

Codes of Conduct for Trustees

Developing and using trustee codes of conduct

Claire Farmer

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Charity Trustee Networks
2nd Floor
The Guildford Institute
Ward Street
Guildford
GU1 4LH

Tel: 01483 230280

Website: www.trusteenet.org.uk

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Foreword by Julia Unwin

I am delighted to be asked to write the foreword to this guide. Trustee boards are at the heart of a thriving voluntary sector, and it is their commitment and engagement that drives the powerful, vibrant sector that is now such a vital part of the United Kingdom's civil society.

In my experience of working with and for boards of trustees, most boards work exceptionally well. They provide strategic direction at all times and support when it is needed. They are the stewards of all the assets of the charity, including its reputation and values, as well as providing the essential stretch that any charity needs to ensure that it is doing enough, and doing it well enough.

But in my experience too, boards of trustees can be inordinately self critical. They fear that they are not doing enough, or not doing it in the right way, and these are the first groups of trustee boards for whom the introduction of a code of conduct can be transformative. It provides a benchmark for behaviour, and enables those boards with confidence to certify that they are behaving properly.

Other groups of trustees who will find this helpful are those who come from other sectors. They will be very familiar with codes of conduct. People in the business world have been inundated with such codes, and indeed the public sector has produced its fair share. For these people who may be new to charity trusteeship, the production of a sensible, well founded code of conduct can provide assurance and understanding. And for the small minority of trustee boards where one or other member is behaving badly, or even where the whole board has reached a point of crisis, the introduction of a code of conduct, at the right time and done with care, can mark the turning point.

I hope that this new booklet will inform, challenge and support trustees in their vital role.

Julia Unwin
Director, Joseph Rowntree Foundation
www.jrf.org.uk

Foreword by Kevin Turmore

Charity trustees are drawn from all walks of life and typically devote much of their time, free of charge, to supporting the important aims, objectives and goals of their organisation.

However, many trustees remain unclear about what their role should involve and the scope of the obligations that may be connected with their position. It is a complex area that is governed by a host of rules and regulations. Some of these are enshrined in case law. Others are laid down and administered by organisations such as the Charity Commission. Against this background, this guide helps trustees understand what the role involves and offers practical guidance to support good governance.

Unity Trust Bank has been committed since its inception to supporting the social economy, so we were delighted to be asked to sponsor this important guide. We believe that this guide adds to the knowledge base of the sector and that it will prove to be a valuable source of information for those people who choose to devote their time to society in this way. We should like to take this opportunity to commend it to you and to applaud the work done by those for whom it is provided.

Kevin Turmore
Managing Director, Unity Trust Bank
www.unity.co.uk

About Charity Trustee Networks (CTN)

CTN's vision is of positive, effective trustees governing third sector organisations. It works to achieve this by:

- Increasing trustees' access to information, guidance and support through networks, a website, signposting and services
- Developing understanding and awareness of trusteeship and governance

CTN offers:

- Opportunities for face-to-face trustee networking around the country, which may be local or focused on a specific role (say, chairs or treasurers) or on a certain sub-sector or size of organisation
- The chance for trustees to have their views heard at a national level – CTN consults with its members and feeds back to government on the issues that affect trustees
- www.trusteenet.org.uk – our free-to-access website offering a discussion forum, news and information, resources, events and details about trustee networks around the country
- Free membership. By registering on our website trustees get a free bi-monthly e-newsletter for trustees (and chairs also get a chairs' e-newsletter), invitations to events in their area and the opportunity to take part in specific consultations and projects
- **trusteenetplus**, a scheme for trustees which provides a range of benefits and discounts, including subscription to *governance* magazine, individual Trustee Indemnity Insurance, and free or discounted entry to events

How this publication came to be

Over the years CTN has spoken to many people about their experiences of being trustees and management committee members. This has given it a real insight into trusteeship and what it is like to be a trustee. One of the clear themes that has emerged is that a commitment by a board to a code of conduct, however informal, can help to avoid problems on boards or to tackle them when they do arise.

In developing our understanding of how codes can be used in this way, we have spoken to a number of consultants and people with experience of working with a large number of charitable organisations and have gathered examples of codes of conduct. In addition, many trustees from a wide range of organisations have given us their thoughts and shared their experiences with us: at events, workshops, in a survey and through a series of in-depth interviews.

Acknowledgements

Thanks are due to all who gave up their time and shared their thoughts and experiences with us.

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and to the organisations who have shared their materials with us and allowed us to use their experience in case studies.

Introduction

“Conduct is more convincing than language.”

John Woolman

A trustee board or management committee can be an interesting, stimulating, highly rewarding and, sometimes, fun place to be. There are occasions, however, when being a trustee can be deeply unsatisfying or stressful.

In CTN’s experience, key issues that can cause difficulties on a board include:

- Trustees being passive or uninvolved
- Trustees coming to meetings unprepared
- Trustees not attending meetings
- Trustees being too dominant
- An ineffective chair
- A difficult trustee
- A trustee or chair who does not want to leave the board
- A failure to manage conflicts of interest
- Difficult trustee–staff relationships

Trustees come to CTN with these and similar issues, and we have been exploring how they can be avoided or addressed. One method is to introduce a tool, such as a code of conduct for trustees, which can be used as a framework to begin to address such behaviours. Further, where boards have a trustee code already in place, there remains the challenge of how to implement or apply it where it is needed. The purpose of this publication is to share the experience of boards that have used codes of conduct to address some difficult issues. By sharing the experience of others, it is our hope that other boards will have the ideas, information and confidence to use a code of conduct effectively in their own organisations.

Who is this for?

This publication is for boards, trustees, management committee members, chairs, vice-chairs, chief executives, company secretaries, board support workers... In short, anyone who is a trustee or works with trustees, and who wants boards, and the trustees on them, to be as effective as possible, and to work well together.

How to use this booklet

This booklet can be read from cover to cover, or dipped in and out of, depending on what is needed. Some readers may only want to have a look at the example codes – others may be looking for some more detailed guidance.

Codes of conduct

What is a code of conduct?

A code of conduct is an agreed set of guidelines outlining the responsibilities of, or proper practices for, an individual or organisation.

Codes come in many different shapes and sizes, from short and simple to comprehensive, complex and legalistic. But the most important characteristic of a code must be that it is appropriate for the particular organisation that seeks to use it.

A code is not, in itself, a legal requirement. However, some of the contents of a code of conduct may include or describe legal requirements.

Why do you need a code of conduct?

“I wish we’d had a code of conduct on a number of occasions. It would have been good to have something that made it clear what is and is not appropriate.”

A chair

The purpose of a code of conduct is to provide a structure for the responsibilities and expectations of the trustees to help avoid or address problems. It is not about a lack of trust between or in the trustees of an organisation. A code of conduct provides trustees with an understanding of what is required of their role, enabling them to be transparent, open and accountable in what they do and how they do it. For the most part, a code will simply codify the good practice and behaviour already in existence.

Being a trustee of an organisation is a role that changes as the organisation grows or develops, and there can be a shift in what trustees need to do to fulfil their board responsibilities. So it is useful to have a tool which encourages trustees to think about what they do and how they do it.

On boards, there are often people with different approaches and styles, who come together infrequently and who are expected to know what to do and how to ensure that an organisation is well run. Problems can arise, and any trustee who has experienced an awkward or difficult situation on their board will understand how easily they can occur. A code of conduct is one way of trying to avoid these situations in the first place, and of providing a framework to resolve them quickly and painlessly should they arise.

Case Study:

Reviewing a charity's governance arrangements

A charity reviewed its governance structure as a result of growing concern amongst its trustees. The vice-chair was tasked with identifying the problems and presenting options for a new model of governance.

These proposals for change were considered and, with one dissenting vote, a board decision was made to decrease the number of trustees and to restructure meetings. The process of developing the changes took two years, and in spite of lengthy debate the majority decision was not accepted by the one dissenting trustee, who became increasingly disruptive and personal.

All changes were to be ratified by the members at the AGM, which was a long and difficult meeting, punctuated by the disaffected trustee publicly resigning soon after it started. However, the changes were finally agreed.

The board has subsequently worked more effectively and has benefited from a substantial number of new and well qualified trustees; succession planning is in place; new working sub-groups are formed as and when needed and to deliver specific outcomes, before being disbanded. The chief executive is much happier and feels empowered to get on with his role.

The trustees believe that had there been a code of conduct at the start of the governance review, it would have provided a mechanism to deal with problems as they arose, which may have made for a less painful process of reform. Now, alongside the constitutional rules, the code of conduct works as a mechanism to avoid problems with cabinet-style decision making.

How does a code of conduct fit in with other codes or standards?

There are many codes and standards across the sector. They exist because all charities and trustees are different and will find varying styles and types of resources helpful. Many boards have said that finding the particular type of resource, training or support that helps them deal with issues is a matter of trial and error – if it doesn't work, they try something else.

One such set of standards came out of the Nolan Committee, which published its *Seven Principles of Public Life*, and recommended that all public bodies adopt codes of conduct incorporating those principles. The Nolan Principles form the basis of many codes of conduct, translated into contexts outside of the public sector, and have been adopted widely.

The Nolan Principles – adapted for trustees

1. Selflessness

Trustees should act solely in terms of public benefit. They should not act in order to gain financial or other benefits for themselves, their family or their friends.

2. Integrity

Trustees should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their role as a trustee.

3. Objectivity

In carrying out the business of the organisation, trustees should make choices based on merit.

4. Accountability

Trustees are accountable for their decisions and actions to their stakeholders and the public and must submit themselves to whatever scrutiny is appropriate to their role.

5. Openness

Trustees should be as open as possible about all the decisions and actions they take.

6. Honesty

Trustees should declare any private interests relating to their trusteeship and take steps to resolve any conflicts arising in a way that protects the public benefit.

7. Leadership

Trustees should promote and support these principles by leadership and example.

Developing a code of conduct for your board can complement other work on codes and standards, including the Code of Governance. There is a list of useful sources of information for trustees at the end of this booklet (see page 32).

It is important not to spend a disproportionate amount of time on the development of a code of conduct and other governance frameworks – particularly for a very small organisation. Consider the size, complexity and risks of the organisation, and the amount of time spent on governance can follow accordingly.

“We got to the stage in our organisation where we were using spreadsheets to ensure that we were complying with the framework in relation to supporting our trustees. It became so overwhelming that we were not focusing on governing well. Now we have a simple checklist and focus on what really matters.”

A trustee

Charitable Companies

Trustees of organisations that are charitable companies are subject to the same statutory duties as directors of private sector companies. Under the Companies Act 2006, directors have a duty to:

- Avoid conflicts of interest
- Not accept benefits from third parties
- Declare interest in proposed transactions or arrangements with the organisation
- Act within powers
- Promote the success of the organisation to achieve its purposes
- Exercise independent judgment
- Exercise reasonable care, skill and diligence

These are all duties that can be incorporated into a code of conduct, but trustees may wish to consider whether the statutory nature of these duties has any further implications for the governance of the organisation beyond the code of conduct.

For example, persistent non-attendance at meetings (or failure to participate in meetings) by trustees who are also company directors could constitute a breach of their duties, that is, a breach of the duty of care. They must act carefully and responsibly or they may be considered negligent, and this could potentially lead to disqualification as a company director.

Guidance on the Companies Act 2006 and the statutory duties of trustees who are also directors are available from the Institute of Chartered Secretaries and Administrators at www.icsa.org.uk.

What should your code of conduct cover?

Every organisation is different, which is why no one code of conduct can work for every charity. However, as a rule of thumb:

- **Very small charities** may only require some basic ground rules for behaviour.
- **Small charities** (with no or few staff) may wish to use a straightforward, simple code of conduct that sets out the basic principles.
- **Medium sized charities** (with some staff and more money) may want a more detailed code of conduct, which reflects the increasing complexity of the organisation's work, the expectations and responsibilities of the trustees.
- **Large charities** (with a significant number of staff and a substantial turnover) may have a long, detailed code to reflect the complexity of their organisation. Alternatively, it may be that they have a simple code of conduct, which is part of a more extensive package of policies and procedures that cover governance.

It is very tempting to put in clauses that cover every eventuality, but resist the temptation. If the code of conduct is too long and detailed, it can become unwieldy. The code should be a careful balance of covering the necessary areas to address the needs of the organisation at that point and being a usable document.

However, there are areas that apply to all trustees no matter what the size, area of work or legal structure of their organisation. Some of them are legal requirements, some good practice, but all of them are things good trustees should do.

The list below can be used as a basic code of conduct for a small organisation, or it can form the framework of a more detailed code of conduct for a larger or more complex organisation.

It is the responsibility of trustees to:

- **Act within the governing document and the law** – being aware of the contents of the organisation's governing document and the law as it applies to that organisation.
- **Act in the best interests of the organisation as a whole** – considering what is best for the organisation and its beneficiaries and avoiding bringing it into disrepute.
- **Manage conflicts of interest effectively** – registering, declaring and resolving conflicts of interest. Not gaining materially or financially unless specifically authorised to do so.
- **Respect confidentiality** – understanding what confidentiality means in practice for an organisation, its board and the individuals involved.
- **Have a sound and up-to-date knowledge of the organisation and its environment** – understanding how the organisation works and the environment within which it operates.

- **Attend meetings and other appointments or give apologies** – engaging in discussions and decision-making processes.
- **Prepare fully for meetings and all work for the organisation** – reading papers, querying unclear or difficult things and thinking through issues in good time before meetings.
- **Actively engage in respectful discussion, debate and voting in meetings** – contributing positively, listening carefully, challenging sensitively and avoiding conflict.
- **Act jointly and accept a majority decision** – making decisions collectively, standing by them and not acting individually unless specifically authorised to do so.
- **Work considerately and respectfully with all** – respecting diversity, different roles and boundaries, and avoiding giving offence.

How do you introduce and develop a code of conduct?

The following sections go through different aspects of the process of introducing and developing a code of conduct, giving practical ideas about how and when to do it.

“We found that by introducing a code of conduct, we clarified expectations for new as well as experienced trustees on the board. We did this when we were not in crisis and were in a good position to think together about what we wanted to achieve and how we desired to achieve it.”

Chair of a board

When should you introduce a code of conduct?

A code of conduct is unlikely to be at the top of the agenda when a board is working well together. However, this is the perfect time for a board to work together on developing a code – which will then be embedded in the board’s culture should any difficult situations arise. Some other situations when it may be helpful to introduce a code are:

- **When recruiting new trustees** – providing a trigger for talking about the expectations on new and, by extension, existing trustees.
- **As part of a governance review** – which is a good opportunity to introduce ideas about good practice, and to generate discussion about how to improve the governance framework of the organisation.
- **If the trustees have a feeling that the board could be doing things better** – Introducing a code of conduct is a good way to generate discussion about what it means to be a trustee, and to explore what people’s expectations of the role are. This can help to highlight areas of the board’s work that would benefit from attention, and enable trustees to take action to improve these.
- **As the organisation comes out of a difficult period** – Many lessons can be learned from a difficult period on a trustee board, when no one wants to go through such a period again. In the light of this experience, it can be a good time to develop a code of conduct. Avoid the temptation to tailor it too heavily to what went wrong in the past, and think ahead to new challenges that come in many different shapes and sizes.

Are there times when introducing a code of conduct might not help?

When the situation is very serious, such as a dispute between the trustees, it may seem like the time when a code of conduct is most needed. However, at these times the trustees’ attention is best focused on getting the organisation back on to an even keel. When everything is resolved, trustees may want to use the lessons they have learned to put together a code of conduct to help avoid such situations in the future.

Who should lead on introducing a code?

There is no one way of introducing a code. It can be led by the chair, any of the trustees, a governance committee, a member of staff or someone from outside the organisation. It does help to have two or three trustees on the board who support the introduction of the code, and who will help to gain broader backing for it.

How do you introduce it?

It helps to think carefully how a code of conduct will be introduced. A gradual introduction and development of a code over a series of meetings can be more effective than trying to get it developed and agreed in one go.

Be prepared for it to take longer than planned, especially if amendments need to be made to the governing document.

“Bringing a code on stream may not be a pain-free experience, but in the long run, it is worth it!”

Trustee and consultant

Page 21 outlines some ideas for how to present the concept of a code of conduct to a trustee board.

Are there any model codes you could use?

Some trustee boards start from scratch looking at the behaviours they expect of themselves and drawing these together into a bespoke code of conduct. This can be a valuable exercise, depending on the priorities of the board at that time. However, it may be more practical and quicker to look at a range of existing model codes of conduct and tailor one appropriately.

The most important characteristic of any code is that it suits the needs and culture of an organisation at a particular point in time – it can always be reviewed in the future.

There are a range of examples of codes of conduct in the Appendices.

How do you customise a model code of conduct?

A code of conduct can be customised in many ways to meet the needs and culture of an organisation. Getting the tone right is important to ensure that trustees accept the code and are willing to apply it to themselves.

Examples of different things to consider are:

THE LANGUAGE

How the responsibilities are phrased will set the tone of a code and can substantially affect how it feels for an organisation. For example:

Tip:

Think about your immediate response to different tones and wordings – read the model code through and if you think it sounds a bit strong, it may be that others will feel similarly.

I will strive to attend all meetings.
You will strive to attend all meetings.
We will strive to attend all meetings.
Trustees will strive to attend all meetings.

Or:

Trustees should strive to attend all meetings.
Trustees have a responsibility to strive to attend all meetings.
Trustees will strive to attend all meetings.
Trustees are expected to strive to attend all meetings.

BULLET POINTS OR PARAGRAPHS

Bullet points are business-like and easy to read, but paragraphs can feel softer and less didactic. For example:

Trustees must:

- Attend meetings or give apologies to the chair
- Prepare fully for meetings and all work for the organisation
- Actively engage in respectful discussion, debate and voting in meetings

Or: Trustees must seek to attend all meetings, and send apologies to the chair if they have to be absent. Papers for meetings will be provided in advance and trustees are expected to read them, think about their contents and come to meetings prepared to discuss and vote on the issues in hand.

SECTION HEADINGS

For ease of reference it can help to break a code of conduct up into different sections with appropriate headings. For example:

- Practical
- Behaviour
- Legal Requirements

Or:

- General – law, mission, policies
- Inside trustee meetings
- Outside trustee meetings
- Arriving, staying on and leaving the board

THE NAME

If 'code of conduct' is an off-putting name, think of an alternative. Others have used 'ground rules', 'code of practice' or 'how we behave'. It is not what it is called but what it contains that is important.

Do you need to include a breach mechanism?

In developing a code of conduct, consideration should be given to what will happen if a trustee does not abide by it. Often, to make a code easier to implement, it is helpful to include a clause at the end that states, either generally or specifically, what happens in this situation.

The process of addressing issues is likely to begin gently, with an informal conversation with the chair (or another trustee if it is the chair who has not complied with the code), but may need to build up to the possible removal of the trustee, where their behaviour is extremely serious and is putting the reputation or work of the organisation at risk.

Importantly, getting the procedures in place before a problem arises prevents a situation becoming personal and means a board does not end up in the difficult position of having to 'write the rulebook' as it goes along.

The mechanism chosen should be appropriate for each organisation. Here are two quite different examples:

I understand that substantial breach of any part of this code could lead to my removal from the trustee board.

Or:

Alleged breaches of the code should be reported to the chair, who will investigate the complaint or issue.

If needed, the chair will appoint a panel who will investigate the complaint.

The panel should follow normal complaint procedures. It should take reasonable steps to establish the facts and ensure that the trustee against whom the allegation has been made is given a fair opportunity to put their case in writing or in person (whichever they prefer). The trustee will also be entitled to be accompanied by a non-legal colleague or friend to any interview or panel that is convened.

The panel should notify its conclusions and any recommendations for action to the whole board.

Does a breach mechanism need to tie in with your governing document?

Some boards may want to include a breach mechanism that can potentially lead to the removal of a trustee. This will only work where there is a power to remove a trustee in the organisation's governing document. Unless the governing document allows, the trustee board has no power to remove one of its members, even one who engages in misconduct. So have a look at what is in the governing document and make sure the code ties in with that and any other policies which are in place.

The governing document may state that a trustee is automatically removed from the board, or may be removed if the other trustees agree, if they are absent from meetings for a specified time or from a certain number of meetings without consent of the board.

If an organisation's governing document does not allow a trustee to be removed, it may be appropriate to consider amending it. It would be best to get legal advice on this subject, particularly on the wording of any such clause.

The following shows an example wording, for charitable companies, which would form part of the Disqualification of Directors clause in the Articles of Association.

The office of a Director shall be vacated if:

- a) A director commits any breach of any written agreement setting out their obligations as a Director, and the Directors resolve that their office be vacated*
- b) Without leave a Director is absent, otherwise than on the affairs of the Company, for three consecutive meetings of the Directors, and the Directors within twelve months of the last meeting attended by them resolve that their office be vacated*
- c) . . .*

Trustees would then be asked to sign the code of conduct, understanding that it acts as a written agreement setting out their obligations as directors of the charitable company. If a trustee then breaches its requirements, the other trustees can resolve that they be removed as a trustee. A code of conduct that is used in this way should be worded very carefully. It would also be wise to get legal advice before putting in place such amendments and policies.

To sign or not to sign?

“Trustees who are willing to adopt a code of conduct but aren’t willing to sign it should consider whether they should be on the board at all.”

A trustee

Signing up to a code or approving it at a board meeting demonstrates that trustees are committed to doing what a code says, and enables them to be accountable to their fellow trustees and other people involved with the organisation.

If trustees are unwilling to sign up to a code of conduct their reasons should be explored – What are their concerns about signing? How can these concerns be addressed?

What is the impact of the code on your staff?

Many charities have codes of conduct for their staff and volunteers. This is most often the case if they work with vulnerable beneficiaries. While there will be some different requirements for the behaviour of staff, volunteers, members, trustees or even beneficiaries, much of this is about treating people with respect, and there will be many similarities. These should not be ignored when drafting a code of conduct for the trustees.

Consider also the implications of the clauses of the code of conduct for the relationship between staff and trustees. For example, if a clause is included that requires trustees to prepare properly for trustee meetings, then staff should provide trustees with the necessary information they need in good time before a meeting.

Case Study:

Responsibilities of board and staff to each other

The last section of the MedicAlert Code of Practice, included in this booklet (page 29), provides an example of how a balance can be struck between requiring trustees to behave in a particular way and the organisation supporting them to fulfil their role.

MedicAlert will:

- Provide the trustees with timely and relevant information in order to allow the board to govern well
- Provide the board with advice when necessary, ensuring that external professional advisors are available as and when needed
- Work in partnership with the board to ensure that it fulfils all its statutory and legal responsibilities
- Invest time, money and other resources in order to help support and further develop good governance
- Provide the board with the necessary administrative and other support that they will need to govern well
- Reimburse trustees' out-of-pocket expenses incurred in the course of their duties as trustees

Tips:

- *Try to be concise.*
- *Avoid duplicating or conflicting with statements or clauses in your governing document and other policies and documents.*
- *Avoid one-sided obligations.*
- *Be sensitive to the responses of the other trustees to a proposed code – it may be quite a culture shock.*
- *Think about running a workshop or training for fellow trustees to help them understand the code of conduct and to give them opportunities to ask questions they might not want to ask in a trustee meeting.*
- *Consider producing guidance notes alongside the code which have examples that illustrate key points or issues.*

How do you use the code of conduct?

There are many opportunities to use or refer to a code of conduct, and the more it is used and referred to the more it will become embedded in the culture of an organisation. This section offers some examples of when a code of conduct might be used or referred to, and includes case studies from charities who have used codes in these ways.

Recruitment of trustees

When new trustees are needed, it is an ideal time to think about what the organisation needs from those individuals in terms of their behaviour and the role they will play within the organisation.

If the organisation does not have a code of conduct, then this is a good point to introduce one. If it does, then it may be an opportunity to review it to see whether it still does what it needs to. This will also be a useful reminder to the trustees about the existence and content of the code.

Providing potential trustees with a copy of the code of conduct will mean that from the outset they are aware of what is expected of them. The code is a useful way to clarify behaviours that are appropriate for the organisation. If the appointment does not turn out well, the organisation has some recourse to speak to the new trustee about their behaviour.

Case Study:

Recruiting new trustees for Tourettes Action

In 2006, Tourettes Action received a major funding boost that enabled it to increase its delivery substantially. The board recognised that for the charity to be as effective as possible it needed a really effective trustee board, which included recruiting new trustees.

To ensure that all the trustees knew what was expected of them in their roles as trustees of the charity, a code of conduct was developed. Having this down on paper was particularly useful when recruiting new trustees as it meant that new individuals were clear from the outset what was involved, and that their involvement would be expected to meet the standards set out in the code of conduct.

A model code of conduct was used, and was substantially tailored to adapt it to the needs of Tourettes Action. In particular, the code focuses heavily on the

charity's values and covers how trustees leave the board. The inclusion of the values was important to allow all trustees to accept fully the charity's ethos, and the charity was keen to address the sensitive issue of leaving the board.

Alongside other policies and carefully thought through governance procedures, the code of conduct is enabling the trustees of Tourettes Action to feel confident that they can really make the most of their new funding.

Induction of trustees

When a trustee joins a board, they will want to know what is expected of them. Many organisations that have a code of conduct ask new trustees to sign them. This is a way for new trustees to declare that they are committed to the organisation, and encourages them to think about the role.

Some people worry that presenting a code of conduct to potential trustees will put them off becoming trustees. However, if the tone of the code is right, most people will welcome clarity about the role they are about to take up.

Review of board or trustee assessment

Increasingly, trustees want to be able to demonstrate how effective their performance has been. This can take place in a range of ways, as individuals or a whole board, and with degrees of formality.

For example:

- A discussion as a board about their achievements in the last year.
- Self-assessment.
- The chair having an informal chat with each trustee.
- Bringing in someone from outside to talk to each trustee and sit in on trustee meetings, and then provide feedback.
- Instigating a complete trustee appraisal procedure.

If trustees have signed up to a code of conduct, then one very simple way of assessing their performance is to look at the degree to which everyone has been complying with the requirements of that code.

Tip:

Try bundling up information for new trustees, so as not to overwhelm them with paper. For example, a welcome letter to a new trustee could incorporate a role description; and a code of conduct and statement of eligibility could be in one document that a new trustee signs.

Governance review

From time to time it is good to look at an organisation's governance arrangements and consider whether they are still appropriate and enabling the organisation and its trustees to work as effectively as possible. This might include looking at, among other things:

- The number of trustees on the board
- How trustees are appointed
- The number and times of meetings each year
- The way meetings are organised
- How any sub-committees or task groups are working

The board can also look at the need for a code of conduct or review their existing one to be sure it is still fit for purpose.

For charities wishing to undertake a governance review, there are lots of resources available and people and organisations who can help. CTN can signpost trustees to these resources.

When there is an issue with a trustee

This is the most obvious time to use a code of conduct, but it can be a sensitive and difficult process. More often than not, when minor issues arise within boards they are not dealt with. This may be because they appear not to be particularly serious, because the trustees are volunteers, or because it is not clear who should take responsibility for dealing with them and how. Yet it can be the case that leaving even apparently minor issues unaddressed can lead to much greater problems.

A great deal of sensitivity is needed to deal with the kinds of issues that come up on trustee boards. Also needed are a thick skin, a sense of proportion and the support of other people on the board. It is extremely hard for a chair or other trustee to deal with sensitive issues on the board without the support of other trustees (and staff). It can help to be able to talk the issue over first confidentially before approaching a trustee with whom a friendly or even more formal word is required. An initial discussion will help to clarify what needs to be said, provide alternative ideas about how to approach the matter and also offer the potential to review how raising the issue with the person concerned goes.

Care must be taken not to ostracise a trustee with whom the rest of the trustees do not see eye to eye. To benefit from the wide experience and perspectives of board members, a board must encourage diverse opinions and different points of view. Also, a good board should continually reflect on its commitment and ability to encourage open discussion.

A code of conduct can be used to address a range of behaviours on boards in a number of ways.

A FRIENDLY WORD WITH THE CHAIR

This is the ideal way of dealing with issues. The chair arranges to have a quiet word with the trustee in question and explains the impact that their actions are having on the organisation. It may be that the individual does not even realise what they are doing, or has been under the misapprehension that this is what they were supposed to do as a trustee.

At this stage it is not usually necessary to refer to the code of conduct (although it is helpful if the chair is familiar with it in case reference does need to be made to it). Often, if this action is taken in good time, it will prevent a problem from escalating.

It may be that the chair needs support in acknowledging, confronting and dealing with the issue. Chairs need not be expected to take on responsibility for everything relating to the board. There are other ways of dealing with issues. For example, the vice-chair might have excellent people skills, so could take on responsibility for dealing with what might be described as 'personnel' issues on the board.

Try to gain an understanding of the perspective of the trustee in question. It may be that they have a very different understanding of the situation to others. Does the trustee in question feel that they have been heard and that their viewpoint is understood? Try to get agreement as to how to move forward.

Tip:

Think about what might be done if it is the chair who is not abiding by the contents of the code of conduct.

A FORMAL WORD WITH THE CHAIR

Such an approach would be used where a friendly word with the chair has not resolved the situation, or where the action of the trustee(s) in question is more serious. Before doing this, the chair may wish to talk privately to other trustees to get their views.

It might be appropriate to involve a third party in such a conversation. The concerning behaviour or action should be identified clearly with an explanation of why the chair believes that such behaviour is not acceptable. Reference can be made to the code of conduct to highlight how such behaviour departs from its standard.

A DISCUSSION AT A BOARD MEETING

It may be appropriate to raise the subject of the behaviour for discussion at a board meeting (with or without the individual(s) in question). For example, where the trustee has overstepped the boundary of governance and management, a general discussion could be started about the relationship and ways of interacting between staff and trustees.

However, if the conduct is more serious, the board may need to make a decision as to what should be done. As far as possible, avoid conflict at the board meeting. It may be helpful to identify in advance that the issue will be raised and acknowledge that it may be difficult, possibly agreeing some ground rules as to how the subject will be handled. If it is a serious matter, it may be better to involve an independent person to facilitate that item of the board agenda.

REMOVAL OF A TRUSTEE

Hopefully there will be clear procedures to follow if a board intends to use the code of conduct to justify removing a trustee from a board. This may be contained in the code itself, or referred to in the code, and will have to be backed up by what is in the organisation's governing document. Make sure that the process is as fair as possible; give all concerned a chance to present their view; and, if at all possible, involve a demonstrably independent individual in the process.

Dealing with difficult situations and behaviours on the board can be awkward and stressful – and this is magnified when the people involved are all passionate about the work of the organisation. However, such issues cannot be ignored. If in doubt about how to deal with a situation, contact a trustworthy person outside the organisation to talk over the situation.

Case Study:

Dealing with trustee misconduct

A trustee of a charity, when talking to a staff member, referred to a confidential staffing matter that had been discussed at a trustee meeting.

This was a serious breach of confidentiality, which could have had significant legal implications for the charity.

This situation came to the attention of the chair, chief executive and company secretary, and they discussed how to deal with it. They agreed that the chair should have a word with the trustee, point out what had happened and suggest strongly that the trustee should resign. Importantly, the chair had the support of the chief executive and the company secretary, and he had the following documents to support the position he was taking with the trustee.

- Minutes of the meeting, which stated that the matter was confidential.
- The charity's code of conduct, which dealt with confidentiality and had been signed by the trustee.
- A clause in the Articles of Association that state that a trustee should vacate their office as director of the charitable company if 'he commits any breach of any written agreement setting out his obligations as a Director'.

With these three documents, the chair felt confident to have what was a necessary conversation with the trustee; as a result of which the trustee decided to resign.

Risk assessment and avoiding problems

Having trustees who are not fulfilling their role adequately will affect an organisation. If there are trustees who do not pay adequate attention to the finances or who deal with an issue badly, the ramifications both internally and externally (for the reputation of the organisation) can be significant.

Considering whether the trustees are fulfilling their role and working effectively can be an aspect of risk assessment – that is, asking whether the governance of the organisation is adequate. The governance of an organisation can be reviewed in many ways (as outlined previously), but could include looking at the code of conduct to see to what degree trustees are abiding by it. If trustees are not meeting the standards in the code, then the quality of governance of the organisation is unlikely to be as good as it should be.

A risk assessment may throw up potential risks or issues that might be minimised or addressed by putting a code of conduct in place. These might be potential conflicts of interest (see the following case study), inactive trustees or the potential risk of a breach of confidentiality.

Case Study:

Addressing potential conflicts of interest

Charity Technology Trust (CTT) is a charity and social enterprise with a mission to demonstrate how the effective use of technology can improve the effectiveness and efficiency of charities and voluntary organisations. In 2008, CTT adopted a code of conduct based on the seven Nolan Principles. The process of developing and implementing a code of conduct was triggered by two key factors:

- 1) **Managing potential conflicts of interest:** The charity's trading subsidiary had two directors who were part time and had interests with other charities. A code could provide a mechanism to make any potential conflict of interest visible. This would also help to ensure transparency where CTT provides a range of services licensed from private companies, which may also be donors of the organisation, and in handling potential offers from board members' companies.
- 2) **Recruiting new trustees:** CTT was recruiting new trustees, and drafting the new code of conduct helped the board and staff to crystallise what they want from trustees.

The chief executive of CTT identified a need for a code of conduct and was supported by the organisation's chair. The board was given an outline document which they went through and amended to tailor it to CTT's specific needs. However, about 85% of the original document remains.

Existing and new trustees sign the document, and may be asked to re-sign it on an annual basis. It will also be used as part of the joining and induction process for new trustees. In due course, CTT intends to put the code of conduct on its website.

CTT's code of conduct fulfils a variety of purposes, addressing a key need for transparency within the charity, as well as helping to clarify and remind trustees on a regular basis what is expected of them as trustees of the charity.

Dealing with emergencies

Having suitable policies and procedures such as a code of conduct in place means that when emergencies do arise, trustees know what they can and cannot do and are able to act swiftly. For example, it will be clear:

- Who should speak to the press
- Which information is confidential, and which is not
- How to manage conflicts of interest in order to take advantage of the skills or contacts of trustees to deal with the emergency
- How to work effectively with staff to deal with problems

Case Study:

Dealing with an IT emergency

MedicAlert's main office was flooded, creating an urgent need for emergency IT support. One of MedicAlert's trustees had an IT firm who were capable of providing the support needed, but this created a substantial conflict of interest.

The charity has a code of conduct in place which states how to deal with conflicts of interest. Also, the trustees have undergone thorough induction and training so are very aware of their role, responsibilities and relevant charity law.

As the relevant procedures and policies were already in place and the trustees were clear about what to do, they were able to move very quickly to declare a conflict of interest, manage it and put in place clear steps to bring the trustee's firm in and set boundaries on what it could do and for how long. As a result, the whole situation was dealt with quickly, carefully and transparently, and the charity was able to resolve the crisis effectively.

How to use a code of conduct: Tools

This section suggests a number of practical ways to introduce or use a code of conduct.

- Ideas for presenting the concept of a code of conduct to a board
- Discussion ideas
- Reviewing a code of conduct
- Bringing in someone from outside the board to help

Presenting the idea

When introducing a code of conduct it can be useful to have a clear idea of what to say. This will help whether presenting it formally or just introducing it as the next item on the agenda.

Obviously, how it is presented will vary depending on the nature of the organisation, its trustees and the position of the person introducing the subject. Below are a few bullet points that could form the basis of a short presentation to a group of trustees who have never come across the concept of codes of conduct before.

It might also be useful and helpful to make sure that one or two of the trustees are familiar with what is being proposed and can ‘champion’ it to the rest of the board.

- A code of conduct is not meant to imply that trustees don’t know what they are doing. It is about recognising what is considered to be appropriate behaviour for a board and ensuring that that continues.
- A code of conduct is one way of helping trustees to know what it is that the role involves. This may be particularly helpful for new trustees.
- Increasingly, public and private organisations are required to be accountable for their actions, and a code of conduct helps trustees to be more accountable for how they behave and what they do. You may have heard of the Nolan Principles of Public Life, which came out of the cash for questions scandal in the 1990s. As a result of this, codes of conduct have become prevalent and their use is filtering through to the charity sector, particularly as more and more charities take on contracts and deliver public services.
- The logic behind a code of conduct is: that it should help a board work better; an effective trustee board is likely to run an organisation better than an ineffective board; and if the organisation is better run, its beneficiaries should get better services. So it is not just another bit of paper.
- It also provides a mechanism for dealing properly with problems when they arise, without things getting personal.
- Other charities have developed models that have worked well for them. To avoid reinventing the wheel, some of the models have been looked at and a particular model (most suited for the organisation) is being suggested as a starting point for discussion and adaptation.

Discussions

It is important that trustees have a common understanding of what the different requirements of a code of conduct mean in practice. For example, a general statement such as 'Trustees are expected to respect confidentiality' could be interpreted as meaning that they could not talk to anyone about anything to do with their trusteeship.

To embed a code of conduct into an organisation and to avoid any potential misunderstandings, the board will need to talk through what it means to them and how they interpret it.

Discussions on the board could:

- Talk through an issue that has arisen, or is likely to arise, in order to get consensus about what the trustees should do in that circumstance.
- Take a clause from a code of conduct or the Nolan Principles and explore what that actually means in the context of their organisation.
- Help a board decide what it is that they want from new trustees they are planning to recruit.

It also helps to have some examples to get people's minds working. So, on the issue of confidentiality, trustees might be asked:

- Are all the financial details confidential – which ones might not be?
- Can some of them be used selectively to help with fundraising?
- To what extent can trustees talk to staff members about the finances?

About beneficiaries:

- To what extent is information about the beneficiaries confidential?
- Can anonymised examples be given to people who might be interested in supporting the organisation?
- Where does the balance lie between the trustees telling people about what the organisation does in an interesting way and protecting the confidentiality of beneficiaries?

About transparency and openness:

- When might confidentiality be a bad thing?
- Can confidentiality be used to hide things that should be made open and available to anyone?

Situations that are not clear cut or cannot be anticipated will always arise. Trustees should be encouraged to feel comfortable raising such issues as they arise, either with the chair, or for discussion by the board as a whole.

Review of an existing code of conduct

Just because an organisation has a code does not mean that it is set in stone. The organisation and its trustee board will change and develop over time, and different issues will come to the fore. Reviewing the code every two or three years (depending on the organisation's needs and the number of trustee meetings a year) fulfils a number of functions:

- Acting as a reminder about the code of conduct and its contents.
- Encouraging individuals to think about their own performance as trustees.
- Highlighting how the organisation has changed since the code was last reviewed.
- Depending on how the code is written, changes in the law may apply to it, and a review offers an opportunity both to update the code and to update the board's knowledge.

Bringing in an outside person, expert or consultant

Sometimes it can be very difficult to raise issues among a group of people who have worked together a lot, or when there are sensitivities. Bringing in a neutral outsider can provide an opportunity to allow a fresh pair of eyes to look at difficult issues and to suggest new ideas.

A neutral outside person could be brought in to:

- Help develop a code of conduct appropriate for an organisation
- Help use the existing code of conduct to address identified issues
- Provide support and training for the chair in addressing issues
- Act as a facilitator to help the trustees work through challenging issues, whether they refer to the code of conduct or not
- Bring a level of objectivity and independence to the situation, and help the trustees to explore the range of issues

Make sure that key individuals feel comfortable with anyone playing this role, and be clear about what the ideal outcome of their involvement would be. Sometimes it helps if the outside person has a conversation with each trustee first so that he or she is aware of all the different views and opinions within the board.

What if it doesn't work?

A code of conduct is a tool that may be able to help prevent or address issues faced on trustee boards. But, like all tools, it will not work in every situation.

If, for whatever reason, using a code of conduct has not eased the difficulties on a board, then there are other options to consider.

Mediation

Although some disagreements can be productive, when a dispute becomes acrimonious it is often wise to bring in a neutral person or other external help. This can be in the form of facilitated discussion to reach group consensus, or a mediation, possibly involving only two or three people whose differing views appear irreconcilable or when feelings are running at a dangerously high level.

Mediation enables the people in the dispute to find an acceptable resolution themselves under the guidance of someone who has the skills, through training and accreditation, to support and encourage the participants in a neutral and confidential environment. This is a voluntary process for the parties in conflict. It may require several hours to be set aside on a date that is mutually convenient, but can often be arranged at short notice.

Mediation has the following advantages:

- It is cost effective.
- It enables those in the dispute to speak freely and be heard in a safe and confidential environment.
- It provides an environment in which trust can be rebuilt and relationships repaired.
- It protects the image of the organisation.

HOW TO FIND MEDIATORS

Before using a mediator it is important to find out whether they are familiar with the ethos and workings of the voluntary and community sector.

- The Civil Mediation Council (www.civilmediation.org) maintains a list of accredited mediation providers.
- The Centre for Effective Dispute Resolution (CEDR) (www.cedr.co.uk) encourages and develops mediation and other cost-effective dispute resolution and prevention techniques.
- Acas (www.acas.org.uk) deals with employment disputes. Their services are only relevant to trustee conflict if it is between a trustee/trustees and a staff member in relation to the employee's job and the employee is thinking of going to the Employment Tribunal.

Contacting the Charity Commission

Where a serious and damaging disagreement has arisen between the trustees of an organisation, the Charity Commission will only get involved if they have evidence that the trustees are not

validly appointed, and that all other available methods of resolving the dispute have been attempted and have failed.

If the Charity Commission decides that concerns presented to it do justify its involvement, its aim is to secure a positive outcome for the organisation. The methods by which this will be achieved depend on the level of risk involved and the likelihood of a successful outcome.

More information about when and how the Charity Commission will become involved in a dispute between trustees is available in its guidance, *Conflicts in your charity – A statement of approach by the Charity Commission* (Version June 2008), which is available at www.charitycommission.gov.uk/investigations/conapp.asp

Resignation

It may come to the point when a trustee feels that they are no longer getting any satisfaction from the role, that their skills and energy can be used better elsewhere and that it is time for them to move on.

If a trustee does decide that resigning is the best option available, it helps to:

- If possible, give the rest of the board reasonable notice. This will enable the organisation to begin the search to find a new trustee.
- Have a look at the organisation's governing document to check how they should go about stepping down as a trustee.
- Consider having a chat with the chair or another trustee to explain why they no longer wish to be a trustee.
- Share what they have found valuable about serving as a trustee.

In turn, organisations should recognise the contribution of trustees and thank them for their service to the organisation.

A simple model code of conduct

It is the responsibility of management committee members or trustees to:

- **Act within the governing document and the law** – being aware of the contents of the organisation’s governing document and the law as it applies to [organisation name].
- **Act in the best interest of [organisation name] as a whole** – considering what is best for the organisation and its beneficiaries and avoiding bringing [organisation name] into disrepute.
- **Manage conflicts of interest effectively** – registering, declaring and resolving conflicts of interest. Not gaining materially or financially unless specifically authorised to do so.
- **Respect confidentiality** – understanding what confidentiality means in practice for [organisation name], its board and the individuals involved with it.
- **Have a sound and up-to-date knowledge of [organisation name] and its environment** – understanding how [organisation name] works and the environment within which it operates.
- **Attend meetings and other appointments or give apologies** – considering other ways of engaging with the organisation if regularly unable to attend trustee meetings.
- **Prepare fully for meetings and all work for [organisation name]** – reading papers, querying anything you don’t understand and thinking through issues in good time before meetings.
- **Actively engage in discussion, debate and voting in meetings** – contributing positively, listening carefully, challenging sensitively and avoiding conflict.
- **Act jointly and accept a majority decision** – making decisions collectively, standing by them and not acting individually unless specifically authorised to do so.
- **Work considerately and respectfully with all** – respecting diversity, different roles and boundaries, and avoiding giving offence.

Trustees are expected to honour the content and spirit of this code.

Signed

Name

Date

APPENDIX TWO

A detailed model code of conduct

I will respect and uphold the values of [organisation name]

[list values of organisation]

GENERAL

- I will act within the governing document of [organisation name] and the law, and abide by the policies and procedures of the organisation. This includes having a knowledge of the contents of the [governing document] and relevant policies and procedures.
- I will support the objects and mission of [organisation name], championing it, using any skills or knowledge I have to further that mission and seeking expert advice where appropriate.
- I will be an active trustee, making my skills, experience and knowledge available to [organisation name] and seeking to do what additional work I can outside trustee meetings, including sitting on sub-committees.
- I will respect organisational, board and individual confidentiality, while never using confidentiality as an excuse not to disclose matters that should be transparent and open.
- I will develop and maintain a sound and up-to-date knowledge of [organisation name] and its environment. This will include an understanding of how [organisation name] operates, the social, political and economic environment in which it operates and the nature and extent of its work.
- I will use [organisation name]'s resources responsibly, and when claiming expenses will do so in line with [organisation name] procedures.
- I will seek to be accountable for my actions as a trustee of [organisation name], and will submit myself to whatever scrutiny is appropriate.
- I accept my responsibility to ensure that [organisation name] is well run and will raise issues and questions in an appropriate and sensitive way to ensure that this is the case.

MANAGING INTERESTS

- I will not gain materially or financially from my involvement with [organisation name] unless specifically authorised to do so.
- I will act in the best interests of [organisation name] as a whole, and not as a representative of any group – considering what is best for [organisation name] and its present and future beneficiaries and avoiding bringing [organisation name] into disrepute.
- Unless authorised, I will not put myself in a position where my personal interests conflict with my duty to act in the interests of the organisation. Where there is a conflict of interest I will ensure that this is managed effectively in line with [organisation name] policy. I understand that a failure to declare a conflict of interest may be considered to be a breach of this code.

MEETINGS

- I will attend all appropriate meetings and other appointments at [organisation name] or give apologies. If I cannot regularly attend meetings I will consider whether there are other ways I can engage with [organisation name].
- I will prepare fully for all meetings and work for the organisation. This will include reading papers, querying anything I do not understand, thinking through issues before meetings and completing any tasks assigned to me in the agreed time.
- I will actively engage in discussion, debate and voting in meetings; contributing in a considered and constructive way, listening carefully, challenging sensitively and avoiding conflict.
- I will participate in collective decision making, accept a majority decision of the board and will not act individually unless specifically authorised to do so.

GOVERNANCE

- I will actively contribute towards improving the governance of the trustee board, participating in induction and training and sharing ideas for improvement with the board.
- I will help to identify good candidates for trusteeship at [organisation name] and, with my fellow trustees, will appoint new trustees in accordance with agreed selection criteria.

RELATIONS WITH OTHERS

- I will endeavour to work considerately and respectfully with all those I come into contact with at [organisation name]. I will respect diversity, different roles and boundaries, and avoid giving offence.
- I recognise that the roles of trustees, volunteers and staff of [organisation name] are different, and I will seek to understand and respect the difference between these roles. Where I also volunteer with the organisation I will maintain the separation of my role as a trustee and as a volunteer.
- I will seek to support and encourage all those I come into contact with at [organisation name]. In particular I recognise my responsibility to support the chair and the senior staff member.
- I will not make public comments about the organisation unless authorised to do so. Any public comments I make about [organisation name] will be considered and in line with organisational policy, whether I make them as an individual or as a trustee.

LEAVING THE BOARD

- I understand that substantial breach of any part of this code may result in procedures being put in motion that may result in my being asked to resign from the trustee board.
- Should this happen I will be given the opportunity to be heard. In the event that I am asked to resign from the board I will accept the majority decision of the board in this matter and resign at the earliest opportunity.
- If I wish to cease being a trustee of [organisation name] at any time, I will inform the chair in advance in writing, stating my reasons for leaving.

Signed

Name

Date

APPENDIX THREE
REAL LIFE EXAMPLE

MedicAlert: Trustees' Code of Practice

This code sets out the relevant standards and commitments expected of trustees of the MedicAlert Foundation UK.

The purpose of this Code of Practice is to ensure consistent application of the values and ethos of MedicAlert by all trustees.

The Code

GENERAL

1. Trustees must act with probity, due prudence and should take and consider professional advice on anything in which the trustees do not have expertise themselves.
2. Except where legally authorised, trustees must not gain financial or other material benefit for themselves, their families or their friends from MedicAlert.
3. A trustee must not place him/herself under any financial or other obligation to outside individual organisations that might influence him/her in the performance of his/her official duties.
4. Trustees should conduct themselves in a manner which does not damage or undermine the reputation of MedicAlert or its staff individually or collectively and should not take part in any activity which is in conflict with the objects or which might damage the reputation of MedicAlert.
5. Trustees must take joint responsibility for decisions taken including those determined by a nominated sub-committee.
6. Trustees who are part of a nominated sub-committee must take all reasonable steps to ensure that other trustees are kept fully up-to-date with information upon which decisions may be taken.

RESPONSIBILITIES

7. Trustees must, with the help of the chief executive and the executive team, formulate and review regularly MedicAlert's vision, strategic objectives and plans.
8. Trustees must ensure, with professional advice where appropriate, that MedicAlert complies with all regulatory and statutory requirements and must exercise overall control over MedicAlert's financial affairs.
9. Trustees must be familiar with, and regularly review, the rules and constitution of MedicAlert.
10. Trustees must annually review MedicAlert's performance against its vision and objectives.

TRUSTEE MEETINGS

11. Trustees must attend all meetings regularly. If attendance is proving problematic a trustee can request a leave of absence or a sabbatical.
12. Trustees should bring a fair and open-minded view to all discussions and should ensure that all decisions made are in MedicAlert's best interests.

13. Trustees must aim to foresee and avoid any conflict of interest. Where one arises, the trustee must declare it and absent him/herself from the meeting.
14. Confidential information or material (relating to customers, staff, commercial business, etc.) provided to or discussed at a trustee meeting must remain confidential, within the confines of the meeting and be managed according to relevant legislation.
15. Trustees should be as open as possible about the decisions they take, giving reasons where appropriate and restricting information only when wider interests require it.
16. Trustees have a responsibility to develop and ensure the maintenance of a properly constituted, balanced and competent board, including clear procedures for selection, training, retirement and, if necessary, removal of trustees, board appraisals and to ensure arrangements are followed for recruiting the chair and members of sub-committees.
17. Papers submitted to the board are to be kept secure and confidential.

BOARD RESPONSIBILITIES TO STAFF

18. Trustees must ensure there is a clear understanding of the scope of authority delegated to the chief executive.
19. Policies and strategies agreed by the board should be clear and explicit and come from the board as a whole.
20. Trustees should act fairly and in accordance with best practice principles in making decisions affecting the appointment, recruitment, professional development, appraisal, remuneration and discipline of the chief executive and other staff.
21. Trustees must understand and accept the difference in roles between the board, the chief executive and senior managers of MedicAlert.
22. Trustees should ensure that they do not act to undermine the chief executive or senior managers team by word or action. If a trustee has concerns about the performance of a member of MedicAlert staff, including the chief executive, this should be taken up with the chair.
23. If a trustee has a concern about financial irregularities within MedicAlert this should be addressed to the chair who will act upon the information appropriately and in accordance with agreed procedures.

MEDICALERT WILL:

- Provide the trustees with timely and relevant information in order to allow the board to govern well.
- Provide the board with advice when necessary ensuring that external professional advisors are available as and when needed.
- Work in partnership with the board to ensure that it fulfils all its statutory and legal responsibilities.
- Invest time, money and other resources in order to help support and further develop good governance.
- Provide the board with the necessary administrative and other support that they will need to govern well.
- Reimburse trustees' out-of-pocket expenses incurred in the course of their duties as trustees.

Signed

Name

Date

Glossary

Conflicts of interest: Any situation in which a trustee's personal financial interests may (or appear to, or have the potential to) influence or affect the decisions made by a trustee for their organisation.

Declaration of eligibility: A statement signed by trustees on their appointment declaring that they are not disqualified in any way from acting as a trustee.

Governance: The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation.

Governance review: Where an organisation spends time looking at its governance, reviewing whether it is working effectively and proposing and making changes.

Governing document: A legal document setting out the organisation's purposes and, usually, how it is to be administered. It may be a trust deed, constitution, memorandum and articles of association, will, conveyance, Royal Charter, Scheme of the Charity Commission, or other formal document.

Objects: The term used to describe and identify the purpose for which the charity has been set up. They do not say what the organisation will do on a daily basis.

Trustee: Charity trustees are the people who serve on the governing body of a charity. They may be known as trustees, directors, board members, governors or committee members. Charity trustees are responsible for the general control and management of the administration of a charity.

Trustee board: This is the group of trustees who form the governing body of a charity. They may be collectively called trustees, the board, managing trustees, the management committee, governors or directors, or they may be referred to by some other title.

Trustee role description: This is a document, or part of a document, which sets out what trustees are expected to do when they take on the role in a particular organisation. This may be incorporated into a code of conduct or other document.

Useful sources of information

Association of Chief Executives of Voluntary Organisations (acevo)

www.acevo.org.uk

Tel 0845 345 8481

Represents third sector leaders and provides them with support, advice and development opportunities.

Boardsource

www.boardsource.org

USA-based resource for practical information, best practice, training, and leadership development for boards of not-for-profit organisations.

Centre for Effective Dispute Resolution (CEDR)

www.cedr.co.uk

Tel 020 7536 6000

Encourages and develops mediation and other cost-effective dispute resolution and prevention techniques.

Charity Commission

www.charitycommission.gov.uk

Tel 0845 3000 218

The Charity Commission is established by law as the regulator and registrar for charities in England and Wales.

Charity Trustee Networks (CTN)

www.trusteenet.org.uk

Tel 01483 230 280

CTN is the national organisation for trustees, facilitating networks and providing resources and support to help trustees increase their confidence and effectiveness.

Companies House

www.companieshouse.gov.uk

Tel 0870 33 33 636

Incorporates and dissolves limited companies; examines and stores company information delivered under the Companies Act and related legislation; and makes this information available to the public.

Community Matters

www.communitymatters.org.uk

Tel 020 7837 7887

Supports and develops the capacity of community organisations and represents their interests at a national level.

Directory of Social Change (DSC)

www.dsc.org.uk

Tel 08450 777 707

DSC promotes positive social change and provides a wide range of resources for trustees including training and publications.

Governance Pages +++

www.governancepages.org.uk

A website providing resources and information on governance and management committees for community groups and small voluntary organisations.

Institute of Chartered Secretaries and Administrators (ICSA) +++

www.icsa.org.uk

Tel 020 7580 4741

The professional body for Chartered Secretaries. Its website contains a wide range of resources, guidance and model documents for charities.

National Association for Voluntary and Community Action (NAVCA)

www.navca.org.uk

Tel 0114 278 6636

NAVCA is the membership organisation for local third sector infrastructure in England, providing members with information, advice, networking and learning opportunities, support and development services.

National Council of Voluntary Organisations (NCVO) +++

www.ncvo-vol.org.uk

Freephone HelpDesk 0800 2 798 798

NCVO provides a wide range of information and support services for those working in the voluntary and community sector.

Public Concern at Work

www.pcaw.co.uk

Tel 020 7404 6609

The charity that assists whistleblowers and advises organisations on whistleblowing.

+++ Model code of conduct can be found on this website

Codes of Conduct for Trustees

This booklet takes a practical approach to introducing, developing and using a code of conduct to help trustees work well together and tackle any problems that may arise.

It includes model codes of conduct, case studies, useful tools and signposting to other resources.



Charity Trustee Networks is the national charity for trustees and management committee members.

www.trusteenet.org.uk

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