

# **The Elders Council**

## **Rules and procedures for good governance**

### **Other documents distributed to all trustees:**

- The Governing Document: Memorandum and Articles of Association
- Standing Orders
- Trustees' Expenses Claim Form
- Contacts – Trustees and Staff

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## A Introduction

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### 1. THE ELDERS COUNCIL OF NEWCASTLE – Governance

- 1.1 THE ELDERS COUNCIL is registered as a Company Limited by Guarantee and a charity. The charity is governed by a Board of Trustees.
- 1.2 The objects of the charity are:
  - 1.2.1 to relieve the charitable needs associated with ageing of older people resident in the City of Newcastle upon Tyne, and in particular but not exclusively:
    - a. To relieve poverty, hardship and distress.
    - b. To preserve and protect good health.
    - c. To provide or assist in the provision of facilities for recreation and leisure-time occupation in the interests of social welfare with the aim of improving their conditions of life.
  - 1.2.2 to advance the education of Newcastle's older people.
- 1.3 The Board of Trustees recognise that all the powers, authorities and responsibilities for the governance and management of the charity lie with the trustees. The Board of Trustees also recognise that they are accountable to the charity's wider stakeholders and must report to the Charity Commission and Companies House as the regulators.
- 1.4 This document contains the rules and procedures to ensure the good governance of the charity to support it in achieving its charitable objectives. Nothing in this document shall override the provisions of the Elders Council governing document. The Board of Trustees has the power to amend this document but only when:
  - notice of the proposed changes has been given to the Secretary in writing;
  - such notice has been sent to all trustees at least seven clear days before the meeting at which the proposed changes will be considered;
  - the proposed changes form part of the agenda of a Board meeting;
  - the proposed changes have been approved by not less than two thirds of the total number of trustees.
- 1.5 Each member of the Board of Trustees will receive a copy of this document as part of their induction to the Board and will use it to inform their work as a member of the Board.

## **B Standards and principles of good governance**

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### **1. Responsibilities of the Board of Trustees of a charity**

The Charity Commission states that a Board of Trustees have and must accept ultimate responsibility for directing the affairs of the charity, ensuring that it is well run, that it is solvent, and delivering the charitable objectives. In particular, the trustees are responsible for compliance and have a duty of prudence and a duty of care for the charity. The Charity Commission has set out the duties of trustees as follows:

### **2. Compliance**

The Board of Trustees must:

- ensure that the charity complies with charity law;
- ensure that the charity does not breach any of the requirements set out in its governing document and that it remains true to the charitable purpose and objects set out within that document;
- comply with the requirement of other legislation and other legislators which govern the activities of the charity;
- act with integrity and avoid any personal conflicts of interest or misuse of charity funds or assets.

### **3. Duty of Prudence**

The Board of Trustees must:

- ensure that the charity will remain solvent;
- use charitable funds and assets reasonably and only in furtherance of the charity's objects;
- avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk;
- take special care when investing the funds of the charity, or borrowing funds for the charity to use.

### **4. Duty of care**

The Board of Trustees must:

- use reasonable care and skill in their work as trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient;
- consider getting professional advice on all matters where there may be a reasonable risk to the charity, or where the trustees may be in breach of their duties.

## **5. Principles for good governance**

- 5.1 The Elders Council is committed to achieving and maintaining high-quality practice at a governance level within the organisation. The Board of Trustees recognises that good leadership is based upon strong principles, shared values and ethics that underpin the effectiveness of the organisation in achieving its goals.
- 5.2 The following principles were applied in agreeing the policies that will drive effective governance of the charity:

- The charity is headed by an effective board, which is collectively responsible for the success of the charity.
- All trustees are equally responsible in law for the Board's decisions. Trustees are bound by the overriding fiduciary duty to act in good faith in the pursuit of the best interests of the charity as a whole.
- There will be a formal, rigorous and transparent procedure for the nomination and election/appointment of trustees to the Board and election/appointment of Chair and officers.
- The Board of Trustees will have the information it requires to enable it to discharge its duties. This information must be supplied in a timely manner and in an appropriate form.
- The Board of Trustees will undertake a formal and rigorous evaluation of its own performance and that of its sub-committees.
- The Board of Trustees will develop and maintain a sound system of internal control to safeguard the charitable assets.

## **6. Practices for good governance**

- 6.1 It is recognised that the above can be achieved only through the development and implementation of a range of good practices and procedures that are based on working within a culture of openness, transparency and integrity.
- 6.2 All governance rules, procedures and practice will therefore be reviewed on an annual basis.

## **C Code of conduct for trustees, sub-committee chairs and observers/advisers**

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### **1. Introduction**

- 1.1 The purpose of this policy statement is to stress the importance that the Board of Trustees places upon achieving high standards of conduct throughout its work and to provide guidance to members of the Board, sub-committee chairs and any observers/advisers as to their responsibilities and best practice in fulfilling their obligations to the charity.
- 1.2 This policy should be read in conjunction with the agreed rules and procedures and the Elders Council governing document.
- 1.3 The code has been developed in line with current good practice and principles for good governance and recognises that a board is made up of a diverse set of individuals with varying and sometimes conflicting interests, motivations, expectations and characters.
- 1.4 The Board of Trustees, sub-committee chairs and officers:
  - must act in the best interests of the charity in all its dealings on behalf of the organisation;
  - are jointly and collectively responsible for the Elders Council as a charity and will ensure that alignment with any particular project or group does not unduly influence any decision-making at Board level;
  - must not receive any financial or non-financial benefits that are not explicitly authorised by the governing document;
  - must be prepared to spend time reading papers and preparing for meetings and events in order to ensure that the business of the meeting or event is as efficient and effective as possible;
  - have a responsibility to seek information from the staff or the Chair if they feel that they have not received full information in a timely manner or wish to request additional information before a meeting;
  - must adhere to rules and procedures for good governance;
  - if asked to represent the Elders Council on other bodies, are expected to report back to the Board on a regular basis.
- 1.5 In order to ensure best practice, trustees are expected to attend all meetings as required.

## **2. Conduct of meetings**

All Board meetings and sub-committee meetings shall be conducted in accordance with Standing Orders and these rules and procedures.

## **3. Confidentiality**

- 3.1 Individual trustees have a responsibility to ensure that all Board papers marked “confidential” are kept confidential and are circulated only with the prior permission and agreement of the Board.
- 3.2 All trustees and those attending meetings of the Board must keep confidential all matters discussed at the meetings of the Board which the Board has agreed should be confidential and discuss those confidential matters outside the meeting of the Board only with the permission and agreement of the Board.
- 3.3 Trustees are encouraged to discuss relevant issues raised at the Board with other bodies that they are involved with.
- 3.4 Press and media communications (other than Elders Council Newsletter or radio programme items) will be referred to the Chair.

## **4. Support**

All trustees can ask the Chair for additional support to update their knowledge in order that they may improve the execution of their role as a member of the Board. In addition, the Board of Trustees will take reasonable steps to see that the Elders Council will provide any necessary support for trustees and ensure that knowledge and skills are kept up to date.

## **5. Appointment of a proxy**

- 5.1 An individual member of the Elders Council shall be entitled to appoint another person (whether a member or not) as their proxy to attend and vote on their behalf at a general meeting or, by previous resolution of the Board, at a Board meeting; and any proxy so appointed shall have the same right as the member to speak at the meeting. The proxy may not complete any nomination paper for the election of trustees, however.
- 5.2 Every member shall have a vote in the election of trustees. If a member wishes to appoint a proxy (e.g., for voting on resolutions), in the trustee election, they will instruct that proxy to vote for particular candidates and the proxy shall follow that instruction.
- 5.3 The instrument appointing a proxy for a general meeting shall be deposited as specified in the notice convening the meeting not less

than 24 hours before the time for holding the meeting, and in default the instrument of proxy shall not be treated as valid.

## D Trustee induction

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### 1. Policy

The Board of Trustees of the Elders Council recognises the good practice of ensuring induction for new trustees in order that they can become as effective as soon as possible after taking up their role.

### 2. Procedure

The induction process has three parts:

#### 2.1 Provision of key documentation to each new trustee.

The new trustee will receive copies of key documents and information that will provide details on the roles, responsibilities and practices of the Board (see below).

#### 2.2 Meeting with the Chair and staff

##### 2.2.1 The purpose of this meeting is for the new trustee to have a briefing on the organisation and the work of the Board of Trustees and its practices and procedures.

##### 2.2.2 The Chair will provide a background to the role of and the responsibilities of this role. During the meeting the Chair will refer to these rules and procedures, ensuring that the new trustee understands the contents and that any questions are addressed.

#### 2.3 Introduction to the operational aspects of the organisation

##### 2.3.1 The purpose of this activity is to provide the new trustee with an understanding of the operational aspects of the organisation and the work of the staff team.

##### 2.3.2 This will include:

- a tour of the premises operated by the organisation;
- introduction to the staff team; and
- introduction to the health and safety procedures for the buildings.

### 3. Induction records

#### 3.1 In order to support the induction process and to inform the Board monitoring process, the “Record of induction” form (see Appendix 1) will be completed as a record that the induction process has been completed in full. The dates of completion should be inserted by the new trustee and kept for examination during the monitoring process.

## **E Trustees**

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### **1. Board of Trustees**

The number of trustees shall be not less than 5; the maximum size of the Board of Trustees shall be 12. This rule will be implemented at the 2016 AGM.

### **2. Term of office**

2.1 Trustees of the Elders Council will be elected through the procedures set out in the governing document and will serve for a term of three years; they are eligible for re-election for a further term of three years and then a last term of three years.

2.2. A charity trustee who has served for three consecutive terms may not be re-elected for a fourth consecutive term but may be re-elected after an interval of at least one year. This rule will be implemented at the AGM in 2017 (i.e., anyone who has been a trustee of the Elders Council continuously since the 2008 AGM must step down at the 2017 AGM; they may stand for election as a trustee again at the 2018 AGM).

### **3. Overall responsibilities**

3.1 The Trustees are collectively responsible for the effective governance of the charity and in particular to:

- fulfil responsibilities as required by the current Charities Act and all other legislation (see section B above);
- appoint any staff or consultants ensuring that the person(s) appointed to the staff or consultancy role has the necessary skills and abilities and resources to fulfil their role;
- set and ensure maintenance of a framework of delegation and internal controls;
- agree operational and governance policy and procedures for the Elders Council and monitor the implementation of these;
- develop, agree and monitor the delivery of a strategic plan to achieve the charitable objects, including a financial plan, for the achievement of the overall charitable and business objectives;
- receive, scrutinise and analyse regular reports, relevant financial statements and progress information provided by the Treasurer and staff, external examiner or sub-committees of the Board;

- take some responsibility for carrying out work on behalf of the Elders Council, in particular by joining at least one sub-committee;
  - promote the interests of the Elders Council within a wider network.
- 3.2 The Chair will be elected by and from the Board of Trustees. Exceptionally, if no trustee is willing to be nominated for the office of Chair, the Board of Trustees should appoint the Chair, either from within the Elders Council or from outside.
- 3.3 The Elders Council expects that all trustees will attend meetings of the Board and sub-committees on a regular basis and will ensure that notice and apologies are given if they are unable to attend for any reason.
- 3.4 Trustees who are absent without the permission of the Board of Trustees from all their meetings held within a period of six months may be removed as a trustee should the trustees resolve that their office be vacated. (See Clause 29(6) of the Articles.)
- 3.5 When seeking the election of new trustees, the Board of Trustees will inform the members of the Elders Council of the skills, knowledge and experience that are needed by the Board.
- 3.6 If an election to the Board fails to fill the vacancies available, the Board may consider the appointment of one or more trustees to fill the vacancy/vacancies, always having regard to the skills, knowledge and experience that the Board requires (see “Trustee profile” below).
- 3.7 It is essential that trustees understand the governance and management processes and can carry out their role both diligently and efficiently without becoming either a barrier to progress or over-stepping their responsibilities.

#### **4. Trustee Profile**

- 4.1 In electing/appointing new trustees, the Board of Trustees will be mindful of the following:
- 4.1.1 Trustees will endeavour to ensure that a range and mix of skills are represented at Board level along with a range of lived experience and that this will be taken into account when electing/appointing new trustees. Account will be taken of any gaps in skills and experience at Board level and this will guide

any appointment process.

4.1.2 The skills, knowledge and experience mix at Board level will be guided by the following factors:

- Skills and experience of working with or within issues of older people
- Finance and accounting
- Fundraising
- Business management and development
- Human resources
- Planning, communication and strategic management
- Social policy and commissioning
- Governance
- Safeguarding

4.1.3 The trustees will strive to achieve a diverse Board that will reflect its equality and diversity policy.

4.1.4 In addition, it is expected that **all** trustees will be able to demonstrate:

- a commitment and enthusiasm for the work of the Elders Council;
- a commitment to equality and diversity;
- a commitment to work in the best interests of the Elders Council at all times, to take part in the work of the charity through involvement in sub-committees and by serving as a representative of the Board as required and agreed;
- a professional approach to the work of the Board and to the development of the Elders Council.

4.1.5 Trustees will, ideally, have access to wider networks and will act in an ambassadorial role, representing the Elders Council into that network. When a trustee purports to speak on behalf of the Elders Council, they must ensure that they are in conformity with known Elders Council policy.

## **5. Timescales and fees**

It is expected that fulfilling the basic role of trustee will require preparation for and attendance at a minimum of ten Board meetings per year after induction. The role of trustee is voluntary but they are

entitled to apply for out-of-pocket expenses according to the rates agreed by the Board.

## **F Officers: statement of roles and responsibilities**

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### **1. Officers**

1.1 There shall be three officer posts: Chair, Treasurer and Secretary. The posts shall be filled in an election by and from the Board of Trustees. Exceptionally, if no trustee is willing to be nominated for a particular officer post, the Board of Trustees should appoint somebody to that post, either from within the Elders Council or from outside.

#### 1.2 Period of office

1.2.1 Rule E2 (Term of office [for trustees]) takes precedence over this Rule F1.2.

1.2.2 Always provided that the officer remains a trustee, the term of office for any officer post is three years. After one term, the officer may stand again for a second term of three years; after two terms, the officer may stand for a final term of three years. No officer may be an officer for more than nine consecutive years.

1.2.3 When an officer relinquishes office, at least one year must elapse before they may stand for any officer post.

### **2. Chair**

2.1 The Board of Trustees will elect a trustee to the office of Chair. Exceptionally, if no trustee is willing to be nominated for the office of Chair, the Board of Trustees should appoint the Chair, either from within the Elders Council or from outside. (See Section G.)

2.1.1 The Chair will provide leadership and direction for the Board and enable it to fulfil its roles and responsibilities within an overall framework of good practice.

2.1.2 The Chair will work in partnership and liaise with the staff, Board of Trustees, sub-committee chairs, advisers and other key partners/stakeholders.

#### **2.2 Chair's responsibilities**

In addition to the roles and responsibilities as a Board member (see Section E), the Chair will have additional responsibilities and duties as follows:

- Leading the Board to develop strategic plans and make decisions.

- Ensuring that Board decisions are acted upon.
- Providing supervision, support and leadership for the staff and consultants on behalf of the Board (although another trustee may be delegated by the Board to fulfil this role).
- Ensuring that the charity and the Board take decisions and act in accordance with the governing document.

### **2.3 Time requirements**

It is expected that, in order to fulfil the above responsibilities, the Chair will be required to contribute the equivalent of a minimum of 15 days per year in addition to their responsibilities as a trustee.

### **2.4 Chair's duties:**

#### **2.4.1 Board Meetings**

- Convene and chair meetings of the Board and general meetings as agreed and ensure that the business of those meetings is conducted efficiently and effectively.
- Consult with the staff on the preparation of agendas and supporting papers to be presented to meetings of the Board.
- Read, analyse and comment on development proposals put forward by the staff, consultants or Board members.
- Ensure that appropriate policies that will underpin the governance of the charity and its business are developed and maintained and that the organisation adheres to those policies in its governance, management, planning and decision-making.
- Ensure an annual review of the Board's performance against agreed targets.
- Ensure that Board members have support and are able to carry out their duties.

#### **2.4.2 Liaison with staff**

- Have regular meetings with the staff in order to keep up to date with progress, key issues arising from the work of the charity and issues that are likely to require Board consideration and action.
- Act as a sounding board for proposals and ideas presented by the staff.

#### **2.4.3 Liaison and representation**

- Represent the charity at meetings with key stakeholders.

#### **2.4.4 Human resources**

- Be part of appointment panels for appointment of the staff and consultants.
- Provide supervision of the staff in their role(s) through the annual appraisal process agreed by the Board.

#### 2.4.5 Other duties

- The Chair will lead any committees of enquiry unless a conflict of interest exists or the Board have agreed a replacement.
- The Chair will have a public relations role and speak on behalf of the charity when necessary. In addition, the Chair will ensure that the Board is properly represented in its dealings with external agencies and other organisations when required.

### 2.5 Profile of the Chair

The Chair will be expected to demonstrate the following skills, abilities and attitudes.

#### 2.5.1 Commitment

A commitment to the aims and objectives of the Elders Council and a commitment to the values and principles of good governance.

#### 2.5.2 Skills and abilities

The ability to:

- promote cohesion and trust throughout the organisation;
- chair meetings, ensuring that all meetings are managed efficiently and effectively and that decisions made are acted upon;
- act in a public relations/ambassadorial role as appropriate;
- understand strategic planning and summarise issues and decisions in order to aid Board deliberations and decision-making;
- be financially competent to the level required for ensuring effective scrutiny at Board level;
- summarise issues and decisions in order to aid Board deliberations and decision-making;
- undertake annual appraisals of the staff using the agreed process;
- communicate well, including the ability to make presentations, speak to and liaise with the media and any external-sector meetings as required.

### **3. Treasurer**

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3.1 The Board of Trustees will elect a trustee to the office of Treasurer. Exceptionally, if no trustee is willing to be nominated for the office of Treasurer, the Board of Trustees should appoint the Treasurer, either from within the Elders Council or from outside. The Board will ensure that the person elected/appointed is suitably competent to perform that role.

#### **3.2 Overall duties of the Treasurer**

3.2.1 The Treasurer will oversee the financial matters of the charity in line with good practice and in accordance with the governing document and legal requirements. The Treasurer will be responsible to and report to the Board at regular intervals agreed by the Board.

3.2.2 Despite the additional responsibilities the Treasurer will have in overseeing the financial matters of the charity, all trustees continue to be jointly and severally responsible, and therefore liable, for the administration of the charity.

#### **3.3 Main responsibilities of the Treasurer**

3.3.1 To oversee and present budgets, accounts, management accounts and financial statements to the Board after discussion with the staff.

3.3.2 To ensure that proper accounts and records are kept, ensuring that financial resources are spent and invested in line with the charity's policies, good governance, legal and regulatory requirements.

3.3.3 To be instrumental in the development and implementation of financial, reserves and investment policies.

#### **3.4 Main duties**

- Liaising with the staff on financial matters.
- Chairing the Finance and Funding Sub-committee in line with the agreed terms of reference for this committee and reporting back to the Board.
- Liaison with the charity's external examiner.

- Monitoring and advising on the financial viability of the charity after liaising with the external examiner.
- Creating with the staff sound financial instruments for the control of the charity's assets.
- Implementing and monitoring financial controls and systems and ensuring that these are adhered to.
- Advising on the financial implications of the charity's strategic and other plans.
- Liaison with the staff to ensure that the charity's annual accounts are compliant with the current charities SORP.
- Making the annual Gift Aid return to HMRC.
- Acting as appropriate as a counter-signatory on charity cheques (including any electronic transactions) and any application for funds.
- Contributing to the fundraising strategy of the organisation.

#### **4. Secretary**

4.1 The Board of Trustees will elect a trustee to the office of Secretary. Exceptionally, if no trustee is willing to be nominated for the office of Secretary, the Board of Trustees should appoint the Secretary, either from within the Elders Council or from outside.

#### **4.2 Main duties and responsibilities**

Ensure the Trustee Board meets its legal obligations including:

- maintaining the statutory registers.
- filing promptly with Companies House the required statutory forms.
- recording all decisions concerning a trustee's or sub-committee member's conflict of interest.
- maintaining the Elders Council Register of interests.
- ensuring members are informed of the AGM and any Extraordinary or Special Meetings

#### **5. Deputies**

To each of the above officer posts there will be elected a deputy by and from the Board of Trustees.

The Board members of the Elders Council will elect deputies to serve for a term of three years. They are eligible to stand and be

elected for another three-year term, serving for a maximum of six years.

- 5.1 The officer and their deputy will agree between themselves how to share the duties and responsibilities of the post and will so inform the Board.

## **G Recruitment and appointment of the Chair**

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### **1. Policy**

If the Board does not elect a Chair (see Section F2 above), the Board will appoint the Chair through a process that is open and transparent and takes account of the equalities and diversity policy.

### **2. Process**

2.1 Having regard to Section F2.4 and 2.5, the Board will prepare a job description and person specification for the role of Chair.

2.2 Process for external appointment

If an external person is to be sought, the Board will undertake a process of recruitment that will include the following:

2.2.1 An Appointment Sub-Committee will be convened to include two trustees nominated by the Board and supported by staff. This sub-committee will:

- prepare a recruitment pack;
- advertise the post;
- draw up and implement a selection and appointment process.

## H Advisers to the Board: terms of reference

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### 1. Policy

The Elders Council recognises the value of having advisers to the Board and will on occasion draw on the skills and experience of advisers.

### 2. Procedures

2.1 The Board of the Trustees will on occasion invite advisers to attend meetings of the Board. Advisers will be individuals who bring particular skills and experience and who can inform the Board on issues, programmes, policy or developments.

2.2 Advisers can be paid or unpaid.

2.3 The Board will ensure that advisers are very clear about their role and do not build an expectation that they can attend each and all meetings of the Board or sub-committees of the Board. The Board will also ensure that the staff are clear about the role of advisers.

2.4 The Board will ensure that:

- all advisers will have terms of reference or at the very least a letter from the Board setting out the scope of their input and how this will be delivered;
- advisers will never have a right to vote on any matter being considered by the Board or any of its sub-committees;
- attendance at meetings will be recorded in the minutes of the meeting and the adviser will be shown to be “in attendance”;
- advisers will not be present at Board meetings or meetings of sub-committees for any items on the agenda relating to personnel or other confidential Board matters unless they are advising on the issues to be discussed.

## I Annual Board performance review

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### 1. Policy

The Board of Trustees will review its performance on an annual basis in order to:

- ensure effective governance;
- ensure proper and effective leadership of the Board; and
- provide feedback for the Board and Chair.

### 2. Governance

The Board of Trustees will utilise an appropriate framework and tool to review the overall effectiveness of the governance in the year. This will include a review of Board attendance, decision-making and work achieved.

## Declaration of conflict of interests

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### 1. Policy

- 1.1 The purpose of this policy is to protect both the charity and individuals from any appearance of impropriety.
- 1.2 The Charity Commission advises as good practice that trustees should declare any conflict of interest that they have.
- 1.3 It is recognised that within any organisation there is always a potential for conflict of interest at a Board level. Board members are responsible for ensuring that all actions and decisions taken by the Board at an individual or collective level must not compromise their integrity as Board members and therefore their ability to fulfil their legal and other responsibilities.
- 1.4 Conflicts of interest may arise where an individual's professional, personal or family interests and/or loyalties conflict with those of the Elders Council. Such conflicts may create problems; they can:
  - inhibit free discussion;
  - result in decisions or actions that are not in the interests of the charity;
  - risk the impression that the charity has acted improperly.
- 1.5 The Elders Council will ensure that all decisions and actions taken by the Board and staff will be taken free of any personal interest.

### 2. Procedures

In an effort to ensure that all potential conflicts are identified and action taken to minimise any risk of conflict, the Board of Trustees has agreed the following procedures for declaration of conflict of interest by Board members.

#### 2.1 Responsibility for implementation

- Each trustee has a responsibility to accept their personal involvement in the practical application of this policy.
- The Board of Trustees have a responsibility to review and update the policy and assure its implementation.

## 2.2 Data protection

The information provided will be processed in accordance with data protection principles as set out in the current Data Protection Act. Data will be processed only to ensure that the Board of Trustees acts in the best interest of the charity. The information provided will not be used for any other purpose.

## 2.3 Declaration of interest

- The Board of Trustees requires the trustees, staff and advisers to the Board to declare any employment, appointment, board membership or committee membership they may have with any voluntary organisation, stake-holding body, funder or organisation offering a similar range of services to the Elders Council.
- A Declaration of Interest form is provided (see Appendix 2) for this purpose, listing the types of interests that should be declared.
- Interests will be recorded in a Register of Interests, which will be maintained by the Secretary. The register will be accessible by all members of the Board of Trustees and by members of the charity on request.
- If a trustee fails to declare an interest that is known to the Board or one of its officers, the Chair or Secretary will declare that interest.
- At the commencement of each meeting of the Board or any of its sub-committees, the Chair will ask if there has been any change to the declared interests which are relevant to the purpose of that meeting. If there has been any change, this must be declared at the meeting.
- If during discussion of a matter in a Board or sub-committee meeting a trustee or sub-committee member becomes aware that they have an interest in that matter, they must immediately declare that interest.

## 3. Decision-making where a conflict exists

- 3.1 In the event of the Board or sub-committee having to decide upon a question in which a member has any declared interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate. Interested members will not be able to vote on matters affecting their own interests.

3.2 All decisions under a conflict of interest will be recorded by the Secretary and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict of interest;
- the outline of the discussion; and
- the actions taken to manage the conflict of interest.

**4. Recruitment and appointment of staff or sub-contractors**

4.1 Recruitment and appointment of staff or sub-contractors must be carried out using agreed policies and procedures and ensuring that any conflict of interest by trustees is declared and a record of the conflict of interest kept in the minutes of the meeting.

4.2 Trustees who have declared a conflict of interest will not take part in the recruitment, appointment or performance appraisal process of staff or sub-contractors where they have an interest.

**K Sub-committees**

1. The Board has the power to establish sub-committees.
- 1.1 The members of each sub-committee or ad hoc group shall determine who of their number, that person being a member of the Elders Council, shall be the group's Chair (Co-ordinator).
- 1.2 The Board shall ensure that each sub-committee has at least one trustee as member.
2. The Board has the power to set up ad hoc groups for particular purposes.

## **L Finance**

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### **1. Financial controls**

The Elders Council will ensure that it maintains full and appropriate control over its financial and other assets, safeguarding resources and ensuring that these are used for the purpose(s) for which they are provided.

#### 1.2 Responsibility for implementation

- The trustees and all staff members have a responsibility to accept their personal involvement in the practical application of these procedures.
- The Board of Trustees has a responsibility to review and update the procedure and assure its implementation.

##### 1.2.1 To achieve this, the charity will:

- elect a Treasurer from amongst the Board of Trustees or appoint one (see Rule F3);
- agree a statement of financial regulations;
- ensure that all trustees and the staff are aware of the financial control procedures, and the methods by which budgets, income and expenditure are set, monitored and evaluated;
- appoint a suitably qualified external examiner to prepare annual accounts for submission to the trustees and the Charity Commission;
- ensure that the advice and guidance for financial control systems and procedures provided by the appointed external examiner and the Charities Commission are noted and where appropriate acted upon.

##### 1.2.2 The Board of Trustees have agreed the following procedures for financial control at Board level:

- The Board of Trustees will elect/appoint a Treasurer and have agreed a statement of the responsibilities of this role.
- Proper records of accounts and all financial transactions will be kept and monitored through the regular accounting procedures carried out by an external examiner appointed by the Board of Trustees and approved by the members at the Annual General Meeting.

- The Treasurer will communicate with the external examiner at least once per year to ensure that proper accounts and procedures are in place.
- The audited accounts will be presented to the Board of Trustees for discussion and approval and these will be presented to the Annual General Meeting of the charity.

### 1.2.3 Financial control systems and procedures

- The Treasurer alongside a designated member of staff will be responsible for the day-to-day financial control and bookkeeping procedures.
- Accounts will be kept and analysed using an agreed computerised system.
- Regular back-up copies of the computerised accounts will be kept at a secure location agreed by the trustees in case of damage, fire or theft.

### 1.2.4 Budgets and budget control

- The Treasurer will prepare the draft annual budget for consideration by the Board of Trustees for approval.
- The Board will receive regular financial management reports showing:
  - actual income and expenditure against the forecasted budget;
  - cash flow position and forecast.
- These financial reports will be presented no less than four times per year.

### 1.2.5 Banking and approvals

- All signatories to accounts or those having access to electronic banking must be agreed at a meeting of the Board and the names of these signatories recorded in the minutes of the meeting.
- Signatories must ensure that the payments are being made against a proper invoice or recorded payment.
- Designated members of staff have authority to action payments up to £250 as per the agreed annual budget.
- All payments will require signatures as follows:
  - Payments of £250 and under: one signature.
  - Payments over £250: two signatures, at least one being a trustee.

- The Board of Trustees will agree a process for ensuring that any computerised banking is subject to controls and approvals with dual signatories and payment limits.
- Any arrangements for overdrafts, loans, opening new accounts, closing accounts or any other banking facility must be approved at a meeting of the Board of Trustees and the decision recorded in the minutes of the meeting.

### 1.2.6 Income

The Board of Trustees will review a regular statement of income and ensure that the legal agreements for projects and activities funded by external funders match the income received.

### 1.2.7 Insurance

The Treasurer is responsible for ensuring that insurance cover is kept up to date and that the charity has appropriate insurance cover for all its assets and activities. The Treasurer will report on this matter to the Board of Trustees. The Board will ensure that it reviews its insurance cover needs on an annual basis.

### 1.2.8 Loans or transfer of funds

- The Elders Council will never make loans or transfer funds (other than invoices paid) to any external body without the full prior consideration and approval of the Board.
- Loans will never be made to an individual.
- Any loans agreed will be subject to having a written formal agreement that includes the term of the loan, repayment plan and interest due. This must be signed by the Chair on behalf of the Board and must be made within the frame of guidance issued by the Charity Commission.

## **2. Finance and Funding Sub-Committee: terms of reference**

### **2.1 Purpose**

2.1.1 The Board will establish a finance and funding sub-committee of the Board, to support them in their responsibilities for fundraising and financial sustainability.

2.1.2 The purpose of the sub-committee is to assist the Board and staff in the performance of their duties. The work of the sub-committee will include:

- reviewing the current financial position and managing the budget;

- agreeing a funding plan to include grant funding, local donations and fundraising;
- reviewing the performance of fundraising;
- supporting the fundraising efforts through preparation and submission of funding bids;
- ensuring that all reports and returns required by grant funders are submitted as per the funding agreement.

#### 2.1.3 Reporting

The Finance and Funding Sub-committee will report to the Board through oral reports given by the Treasurer, written reports and minutes of the meetings.

#### 2.1.4 Membership

- The sub-committee shall be made up of at least two trustees appointed by the Board. In addition, a designated member of staff will attend meetings of the sub-committee as a non-voting member of the sub-committee.
- The Treasurer as the Chair of the committee may invite other individuals to attend all or part of a specific meeting to provide specialist advice or opinion.

#### 2.1.5 Chair

The Treasurer will act as the Chair of the sub-committee.

#### 2.1.6 Secretary

The sub-committee will appoint a secretary.

#### 2.1.7 Frequency of Meetings

The sub-committee shall meet as and when required but at least twice per year.

#### 2.1.8 Minutes of meetings

- The minute secretary shall minute the proceedings and resolutions of all meetings of the sub-committee, including recording the names of those present and in attendance.
- Minutes of sub-committee meetings shall be circulated promptly to all members of the sub-committee and, once agreed, to all members of the Board of Trustees.

### **3. Financial Reserves**

#### **3.1 Policy**

- 3.1.1 Reserves will be maintained at a level which ensures that the Elders Council core activities could continue during a period of unforeseen difficulty.
- 3.1.2 At this time, the Board of Trustees has agreed to maintain the reserves at the equivalent of six months' operational costs.

#### **3.2 Procedure**

3.2.1 The calculation of the required level of reserves is an integral part of the annual planning, budget and forecast cycle. A proportion of the reserves will be maintained in cash on deposit or in another readily realisable form. The level of reserves and proportions will be agreed by the Board, who will also take account of:

- risks associated with each income stream and expenditure being different from that budgeted;
- planned activity levels;
- organisational commitments.

3.2.2 The Board of Trustees also notes that it must justify the levels of reserves held and that it may be asked for justification by the Charity Commission and those supplying funds.

### **4. Investment of surplus and reserves**

#### **4.1 Policy**

4.1.1 The Board of Trustees recognises that there may be occasions where the charity has surplus funds not needed for immediate charitable activities. This policy statement sets out the charity's policy on the investment of these funds.

4.1.2 When investing charitable funds, the Elders Council will ensure a balance between the two objectives of:

- providing an income for the charity to carry out its activities and purpose effectively in the short term; and
- maintaining and, if possible, enhancing the value of the invested funds, so as to enable the charity to carry out its purpose in the longer term.

4.1.3 All investments will be consistent with the aims of the Elders Council and within the guidelines provided by the Charity Commission.

## **4.2 Investments planning and management**

4.2.1 The Trustees would expect that investments will be limited to the financial reserves that the charity has agreed and any other funds that are held by the charity in the short term.

4.2.2 It is not expected that the funds available for investment will be of such a level that the charity must have a complex investment portfolio. However, should the occasion arise, then the Board of Trustees will ensure that they seek proper and professional advice on investment of these funds and that this will be undertaken in line with the guidance and requirements of the Charities Act.

4.2.3 In agreeing where any funds are invested, the Board will take account of:

- the suitability of the investment in relation to the charity's needs;
- the levels of risk and security related to the investment;
- access to the invested funds;
- return on the investment.

4.2.4 The investment of any funds will be considered in the first instance by the Finance and Funding Sub-committee and any recommendations will be made for Board consideration and approval.

## **M Board calendar**

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The Board will agree a rolling annual calendar of Elders Council work to be done (including, e.g., dates of Board meetings, reports to be presented and dates of meetings of the Finance and Funding Sub-committee).

**The rules and procedures contained within this manual have been prepared by the Elders Council of Newcastle based upon a model provided by Richardson Howarth LLP and should not be copied or used for any other organisation.**

## APPENDIX 1

**Record of induction**

<b>Item to be supplied</b>	<b>Date when completed</b>
A copy of <i>The Elders Council rules and procedures</i>	
A brief written history and background to the charity and its work	
An up-to-date copy of the governing document and a note of the charity registration number	
An organisational chart	
Key telephone contacts and email addresses: Chair, Board of Trustees and staff	
The annual accounts and annual reports for the past two years	
Minutes of the Board meetings for the past year	
The schedule of meetings for the Board and sub-committees	
Short profile of the other trustees and their specific roles as chairs of committees etc.	
Details of any advisers/observers to the Board including the external examiner, solicitor	
Short description of the processes and procedures for meetings including: <ul style="list-style-type: none"> <li>▪ when papers are sent out;</li> <li>▪ the address (email or postal) that papers should be sent to;</li> <li>▪ normal location of meetings;</li> <li>▪ procedure for placing items on the agenda;</li> <li>▪ domestic arrangements for meetings – taxi-booking,</li> </ul>	

parking, lunch, etc.; <ul style="list-style-type: none"> <li>▪ the process for claiming expenses and copies of any claim form.</li> </ul>	
Copy of the management accounts prepared since the last audited accounts	
Details of insurances held	
Charity Commission Trustee Suitability declaration agreed and signed	

### Meetings and introductions

Meeting with the Chair	
Meeting with the staff	

**We agree that the induction process has been satisfactorily completed:**

**Name of new trustee (please print):**

**Signature of new trustee:**

**Signature of Chair of the Board:**

**Date:**

## APPENDIX 2

## ELDERS COUNCIL

## Declaration of Interests Form

I ..... as a trustee/staff member/adviser\* of the Elders Council have set out below my interests in accordance with the organisation's conflicts of interest policy.

\*Delete as appropriate

<b>Category</b>	<i>Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family or some other close personal connection</i>
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise) e.g., board-trusteeships, directorships, local authority membership, tribunals, etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Current and former business/formal work relationship with another Board member or member of staff of the charity.	
Any business contractual relationship with the Elders Council as a funder, provider of a service, delivery of work, supplies, materials or consultancy.	

Any other conflicts that are not covered by the above.	
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To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed: \_\_\_\_\_

Position: \_\_\_\_\_

Dated: \_\_\_\_\_