropriate training and development to charity trustees. If necessary, recruit to fill any competency gaps on the board of your charity.”

The purpose of this document is to provide guidance on how to implement a board evaluation / learning culture in relation to the following five areas:

- Board appraisal;
- Performance reviews of individual trustees;
- Evaluation of the Chairperson;
- Skills audit; and
- A development plan.

Board appraisal

On a practical level, an effective board appraisal consists of a regular assessment, ideally once a year, of how well the board of charity trustees is performing in relation to its legal duties and responsibilities, and in contributing to the success of the charity.

Board appraisal is about continuous governance improvement, as opposed to critiquing individuals, and should result in actions that improve the ability of charity trustees to contribute to the work of the board as a whole.

The key benefits of a board appraisal are that it:

- Helps to identify a board's collective strengths and acts as a mechanism to address any areas that require attention such as a need for further information, briefing, training or board recruitment;
- Helps charity trustees to develop a shared understanding as to how to achieve proper governance and to increase collective confidence that governance duties are being fulfilled and that any issues can be addressed with a collectively agreed development plan;
- Holds charity trustees to account for their performance;
- Helps create and maintain a culture of learning and accountability in the organisation by leading by example;
- Helps to acknowledge what is working well and identify actions for improvement;
- Helps the board members develop a shared understanding of good governance performance; and
- Helps the board and thus the organisation to be more effective.

How and when to conduct a board appraisal

The process is usually initiated by the Chairperson of the board, supplemented by discussion at a board meeting. It can be a self-assessment exercise or conducted by someone from outside of the organisation – there are professional service firms who specialise in providing guidance on board appraisals, or assisting in carrying out board appraisals. It is recommended that boards conduct internally facilitated reviews each year, with complex charities having the evaluation externally facilitated every three years.

Some charities conduct a full review every three years with a focus on particular aspects annually, such as succession planning, recruitment practices, sub-committee effectiveness, meeting practices including meeting papers, minutes and agendas, the relationship between the board and the executive team/CEO, board behaviours.

A simple approach to board assessment is to circulate a questionnaire for charity trustees to complete. It is important to provide board members with a means of completing the questionnaire on an anonymous basis so that the trustees can be open and transparent in their responses. An area for free text/comments should be part of the appraisal (see Appendix 1 for some of the key questions that typically appear on a board appraisal assessment).

The results can then be collated and presented to the board to discuss. Where a charity undertakes the process of board appraisal, it is vital that the outcome of the appraisal is acted upon and used to plan for the charity's future development (See section on Development Plan below). Regular reviews of board appraisals are strongly recommended as part of a board's strategic planning and development

It's recommended that no longer than 10 working days are provided to board members to respond to the questionnaire and that a reminder is sent at least once within that time-frame.

Performance reviews of individual charity trustees

This component focuses on the performance and contribution of individual charity trustees where they assess their own performance as members of the board and discuss this with the Chairperson. Individual performance reviews should encourage charity trustees to have an open discussion about areas where they feel less confident, perhaps about finance or another specialist area, and areas where they feel they have the skills and experience to contribute more, for example on IT matters. It also helps charity trustees to reflect on the contribution they have made to the board and their impact on the standards of governance in place in the charity.

Key benefits of individual charity trustee performance reviews are:

- To allow the board to get to know the charity trustees beyond the confines of board meetings;
- To identify skills, knowledge and experience on the board of which the board was previously unaware;
- To seek feedback on the performance of the Chairperson.

In addition, it can help with the board's succession planning by enabling a discussion about how trustees envisage their future on the board progressing i.e. whether they are interested in being considered for the role of chairperson, secretary or treasurer and how long they see themselves continuing on the board, including whether they might continue after the end of their agreed term or not.

In most cases, the individual reviews will be undertaken by the Chairperson on a one to one basis. However, the Chairperson may delegate the task to another trustee or the board's governance sub-committee (if there is one).

To get started, the Chairperson should fix a time to meet with each trustee. Let them know the purpose of the conversation in advance to

give them an opportunity to think about issues they might like to discuss. It may be helpful to approach the conversation with a more focused set of questions (See Appendix 4 for questions for the Chairperson and trustee to consider before and at the review meeting).

It is most effective if the Chairperson collates key aspects of the results of the reviews (without identifying individual trustees) which are then fed into the overall development plan.

Evaluation of the Chairperson

The performance of the Chairperson is usually linked to both the functioning of the board as a whole as well as the performance of each individual charity trustee and, therefore, it is an essential part of the board's appraisal.

All of the charity trustees on the board should contribute to the evaluation of the performance of the Chairperson.

Chairing board meetings is a core part of the role of the Chairperson. It is recommended that the Chairperson takes time at the end of each meeting to reflect on how the meeting went and what was achieved (See Appendix 5 for the Board Meeting Evaluation Sheet which may be filled out at every board meeting and submitted to the Secretary of the Board).

The Chairperson can also take the opportunity to seek informal feedback on their own performance during the individual trustee review process.

External agencies may also be involved in evaluating the performance of the chairperson. The broad parameters for reviewing the performance of the chairperson of the board include:

- Managing relationships with the charity trustees on the board and senior management/CEO;
- Demonstration of leadership qualities;
- Communication within the board;

- Fostering a culture that ensures that trustees can raise any issues or concerns that they may have;
- Promoting constructive debate and effective decision making by the board;
- Ensuring all charity trustees are given an opportunity to contribute;
- Promoting stakeholder confidence in the board; and
- Personal attributes, such as integrity, honesty, and knowledge.

Skills audit

The board works as an effective team, using the appropriate balance of skills, knowledge and experience to make informed decisions.

Building a picture of the skills of the board is an invaluable exercise as it gives the board the information it needs to assess how it may be affected by any skills gaps that arise as charity trustees retire, or any new challenges the organisation faces. Having an established Skills Register will also assist with succession planning. It also helps charities to assess what training and development board members may need now or in the future.

In order to carry out a skills audit, the following three steps may be taken:

Step 1 - Identify the skills, knowledge and experience the board needs to achieve the charity's objectives. These will vary depending on the size and complexity of the organisation and the charitable purpose and objectives of the charity (see Appendix 2 "Sample board member skills matrix"). Having clear role descriptions can be a helpful starting point.

Step 2 – Identify skills, knowledge and experience of individual board members (see Appendix 3 "Sample trustee skills audit").

Step 3 – Assess what skills, knowledge and experience identified in the skill matrix are

present within the current board and where the gaps exist.

No individual charity trustee is going to have all the skills listed in the skills matrix. The purpose of this exercise is to have a clear picture of the board's existing skills, knowledge and experience and to identify what is missing at a specific point in time. It also helps to identify those areas where a charity trustee may be willing to acquire new skills. A willingness to learn new skills, or use and enhance existing ones are equally valid when building an effective and diverse board, and benefits the charity trustee in their personal and professional development.

Development plan

Once the board appraisal is completed all responses will need to be collated and presented at the next board meeting for discussion. The Board members should receive the report a number of days in advance of the scheduled meeting, so they have time to consider its findings. Adequate time needs to be dedicated to this discussion. By the end of this meeting, the Board should have come to an agreement on the elements that can be included in a development plan.

The outcomes of board appraisal processes could range from relatively minor amendments to board processes, changes in board composition and alterations in board sub-committee structures to significant steps towards rectifying any factors identified in the appraisal process, which are seen to be preventing the Board from carrying out some or all aspects of its role effectively. It also provides an opportunity for trustees to raise issues which may be viewed as sensitive e.g. board succession where a trustee has been in situ for more than 9 years. It may also identify individual areas of training needed for charity trustees individually, and for the board collectively. It can also be a useful tool in determining the skills the charity should be focusing on in any future searches for new charity trustees.

When considering the development plan the charity should think of different ways in which charity trustees can be supported to achieve competence in areas where they may lack experience. The charity can fill gaps in skills, knowledge and experience by:

- Building on the skills of existing charity trustees;
- Training and upskilling existing charity trustees;
- Working or sharing expertise with other charities; and
- Recruiting new charity trustees to meet specific skills gaps.

Conclusion

Board appraisal is an opportunity for the Board of trustees of a charity to reflect on how they are performing by identifying the areas where they doing well and the areas that require improvement. The process can bring to light small issues that need to be addressed e.g. earlier circulation of board papers prior to meetings to allow them to be reviewed by trustees, or more fundamental issues such as the future direction of the charity. The key feature is that the Board of trustees should approach the board appraisal process as an opportunity for improvement, so that the charity is in the best position to advance its charitable purpose and deliver public benefit.

Appendix 1 - Some of the key questions that typically appear on a board appraisal are included in the table below.

Advancing Charitable Purpose		Comments
Does the board understand and comply with the Charity's governing document?	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
Are all charity trustees aware of your charity's purposes and public benefit and how your charity works to achieve these?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	
Do all charity trustees understand and meet their obligations to act in accordance with the best interests of the charity and its beneficiaries at all times?	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
Has the board approved an annual plan and/or budget and formally undertaken an annual evaluation of actual performance by reference to the plan and/or budget?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	

Behaving with integrity		Comments
<p>Are you satisfied that updated Codes of Conduct are approved by the Board and circulated to all Board members, management and employees?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	
<p>Are you satisfied that the procedures relating to the disclosure of Board members interests are complied with?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	
<p>Are you satisfied that the Board has adequate procedures in place to monitor and manage potential conflicts of interest and confidential information of management and Board members?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	
<p>Has the board agreed a set of values for your charity and do these underpin its decision-making and the activities of the charity?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	

Leading people		Comments
<p>Does the board make sure that there are proper arrangements in place for the recruitment, support and supervision of staff and/ or volunteers to enable them to work effectively?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Are the roles and responsibilities of the board clearly defined and communicated in role descriptions for all positions within the board?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Are you assured that the charity has all the necessary tools in place to effectively manage staff and/ or volunteers (policies, procedures, job and role descriptions, HR records, etc), where applicable?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	

Exercising control		Comments
<p>Do the charity trustees provide sound financial oversight and ensure that resources are properly managed?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Does the board review the controls and procedures adopted by the charity to provide itself with reasonable assurance that such controls and procedures are adequate to secure compliance with statutory and governance obligations?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Does the board regularly identify and review the risks the charity faces and do you take action to manage these?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Does the charity operate in accordance with legal and regulatory requirements?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Does the charity seek expert and professional advice when needed?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Do the charity trustees understand their legal duties and the roles and responsibilities, both individually and collectively?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	

Working effectively		Comments
<p>Do all charity trustees take collective responsibility for decisions?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Are decisions clearly and formally recorded in a timely way which allows for actions to be followed up?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Do all charity trustees contribute at Board meetings and in-between?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Does the board of charity trustees meet often enough to be effective?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<p>Are meetings structured and productive, and are charity trustees well prepared having read the agenda, minutes of previous meetings, and reports that will form the basis for discussion?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	
<p>Are you satisfied with the quality of the board papers and minutes (e.g. not overly lengthy, clearly explain the key issues and priorities, consistent, timely)?</p>	<input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know	

<p>Is adequate time allowed and sufficient energy given to discussion and decision making at meetings?</p>	<p> <input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know </p>	
<p>Are there trustees on your board with the skills and experience your charity needs?</p>	<p> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know </p>	
<p>Does the charity provide charity trustees with opportunities for training and development?</p>	<p> <input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know </p>	
<p>Do you take into account skills gaps when recruiting and developing trustees?</p>	<p> <input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know </p>	
<p>Do all new trustees receive an induction which introduces them to their responsibilities and to the charity?</p>	<p> <input type="checkbox"/> Always <input type="checkbox"/> Most of the time <input type="checkbox"/> Sometimes <input type="checkbox"/> Never <input type="checkbox"/> Don't know </p>	
<p>Do you have maximum terms of office for trustees to ensure the board is refreshed?</p>	<p> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know </p>	
<p>Do you check how well your board is performing from time to time?</p>	<p> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know </p>	

Being accountable and transparent		Comments
<p>Does your charity communicate openly about itself and its work?</p>	<p><input type="checkbox"/> Always</p> <p><input type="checkbox"/> Most of the time</p> <p><input type="checkbox"/> Sometimes</p> <p><input type="checkbox"/> Never</p> <p><input type="checkbox"/> Don't know</p>	
<p>Do you know who the charity's stakeholders are for example, users or beneficiaries, volunteers, donors, etc?</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
<p>Do you communicate effectively with your stakeholders and are you responsive and accountable to them?</p>	<p><input type="checkbox"/> Always</p> <p><input type="checkbox"/> Most of the time</p> <p><input type="checkbox"/> Sometimes</p> <p><input type="checkbox"/> Never</p> <p><input type="checkbox"/> Don't know</p>	
<p>Do you have a complaints procedure and do you learn from your mistakes?</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Don't know</p>	
<p>How does the board communicate with, and listen and respond to, members, staff, volunteers, beneficiaries and other stakeholders?</p>	<p>Provide Details</p>	
<p>Does the charity meet all legal and contractual obligations to provide information to all of your funders and donors, both public and private?</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Don't know</p>	

Appendix 2 - Sample Board Member Skills Matrix

Note: The matrix set out below is not intended to be an exhaustive list of matters a Board should consider as the skills required will vary depending on the charity's charitable purpose and the size and complexity of the organisation.

The skills listed should be the primary skills required of the charity trustees making up the Board. However, most charity trustees will have other and overlapping skills.

The Board of [Charity Name] has identified in the matrix below the key skills required for the Board as a whole to meet its objectives. To assist with the recruitment and selection of new members, the skills matrix may be used to review the existing skills and capabilities on the Board and identify any gaps/low levels of coverage in skills and experience listed.

Skill required by the Charity	Reason for this area of expertise	Current Board member/s offering specialist capability in this area	Additional notes if relevant
Strategic planning			
Financial management			
Legal			
Governance/risk management			
Fundraising			
Employment law and HR management			
Running organisations			
Project management			
Retailing/Commercial focus			
Research			
Stakeholder engagement			
Policy development			
IT/cyber Security			

Appendix 3 – Sample Trustee Skills Audit

Note: The table provides some examples and is not intended to be an exhaustive list of the skills that an individual charity trustee should have.

The table can be filled in by members of the Board and used as part of the induction process for any new charity trustee as well as to inform succession planning.

1. What kind of expertise do you consider you bring to the Board?

	Have some knowledge	Good current hands-on experience	Have expertise in this area
Communications			
Financial, especially charity accounting			
Fundraising			
Governance			
Human resources			
Information technology			
Legal (charity, company, employment, health and safety)			
Policy implementation			
Research			
Strategic planning, strategic frameworks, systems			
Volunteer support			
IT/cyber security			

2. What other experience or skills do you feel you offer?

3. Are there any areas of the charity's work you have a particular interest in and/or would like to become more involved in?

4. Please give brief details of courses you have undertaken in the past year - include governance/trustee training, work based training/development and/or any other development/training activities.

Appendix 4 - Questions to consider before and at the review meeting by the trustee and the person conducting the review

	Note of your responses in preparation for the review meeting (trustee and the Chair)	Note of key points and agreed actions at the review meeting (trustee and the Chair)
What did you hope to contribute this year or when you joined?		
What have you contributed at Board and sub-committee meetings?		
What (in particular) do you hope to contribute going forward?		
Has anything got in the way of you contributing?		
Do you want to change any of your roles, e.g. your sub-committee membership?		
Do you aspire to become a subcommittee Chair (or stepping down as a Chair)?		
Do you intend to complete your term as a trustee?		
Is there anything you think the Chair could do to better support you or the board in being more effective?		

Appendix 5 - Board Meeting Evaluation Sheet
Response Key:

Strongly Agree **Neutral** **Strongly disagree**

5 4 3 2 1

1. The meeting materials were provided timely for review.

5 4 3 2 1

2. The materials mailed in advance provided me with sufficient preparation for the meeting.

5 4 3 2 1

3. I had adequate opportunities to discuss the issues presented today and ask questions.

5 4 3 2 1

4. Today's agenda items were appropriate for board discussion.

5 4 3 2 1

5. I have a sufficient understanding of the issues covered.

5 4 3 2 1

6. I feel as if today's meeting was a good use of my time.

5 4 3 2 1

What was most helpful for you at this board meetings?

What was least helpful for you?

Please recommend any agenda items for upcoming meetings:

Other comments/suggestions:



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