Directors and Trustees Code of Conduct Guidance

The term Director and Trustee is interchangeable when dealing with a charitable company or a charitable incorporated organisation. Active Oxfordshire is a CIO.

The overriding duty of all charity trustees is to advance the purposes of their charity as well as several basic responsibilities:

1. **Trustees are responsible for the proper administration of their charity**

   Trustees must make sure that the charity’s assets and resources are used only for the purposes of the charity. They must make sure that the charity is run in accordance with its governing document, (the constitution) charity law and all other laws and regulations that affect its activities.

   Trustees must accept ultimate responsibility for everything their charity does

   The trustees are responsible for the vision, mission and management of the charity. They are accountable if things go wrong. They can delegate some tasks as the governing document allows but ultimate responsibility remains with trustees.

2. **Trustees have to act reasonably and prudently in all matters relating to their charity**

   The law imposes a duty of care on the trustees of charities. This is sometimes expressed as a duty ‘to exercise such care and skill as is reasonable in the circumstances’. The duty will be greater if a trustee has (or claims to have) any special knowledge or experience, or if their business or profession means they can reasonably be expected to have special knowledge or experience. In matters where trustees are not expert, they will be expected to take appropriate advice.

   This duty is very significant. Essentially, provided trustees can show that they are acting reasonably, in a way which furthers the legal objectives of the charity, it is unlikely that they can be criticised under charity law.

3. **Trustees must safeguard and protect the assets of their charity**

   A charity’s assets include its investments, cash, land, intellectual property, staff and reputation.

4. **Trustees have a duty to act collectively**

   Decisions and responsibilities are shared, so all trustees should take an active role. Trustees can act by majority (unless the constitution says otherwise), but all the trustees are collectively responsible for decisions made by the trustees. Once a decision is made all trustees are bound to support it.

   Some trustees will have particular roles. For instance, the chair is likely to be a figurehead for the organisation and to have a special relationship with senior members of staff. The treasurer will be responsible for explaining the financial situation to the rest of the trustees. However, responsibility for decision making still lies with the board as a whole.

5. **Trustees must act in the best interests of their charity**
The interests of the charity are paramount. Trustees should not allow their personal interests or views to override this: they must exercise independent judgement.

6. **Trustees must avoid any conflict between their personal interests and those of the charity**

The main implication of this is that the scope for trustees to receive personal benefit from their charity is very limited. Trustees must deal appropriately with any conflicts which arise between their own personal interests and those of the charity. Trustees must also be alert to possible conflicts between duties they may owe to other organisations and the duties they have to the charity.

The board has some key financial responsibilities. These include:

- **Financial planning**
- **Financial controls**
- **Financial reporting**
- **Financial planning**

The board should agree a budget. The budget sets out the expenditure you plan to make and the income you expect to raise. The board needs to monitor on a regular basis the actual performance against the budget. Agreeing and monitoring the budget is a key way in which the board ensures that income and any assets the organisation may have are used to further the organisation’s aims. Charity trustees have a duty to ensure that the organisation’s resources are only used to further the charity’s objects.

**Financial controls**

The board should ensure that there are proper controls in place to ensure money can be accounted for and not misused. The extent of the controls you need will depend on the size and scale of your organisation ranging from procedures for authorising expenditure and setting out who signs cheques through to a full financial handbook.

**Financial reporting**

In addition to internal reports charities should also prepare annual external accounts. The charity is required to submit its accounts, which the public has a right to see, to the Charity Commission within 10 months of the end of the financial year.

The Charities Commission requires charities with over £25,000 of income to have their accounts independently examined and those with an income over £1m fully audited.

A good board shares the leadership and direction of an organisation by ensuring there is a clear framework for its work.

The trustee board is responsible for ensuring that the charity is clear about why it exists and how it will bring about its goals. It needs to ensure that the organisation is indeed making progress towards its goals. Charity trustees have a legal duty to ensure that their activities further the charity’s purpose. It is therefore essential that every board member understands the purpose of the organisation.
The board ensures that the organisation is clear about its vision and mission and that all its activities contribute ultimately to their achievement.

Values

Your board provides leadership in the values it embodies and the culture it fosters. These will in turn be reflected in the way that staff and volunteers work. The charity board may wish to make the organisation’s values explicit.

Strategy

A strategy sets out how the organisation will move from where it is now to a desired point in the future. A well-considered strategy is essential to your charity’s effectiveness. Of course the board won’t determine the strategy on its own, it will seek the view of all those who have a stake in the organisation. If you have staff they may do a lot of the work in identifying strategic options, but the final responsibility lies with the trustees.

Impact

An important role of every board is to ensure that the organisation is achieving its aims. Board members need to be confident that the organisation’s activities are really making a difference to the lives of those they are intended to benefit. Board members can assist by ensuring they agree appropriate targets, and ways of regularly tracking and assessing progress. It’s important to focus on the outcomes for your users rather than simply the size or scale of your activities. You need to look beyond efficiency to effectiveness. Learn more in our Impact section.

Identifying and managing risk is a key charity board responsibility.

All organisations, regardless of size or the area they operate in, face risk. It could be the risk of losing money, injuring clients, bad publicity, or losing key staff or volunteers. The board can take steps to:

Avoid or reduce risk

Accept some risks, with a plan for how to manage the possible consequences if the risk happens.

Trustees are ultimately responsible for the charity and should take the lead in ensuring that risk management is approached comprehensively and that it permeates all aspects of the charity’s operations.

What can help the board?

A board that is aware of its responsibilities and works on being effective is more likely to look strategically at the risks facing the charity. A board that reviews its responsibilities regularly is more likely to be aware of the risks facing the board and the effective governance of the charity.

When looking at risk, members of the board should ask themselves these questions.

When did we last carry out a risk management exercise?

Do we regularly carry out a risk management exercise?

Do we act on the findings of the exercise?
The Charity Commission encourages all charities to report on risk and for larger charities it is a legal requirement.

**Employment policies and procedures**

Trustees should ensure that the charity has policies for the recruitment of staff, ensuring that policies and practices are in place so that applicants are treated fairly and in accordance with equal opportunities practice at all stages of advertising, shortlisting and interviewing. They should establish policies for staff appraisal, support and supervision, probationary periods and remuneration that are proportional to the size of the charity.

The employment policies and procedures section will help trustees define, regulate and inform how their organisation operates and information on how to develop their policy.

**Chief Executive**

Where a staff structure is in place and a chief executive manages the staff team, then a direct responsibility of the board is to recruit and support the chief executive.

**Anti-Bribery Policy**

1. **Purpose**

The purpose of this policy is to establish controls to ensure compliance with all applicable anti-bribery regulations, and to ensure our business is conducted in a socially responsible manner.

2. **Policy statement**

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, implementing, and enforcing effective systems to counter bribery.

Bribery and corruption are punishable for individuals by up to ten years' imprisonment and a fine. If we are found to have taken part in corruption, we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.

3. **Scope**

Who is covered by the policy? In this policy, third party means any individual or organisation you meet during the course of your work, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties. All arrangements with third parties should be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures in relation to bribery and corruption.

This policy applies to all employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their
employees, wherever located (collectively referred to as employees in this policy). It also applies to Officers, Trustees, Board and or Committee members and Members (any membership level).

This policy covers:

- Bribes;
- Gifts and hospitality;
- Facilitation payments
- Charitable contributions

Bribes

Trustees and employees must not engage in any form of bribery, either directly or through any third party (such as an agent or distributor). Specifically, employees must not bribe a foreign public official anywhere in the world.

Facilitation payments and kickbacks

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not to obtain or retain business or any improper business advantage. Facilitation payments tend to be demanded by low level officials to obtain a level of service, which one would normally be entitled to. Our strict policy is that facilitation payments must not be paid.

Charitable contributions

Charitable support and donations are acceptable (and indeed are encouraged), whether of in-kind services, knowledge, time, or direct financial contributions. However, trustees and employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. We only accept charitable donations that are legal and ethical under local laws and practices. No donation on behalf of the organisation must be offered or made without the prior approval of a member of the Board of Trustees.

4. Record-keeping

You must declare and keep a written record of all gifts accepted or offered, which will be subject to management review. You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy.

5. How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries or concerns, these should be raised with the Chair of the Audit Committee and refer to our Whistleblowing Policy.

6. What to do if you are a victim of bribery or corruption

It is important that you tell you’re the CEO or Chair as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

7. Protection
Employees who refuse to accept or offer a bribe, or those who raise concerns or report another’s wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

8. Training and communication

Training on this policy forms part of the induction process for all new employees, Members and Trustees. All existing employees receive regular, relevant training on how to adhere to this policy. Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

9. Who is responsible for the policy?

The Board of Trustees has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it. The Audit Committee has general responsibility on behalf of the Board for monitoring the operation and effectiveness of our anti-bribery arrangements. The CEO has primary and day-to-day responsibility for implementing this policy and for dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it. All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.