

Charities and ethics

Paul Ridout, the Chairman of the CSCC, discusses the importance for charities to demonstrate the highest ethical standards

The ethical conduct of charities has been subjected to some serious scrutiny over recent months and years. Rightly or wrongly, a number of charities have come under fire in the media and elsewhere in relation to high-pressure fundraising practices and breaches of data protection rules, reliance on relationships with sponsors involved in fossil fuel extraction, failures to tackle workplace sexual harassment and, perhaps most shockingly, a failure to tackle the sexual exploitation and abuse of vulnerable people by charity staff.

This is despite the fact that, in my experience over three decades as a lawyer in this sector, nearly all those engaged in these organisations do so because they want to do good. Whether they are charity trustees or staff, it is obvious in almost every case that they find real and justified satisfaction in the work that they do.

The potential impact of lapses of ethics on a charity is obvious. People are less inclined to support a charity that has fallen short of the standards expected of charities. In addition, donors see themselves as stakeholders in the sector and therefore entitled to hold charities to account.

This comes at a time when, increasingly, people make decisions – about which charity to support, where to buy clothes and which retailers to support – based, in part at least, on a judgment of how much good (or how little harm) is likely to flow from that decision.

Some prominent figures in the charity world have commented on the connection between being a charity and maintaining the highest ethical standards. This is, of course, not a new phenomenon. The historic legal definition of charity has its roots in the moral and ethical framework of an established Christian church and the sector has been greatly enriched by traditions that stem from other religions that have made a home here. It is not surprising that faith-based charities provide some of the clearest examples of organisations that practise what they preach and which seek always to conduct themselves in accordance with a recognised moral framework.

Things become more complex, though, when a largely secular set of ethical values is imposed on this extraordinarily diverse sector. This was highlighted in May this year when the Chair of the Charity Commission, Baroness Stowell, commented that: "... there is evidence of a growing gap between public expectations

of charity, of what charity is and means on the one hand, and the attitude and behaviour the public see in some charities as institutions on the other." She continued: "all people expect charities to be driven by purpose, to live their values and hold themselves to high standards of ethical behaviour and attitude."

These views raised several questions in my mind. Given the diversity of charities and the diversity of motives behind their establishment, is it realistic or helpful to expect charities to conduct their work on the basis of some moral or ethical framework based on 'public expectations'?

Is the 'growing gap' to which Baroness Stowell refers caused by the charities themselves, or is it also the consequence of journalists and politicians peddling a concept of charity where charitable organisations are expected to operate without paid employees, without spending money on revenue generation, and without engaging in lobbying or advocacy as a means of redressing the problems they are tackling?

Could organisations that might have been recognised as charitable now be denied this status on the grounds that they do not comply with that concept?

One effect of the public scrutiny of the conduct of charities has been a renewed desire in the sector to get things right – right by reference to the values that a charity may espouse, right in the eyes of existing and potential donors, right for the interests of anyone who may wish to place their trust in charity.

Doing the right thing, whatever moral code you might adopt, also connects and overlaps to a large extent with legal compliance and with good governance for charities. On the legal compliance side, whatever one's views of the current system, it is primarily concerned with delivering just outcomes and balancing the rights of different members of society when they might otherwise come into conflict with each other. And the principles of transparency and integrity are clearly in that part of the Venn diagram where good governance and ethics intersect.

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The Conference of Solicitors for Catholic Charities (CSCC) brings together lawyers and others who advise the majority of Roman Catholic dioceses and religious orders in England and Wales, as well as Catholic schools and other charities.