



Trustee Codes of Conduct

(November 2016)

Do you need a code of conduct?

Being a trustee should be a rewarding experience for everyone. By being an effective trustee a charity will be well managed and run, delivering the best possible outcomes for those it is set up to help. Trustees have an individual and collective responsibility so a board will only work well if all the individual trustees work well. Occasionally being on a board of trustees can end up being unsatisfying and even stressful. Quite often this is because one or more of the following is happening:

- 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 not trusting other trustees, staff or volunteers to get on and do their job i.e. micro-managing.

To ensure that individual trustees know what is expected of them good practice is to draw up role descriptions (see our separate factsheet 'What am I supposed to be doing?') and a Code of Conduct. A code of conduct can also be used to improve individual performance as a trustee and, in the worst cases, as a framework to start discipline procedures (informally and formally) for trustees who are not performing. A code of conduct reminds all trustees how to behave legally (by carrying out their legal duties as a trustee) and in a good practice way to ensure they and the board are as effective as possible. Codes should set out how individual trustees can demonstrate that they are transparent, open, honest and accountable.

So even if all your trustees are perfect and your board works well and effectively we would still recommend that all charities agree clear written role descriptions for their trustees and get each individual to sign a Code of Conduct (call it something like the 'Way we Work' if you want it to look less off putting) that they agree to abide by.

What should be in a Code of Conduct?

A code is an agreed set of guidelines outlining the responsibilities of, or proper practices for, an individual or organisation. So that Codes do not just become tick box lists that are quickly forgotten as soon as they are written and signed they should be:

- Agreed after detailed discussion (so not just copied from this factsheet!)

- Be clearly written
- Should cover the main areas of practice (both legal and good practice) appropriate to each organisation.
- Be as short as possible
- Be regularly reviewed.
- New members should have the Code explained before they sign
- Used as a tool to assess individual and collective practice (i.e. assess how well you come up to the standard set out in the Code).

There are many codes around relating to governance. Perhaps the most well-known is the Seven Principles of Public Life, or Nolan principles, which although were originally written for the public sector have been widely adapted for others. Charity Trustee Networks in their publication 'Codes of Conduct for Trustees' (see below) have adapted them 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.

Depending on your size and complexity your charity's code level of detail will vary. Very small charities may need a very simple set of ground rules. All trustees of whatever size charity should address the six duties identified by the Charity Commission:

1. Ensure your charity is carrying out its purposes for the public benefit
2. Comply with your charity's governing document and the law

3. Act in your charity's best interests
4. Manage your charity's resources responsibly
5. Act with reasonable care and skill
6. Ensure your charity is accountable

The CTN publication above has a suggested simple code to cover these legal and minimum good practice behaviours:

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 ANYORG.
- **Act in the best interest of ANYORG as a whole** – considering what is best for the organisation and its beneficiaries and avoiding bringing ANYORG 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 ANYORG, its board and the individuals involved with it.
- **Have a sound and up-to-date knowledge of ANYORG and its environment** – understanding how ANYORG 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 ANYORG** – 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.

Bournemouth CVS suggests the following:

As a trustee of ANYORG I promise to abide by the fundamental values that underpin all the activity of this organisation. These are:

Accountability

Everything ANYORG does will be able to stand the test of scrutiny by the public, the media, the Charity Commission, members, stakeholders, funders, Parliament and the courts.

Integrity and honesty

These will be the hallmarks of all conduct when dealing with colleagues within ANYORG and equally when dealing with individuals and institutions outside it.

Transparency

ANYORG strives to maintain an atmosphere of openness throughout the organisation to promote confidence of the public, stakeholders, staff, Charity Commission and Parliament.

Additionally, I agree to the following points:

Law, mission, policies

- I will act within the governance document of the charity
- I will not break the law or go against charity regulations in any aspect of my role of trustee.
- I will support the mission of the charity and act as their guardian and champion.
- I will develop and maintain an up to date knowledge of the charity and its working environment.
- I will abide by organisational policies.

Conflicts of interest

- I will always strive to act in the best interests of the organisation as a whole and not as a representative of any group, considering what is best for the charity and its present and future beneficiaries.
- I will declare any conflict of interest, or any circumstance that might be viewed by others as a conflict of interest, as soon as it arises.
- I will submit to the judgment of the board and do as it requires regarding potential conflicts of interest.

Person to person

- I will not break the law, go against charity regulations or act in disregard of organisational policies in my relationships with fellow trustees, staff, volunteers, members, service recipients, contractors or anyone I come into contact with in my role as trustee.
- I will strive to establish respectful, collegial and courteous relationships with all I come into contact with in my role as trustee.
- Where I also volunteer with the charity I will maintain the separation of my role as a trustee and as a volunteer.

Protecting the organisation's reputation

- I will not speak as a trustee of this organisation to the media or in a public forum without the prior knowledge and approval of the Chief Officer or Chair.
- When prior consent has not been obtained, I will inform the Chair or Chief Officer at once when I have spoken as a trustee of this organisation to the media or in a public forum.
- When I am speaking as a trustee of this organisation, my comments will reflect current organisational policy even when these do not agree with my personal views.
- When speaking as a private citizen I will strive to uphold the reputation of the organisation and those who work in it.
- I will respect organisational, board and individual confidentiality.
- I will take an active interest in the organisation's public image, noting news articles, books, television programmes and the like about the organisation, about similar organisations or about important issues for the organisation.

Personal gain

- I will not personally gain materially or financially from my role as trustee, unless specifically authorised to do so, nor will I permit others to do so as a result of my actions or negligence.
- I will document expenses and seek reimbursement according to procedure.
- I will not accept gifts or hospitality without prior consent of the Chair.
- I will use organisational resources responsibly, when authorised, in accordance with procedure.

In the boardroom

- I will strive to embody the principles of leadership in all my actions and live up to the trust placed in me by ANYORG.
- I accept my responsibility to ensure that ANYORG is well run and will raise issues and questions in an appropriate and sensitive way to ensure that this is the case.
- I will abide by board governance procedures and practices.
- I will strive to attend all board meetings, giving apologies ahead of time to the Chair if unable to attend.
- I will strive to attend at least X¹ meetings of the board per year
- I will study the agenda and other information sent me in good time prior to the meeting and be prepared to debate and vote on agenda items during the meeting.
- I will honour the authority of the Chair and respect his or her role as meeting leader.
- I will engage in debate and voting in meetings according to procedure, maintaining a respectful attitude toward the opinions of others while making my voice heard.
- I will accept a majority board vote on an issue as decisive and final.
- I will maintain confidentiality about what goes on in the boardroom unless authorised by the Chair or board to speak of it.

Enhancing governance

- I will participate in induction, training and development activities for trustees.
- I will continually seek ways to improve board governance practice.
- I will strive to identify good candidates for trusteeship and appoint new trustees on the basis of merit.
- I will support the Chair in his/her efforts to improve his/her leadership skills.
- I will support the CEO in his/her executive role and, with my fellow board members, seek development opportunities for him/her.

Leaving the board

- I understand that substantial breach of any part of this code may result in my removal from the trustee board.
- Should procedures be put in motion that may result in my being asked to resign from the board, 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 and resign at the earliest opportunity.
- Should I resign from the board I will inform the Chair in advance in writing, stating my reasons for resigning. Additionally, I will participate in an exit interview.

Signed**Date****When and how to introduce a Code?**

The time you realise you need a code is when something has gone wrong! However this is probably the worst time to do introduce it as a Code needs careful consideration thinking about what the best possible behaviours should be and when there are accusations flying around it will be harder to think objectively. So do it when the trustee board is working well together.

You could start with a blank piece of paper or look at other codes (e.g. the ones above or others in the SOURCES section below or other charities, perhaps similar to your own) and adapt them by working through each clause and thinking how they apply to your own charity.

Dealing with breaches

There should be some discussion about including a breach mechanism, i.e. what happens if someone breaks the Code. Think about who identifies it (can it be a trustee, does it have to be the Chair, can it be the Chief Executive, other staff and volunteers, users etc.?). Commonly the issue should be brought to the attention of the Chair who then investigates and they have a private word with the trustee. This is perfect if the breach is low level and should be done as soon as the Chair becomes aware that a trustee is 'straying'. (NB commonly if the Chair is guilty of a breach then the Vice-Chair or some other nominated trustee carries out the action).

If a friendly word does not do the trick or it is more serious then a more formal approach may need to take place. If so then it is a good idea to not just leave it to the Chair. Perhaps that should convene a panel of 2 or 3 trustees to hear the case and

make a recommendation. It may be helpful to involve an independent third party (e.g. another charity or the CVS) to advise on a fair process. A formal letter could be written to the trustee clearly setting out which parts of the Code were broken and why and how the trustee is expected to behave in the future. If very serious then the panel may recommend removal of the trustee. If so this needs to tie up with the governing document (e.g. constitution). If the document does not contain a mechanism to remove trustees then make sure the Code includes an agreement that the trustee will agree to resign if recommended by the other trustees to do so. Also it is common for people to be given the right of appeal. This will usually be to the full trustee board and any decision is final.

SOURCES/FURTHER INFORMATION

- (a) BCVS can give individual support and advice on roles, responsibilities, running meetings and good governance. Also look on our website for other Fact Sheets at: www.bournemouthcvs.org.uk/advice.asp
- (b) Charity Trustee Networks 'Codes of Conduct for Trustees'
www.smallcharities.org.uk/fileadmin/user/files_documents/CodesofConductforTrustees-CTNbooklet.pdf
- (c) BCVS Trustee Code of Conduct
www.bournemouthcvs.org.uk/bcvs-trustees.asp
- (d) Good Governance Code www.goodgovernancecode.org.uk
- (e) Good Governance pages www.governancepages.org.uk/sample-documents/codes-of-conductgovernance-codes/

This information sheet was produced by:

Bournemouth CVS

Boscombe Link, 3-5 Palmerston Road, Bournemouth BH1 4HN

01202 466130 contactus@bournemouthcvs.org.uk

www.bournemouthcvs.org.uk

Registered charity No. 1081381