

# EEIBA's Code of Governance

## **Introduction**

This Code of Governance was agreed by Council on 6 September 2007.

EEIBA's Code has eight headings:

- Council leadership
- the Council in control
- the high performance Council
- Council review and renewal
- Council delegation
- Council and Trustee integrity
- Council openness
- Constitution and Council

(see also "Whistleblowing" policy)

## **Terminology**

The terms Council (EEIBA's governing body) and Council Members (to express EEIBA Council Members who are Trustees of the charity, Directors of the company and Members of the Association) are used throughout the Code.

## **Governance**

"The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation." Source : The Governance of Voluntary Organisations, Cornforth 2003).

Council Members take ultimate responsibility for the governance of EEIBA. However this Code points out that governance is not a role for them alone. More, it is for Council to work with the Chief Executive and staff, volunteers and stakeholders to ensure that the organisation is run effectively and properly and meets the needs for which EEIBA was founded.

## 1. Council leadership

1.1 The key principle is that EEIBA is led and controlled by an effective Council (of Trustees) which collectively ensures delivery of its objects, sets its strategic direction and upholds its values.

1.2 The supporting principles are:

- Council Members have and accept ultimate responsibility for directing the affairs of EEIBA, ensuring it is solvent, well run and delivering the outcomes for which it was founded.
- Council Members focus on the strategic direction of EEIBA and avoid becoming involved in day to day operational issues and matters.

1.3 The role of Council

In accepting ultimate responsibility for directing the affairs of EEIBA, ensuring it is solvent, well run and delivering the outcomes for which it was founded, Council's strategic and leadership roles and functions which cannot be delegated are described as:

- compliance with the objects, purposes and values of EEIBA and with its governing instrument (Memorandum and Articles of Association)
- setting and approving policies, plans and budgets to achieve those objectives and monitoring performance against them
- ensuring the solvency, financial strengths and good performance of the organisation
- ensuring EEIBA complies with all relevant laws, regulations and requirements of its regulators
- dealing with the appointment and if necessary the dismissal of the organisation's Chief Executive
- setting and maintaining a framework of delegation and internal control
- agreeing or ratifying all policies and decisions on matters which might create significant risk to the organisation, financial or otherwise

1.4 Further, Council ensures:

- EEIBA's vision, mission and values and activities remain true to its objects, and that:
- Council Members recognise they are bound by an overriding duty, individually and as a Council, to act reasonably at all times in the interests of EEIBA and its present and future beneficiaries

- Council Members understand they are equally responsible in law for Council's actions and decisions and have equal status
- each and every Council Member acts personally and not as the representative of any group or organisation
- Council Members ensure they remain independent and do not come under the control of any external organisation or individual.

#### 1.5 Strategic direction

- Council focuses on the strategic direction of EEIBA and avoids becoming involved in day to day operations, decisions and matters.
- The Chief Executive has responsibility for maintaining a clear division of responsibilities between Council and the staff team while remaining an effective link between Council and staff, informing and implementing the strategic decisions of Council.
- Council does not seek to become directly involved in decisions which have been properly delegated to staff. Instead, Council holds staff to account, through the Chief Executive.

## 2. Council in control

2.1 The key principle is that Council is responsible and accountable collectively for ensuring and monitoring that EEIBA is performing well, is solvent and complies with all its obligations.

#### 2.2 Compliance

Council must ensure EEIBA complies with its own governing document (Memorandum and Articles of Association), relevant laws and the requirements of any regulatory bodies, including:

- charity law and the requirements of the Charity Commission and the Office of the Scottish Charity Regulator
- company law and the requirements of Companies House
- employment law
- health and safety legislation
- data protection legislation
- legislation against discrimination on grounds of race, disability, gender and other factors

- any other legislation which applies to fund-raising activities, the protection of children or vulnerable adults, the provision of financial advice and others

### 2.3 Internal controls

- Council sets and maintains standing orders, systems of financial control, internal control, performance monitoring and policies and procedures
- Council ensures there is system for regular review of the effectiveness of its internal controls

### 2.4 Managing risk

Council acts prudently to protect the assets and property of EEIBA and ensures that these are used to deliver EEIBA's objectives. Council regularly reviews the risks to which the organisation is subject and takes action to mitigate risks, as follows:

- avoids undertaking activities which might place undue risk the organisations beneficiaries, volunteers, staff, property, assets or reputation
- exercises special care when investing EEIBA funds or borrowing funds for its use, as set out in the Memorandum and Articles of Association and to comply with any other legal requirements
- understands the risks facing EEIBA and how these are managed and minimised by considering risk assessments (either periodically or on a rolling programme) and takes appropriate steps to manage EEIBA's exposure to significant risks
- obtains advice from professional advisors or others in all matters where there may be material risk to EEIBA where Trustees may be in breach of their duties
- takes ultimate responsibility for dealing with and managing conflicts that might arise within EEIBA, including Council Members, staff, volunteers and beneficiaries

### 2.5 Whistle blowing

Council has a whistle blowing policy and procedures to allow confidential reporting and matters of concern such as misconduct, misuse of funds, mismanagement and risks to EEIBA or to people connected with it. The whistle blowing policy and procedure should:

- be accessible and open to all stakeholders, beneficiaries, staff, volunteers and Council Members

- provide for those who are not confident about raising concern with their line manager or a senior manager or to have direct access to a Council Member
- ensure those who raise such concerns in good faith, need have no fear of reprisals or other adverse consequences
- properly assess and investigate all concerns in a way that is fair to the whistle blower and others involved
- take appropriate action where a concern is shown to be well founded

See 9 below.

## 2.6 Equality and diversity

Council ensures EEIBA upholds and promotes equal opportunities and diversity in all areas of its work, including:

- the identification and assessment of needs to be met
- allocation and resources for the provision of appropriate services
- Membership of Council and any sub-committees
- staff recruitment, selection, training and conditions of service
- communication with stakeholders and the public
- accessibility of meetings, communications
- buying of goods and services

Council sets strategies for and receives regular reports on EEIBA's work to achieve equality and diversity, against clear targets where practicable.

## 3. The high performance Council

- 3.1 The key principle is that Council has clear responsibilities and functions, and should compose and organise itself to discharge them effectively.
- 3.2 The supporting principals are that Council Members:
  - understand their duties and responsibilities and have a statement defining them
  - organise Council's work to ensure it makes the most effective use of the time, skills and knowledge of Council Members
  - receive the advice and information they need in order to make good decisions

- have the diverse range of skills, experience and knowledge need to run EEIBA effectively
- receive the necessary induction, training and on-going support need to discharge their duties
- make proper arrangements for the supervision, support, appraisal and remuneration of its Chief Executive.

### 3.3 Council Members' duties and responsibilities

All Council Members sign and return a statement or letter which sets out their duties and responsibilities and the expectations of EEIBA on them. This letter includes obligations to:

- uphold the values and objectives of EEIBA
- give adequate time and energy to the duties of being a Council Member
- act with integrity and avoid or declare personal conflicts of interests.

Council Members must not act on their own on behalf of Council or on the business of EEIBA, without proper authority from Council.

### 3.4 The effective Council

Council organises its work to ensure that it makes the most effective use of the time, skills and knowledge of Council Members by:

- meeting regularly and ensuring that its work is focused on delivering strategic objectives
- ensuring that it has enough Council Members to provide the skills and experience needed without becoming so large that decision making becomes unwieldy
- enabling all Council Members to contribute at meetings and to ensure the proceedings are not dominated by particular Council Members.

### 3.5 Information and advice

Council ensures it receives the advice and information needed to make good decisions by:

- conducting its work efficiently and receiving information and advice it needs to make good decisions. Council papers are timely, well presented, circulated well in advance of Council meetings and make clear recommendations to Council

- taking professional advice where necessary before making important decisions and should not rely exclusively or excessively on a single source.

### 3.6 Skills and experience

Council Members have the diverse range of skills, experience and knowledge needed to run EEIBA effectively by providing collectively a mix of skills, experience, qualities and knowledge appropriate to EEIBA and its beneficiaries' needs, so EEIBA can respond to the challenges and opportunities it faces.

Council Members have the following skills and knowledge bases:

- strategic thinking
- governance, general finance, business and management
- human resources and diversity
- the operating environment and risks
- specific knowledge such as fund-raising, health and safety, social services, property, legal, human resources
- beneficiaries and users, their needs and aspirations
- Council aims to have a diverse group of Trustees, broadly representative of the community it serves, namely the electrical and electronics industries

### 3.7 Development and support

- Council Members receive the necessary induction, training and on-going support to discharge their duties so that each of them can keep up to date with the knowledge and skills they need to carry out their role.
- New Council Members undergo an induction programme in which they receive all the information and support they need to carry out their role, meeting key staff, users and beneficiaries and any other stakeholders.

### 3.8 The Chief Executive

Council is responsible for the appointment of such staff as is required. When one is appointed, Council makes proper arrangements for the supervision, support, appraisal and remuneration of its Chief Executive. These actions can be carried out by an individual or a small group of Council Members. The Chief Executive's remuneration package is:

- adequate to attract the quality of person required, but no more

- openly disclosed in EEIBA's Trustees' Report and Financial Statements, including pension and other benefits
- where there is performance related element, this is linked to the achievement of measurable targets.

Council can seek independent expert or professional advice when required concerning sensitive matters relating to the Chief Executive's employment.

#### **4. Council review and renewal**

4.1 The key principle is that Council should periodically review its own effectiveness and take any necessary steps to ensure both it and the organisation continue to work well.

4.2 The supporting principles are:

- Council regularly reviews and assesses its own performance, including individual Council Members, sub-committees and any other standing group.
- Recruitment of new Council Members should provide for a diverse and effective Council.

4.3 Performance appraisal

Council reviews and assesses its own performance, that of individual Council Members and of any sub-committees by:

- setting aside time to reflect on its own performance on functioning as a team
- assessing the performance of Council Members
- reviewing the performance of sub-committees, standing groups and other bodies.

The results of these appraisals are used to make necessary changes and improvements.

4.4 Recruitment, rotation and retirement

Recruitment, rotation and retirement of Council Members complies with the Memorandum and Articles of Association. In so doing Council can and does:

- delegate implementation of this activity to a sub-committee or panel (if it so wishes)

- determine those attributes and knowledge which are required by Council Members in the form of a role description or role profile
- ensure the recruitment process is open to all sections of the community, considering advertising and a range of other recruitment methods to attract suitable candidates
- interview candidates formally and appointed on merit
- use co-options where necessary to recruit individuals with particular skills, experience and qualities which are not fully provided by existing Council Members
- ensure the procedures for joining and leaving Council are clearly understood by all Council Members.

#### 4.5 Review

Council carries out strategic reviews periodically of all aspects of EEIBA's work and uses the findings to inform positive change and innovation.

Such reviews include:

- governing instruments
- standing orders
- purposes, mission and vision, strategies
- the effectiveness of the organisation, Council and staff activities
- staffing and volunteer structures
- operational policies and procedures
- mechanism for internal control and performance reporting
- mechanisms for planning and budgeting
- sub-committees, working groups and advisory bodies
- relations with stakeholders and arrangements for communication and consulting with them

Council uses any findings to:

- generate a creative and innovative approach to EEIBA's development
- inform its strategic planning
- make changes and improvements to its operational activities
- initiate collaborative work with other organisations where appropriate to deliver the best possible outcomes for beneficiaries

- create a positive impact on the overall effectiveness and governance of EEIBA.

Where possible Council is open about the results of such reviews, indicating those steps it intends to take.

## 5. Council delegation

5.1 The key principle is that Council sets out the functions of sub-committees, officers, the Chief Executive and other staff in clear delegated authorities and monitors their performance.

5.2 The supporting principles are:

- clarity of roles
- effective delegation
- clear terms of monitoring.

5.3 Clarity of roles

Council defines the roles and responsibilities of any honorary officers.

The roles of honorary officers are to ensure:

- the efficient conduct of business at Council and at other meetings
- EEIBA's business is efficiently and accountably conducted between Council meetings
- EEIBA complies generally with this Code
- the appraisal and remuneration of EEIBA's Chief Executive is conducted within the terms of this Code and the employment of the Chief Executive complies employment legislation and good practice
- the appraisal of Council and Council Members' performance is conducted in accordance with this Code.

Where Council has delegated specific roles to honorary officers or to other Council Members, it is accepted that ultimate responsibility for all actions undertaken in EEIBA's name rest with Council as a whole.

5.3 Effective delegation

- Council ensures staff and volunteers have sufficient delegated authority to discharge their duties. All delegated authorities have clear limits related to budgets and expenditure.

- Delegation complies with the terms of EEIBA's Memorandum and Articles of Association and any other relevant legislation.
- Delegation to other staff and volunteers should normally be made through the Chief Executive.
- Delegation is properly minuted setting clear limits on matters such as expenditure, authority and decisions that can be made.

#### 5.5 Terms of reference

Council sets clear terms of reference for any sub-committees, standing groups and advisory panels. Such bodies have clear terms of reference.

#### 5.6 Monitoring

Council remains in ultimate control of all delegations by.

- receiving reports on activities and any use of delegated authority
- establishing internal control and performance reporting and control mechanisms to monitor use of delegated authority by the staff or volunteers.

## 6. Council and Trustee integrity

6.1 The key principle is that Council and individual Council Members act according to high ethical standards and ensure that conflicts of interest are properly dealt with.

6.2 The supporting principles are that Council Members must not benefit from their position beyond that which is allowed by law and in the interest of the organisation. Council Members identify and declare any actual or potential conflicts of interests affecting them. There are clear guidelines for receipt of gifts or hospitality by Council Members when acting in their EEIBA capacity.

6.3 No personal benefit

- Council Members are scrupulous to avoid obtaining any private benefit from their position whether financial or otherwise unless this is permitted by law, permitted by EEIBA's Memorandum and Articles of Association and where this benefit is agreed by Council as demonstrably in the interests of EEIBA.
- Disclosure of any payments made to Council Members is required to be detailed in the Trustees' Report and Financial Statements.
- EEIBA has procedures for Council Members to claim legitimate travel and other expenses incurred while carrying out EEIBA's business;

Council Members are not expected to be out of pocket for their work they carry out for EEIBA.

#### 6.4 Conflicts of interest

Council Members identify and declare any actual or potential conflicts of interest affecting them. Such declarations are to be made at the earliest opportunity and are recorded in Council minutes and in the Trustees' Report and Financial Statements.

Where a material conflict of interest arises at Council meetings, the Council Member concerned should not vote on the matter or participate in discussions and should offer to withdraw from the meeting.

If and when a Council Member has a major or on-going conflict of interest, it is expected that they will resign from Council.

#### 6.5 Probity

- Council Members are expected to declare all personal gifts received and hospitality accepted while on EEIBA's business or from people or organisations connected with EEIBA. Such declarations are recorded in Council minutes or in a register kept for that purpose.
- Council Members do not accept gifts with a significant monetary value or lavish hospitality. Where this may be a frequent issue, EEIBA will set other policy to define what is and is not acceptable.
- Council Members do not accept gifts or hospitality where this action could be seen as likely to influence decisions of Council

### **7. Council openness**

7.1 The key principle is that Council is open, transparent, responsive and accountable to its stakeholders, beneficiaries, partners and others with an interest in its work.

7.2 The supporting principles are:

- communication and consultation
- openness and accountability and stakeholder involvement (such as beneficiaries)

7.3 Communication and consultation

Council:

- identifies those with a legitimate interest in its work (stakeholders) and ensure there is a strategy for regular and effective communication about EEIBA's achievements and work

- ensures the whole organisation has a clear understanding of Council's role and of the organisation's objects and values
- enables regular and appropriate communication and consultation with stakeholders (see above) to ensure:
  - their views are taken into account in Council's decision making
  - these are informed and consulted on Council's plans and proposed developments which may affect them
  - there is a procedure for dealing with feedback and complaints from stakeholders, staff, volunteers and the public
  - EEIBA's performance impacts and outcomes are reported to stakeholders
- Council ensures that EEIBA produces a Trustees' Report and Financial Statements which comply with relevant legislation
- communication should be offered when and where appropriate, in formats accessible to stakeholder audiences (plain language, translated into languages commonly spoken among the community served, on tape/CD or in Braille)
- EEIBA holds an Annual General Meeting as required by the Memorandum and Articles of Association, noting that this is an opportunity to invite stakeholders.

#### 7.4 Openness and accountability

Council is open and accountable to stakeholders about its own work and the governance of the organisation. Council ensures EEIBA upholds a commitment to openness and accountability at all levels. This commitment means:

- being clear about what information is available and what must remain confidential to protect personal privacy or commercial confidentiality
- complying with reasonable outside requests for information about EEIBA and its work
- being open about EEIBA's governance and its strategic reviews
- ensuring stakeholders have the opportunity to hold Council Members to account and how they can do this
- ensuring the principles of equality and diversity are applied and that information and meetings are accessible to all sections of the community.

## 8. Constitution

The Memorandum and Articles of Association set out EEIBA's objectives and powers, together with all other constitutional matters.

EEIBA is a registered charity (No 1012131) in England and Wales and is registered in Scotland (No SCO38811) with the Office of the Scottish Charity Regulator. It is constituted and registered as a company (No 2726030), limited by guarantee. Registered office: 8 Station Parade, Balham High Road, London SW12 9BH.

### 8.1 Council

EEIBA is governed by a Council which usually meets four times during the year.

Council consists of Council Members (with a maximum of eighteen). The President acts as Chairman of Council.

### 8.2 Council Members and the President

Council Members are put forward by supporters and stakeholders. Appointments are subject to approval by Council. Council may from time to time appoint a President. The President's term of office is for a minimum of one year or for a longer period as decided by Council.

### 8.3 Council Members and their responsibilities

1. Members of Council are (at the same time):
  - Trustees of the Charity in England and Wales (No 1012131) and Scotland (No SCO38811)
  - Directors of the Company (No 2726030)
  - Members of the EEIBA (restricted to 18)
2. The Articles of Association provide for one third of Council to retire each year.
3. Company and charity law require Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association, and of the results for that period. In preparing the financial statements the Council is required to:
  - select suitable accounting policies and apply them consistently;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

#### 8.4 Committee structure and terms of reference

Council has currently two sub-groups which reports on specific issues:

- (i) The Executive Committee - which meets four times a year - reviews the following matters on behalf of Council:
- finance, budgets, forecasts, performance, investments, insurances
  - support and advice services
  - fund-raising and publicity
  - staff retirement benefits and conditions of service
  - organisation and structure
  - issues raised by the Chief Executive

The Chairman of the Executive Committee is the principle point of contact between Council and the Chief Executive and they hold regular review meetings, together with the President.

- (ii) The Welfare Advisory Group is responsible to Council for providing advice on policy and practices relating to EEIBA's support and advice services. The Chairman reports to Council on actions taken on behalf of Council for those welfare cases which require his/her approval.

## **9. Whistle blowing policy**

EEIBA's Council (of Trustees) and staff are committed to maintaining the highest standards of honesty, openness and accountability in the charity's operations and recognise that they and stakeholders have a role to play in achieving this goal. EEIBA takes all malpractice very seriously, whether it is committed by a Council Member, staff, volunteer, supplier or contractor.

The procedures defined below are designed to provide guidance as to how to raise concerns about any malpractice, as early as possible. These procedures will allow any concerns to be investigated without delay. This policy and procedure encompasses the spirit of the Public Interest Disclosure Act, which is designed to protect those who disclose malpractice or misconduct. The term "whistle-blower" is used to describe someone who makes such a disclosure.

### **Whistle blowing procedure**

#### **General**

Members of staff (including trainees or agency staff) will often be the first to know when someone either employed by EEIBA or connected with the charity is undertaking something illegal or improper, but not exclusively so. Others, such as beneficiaries and other stakeholders can also see when something is wrong and wish to put it right. Anyone may feel (understandably) apprehensive about voicing their concerns. This could be because they feel that speaking up would be disloyal to colleagues or the charity. It could also be because they do not think that their concerns will be taken seriously or because they are afraid that they may be bullied or dismissed. EEIBA does not believe that it is in anyone's interests for anyone with knowledge of wrongdoing to remain silent.

#### **What type of activities should be reported using this procedure?**

It is not possible to provide an exhaustive list of the activities that constitute misconduct or malpractice but, broadly speaking, EEIBA would expect to be told about the following:

- criminal offences
- failure to comply with legal obligations
- miscarriages of justice
- actions endangering the health and safety of staff, volunteers or the public
- actions which cause damage to the environment
- actions which are intended to conceal any of the above.

It will not always be clear that a particular action falls within one of these categories so individual judgement is needed. However, EEIBA would prefer people to report their concerns rather than keep them to themselves.

If someone makes a report in good faith, believing the facts to be accurate, then, even if it is not confirmed by an investigation, their concerns will be valued and appreciated. If however someone makes a false report, maliciously or for personal gain they may face further action. Anyone who harasses, bullies or victimises a “whistle-blower” may face disciplinary action (following an investigation).

### **How to “blow the whistle”**

EEIBA does not expect anyone to have absolute proof of the alleged misconduct or malpractice that they report, but they will need to be able to show the reasons for their concern. Staff concerns should normally be raised using grievance procedures, but if someone is unable to approach their line Manager/Supervisor a report should be made to:

- the Chief Executive at Head Office
- the Chairman of the Executive Committee

These individuals will follow a set procedure to investigate the complaint.

If the concern is raised by anyone else, they should also make contact with the Chief Executive or the Chairman of the Executive Committee (on behalf of Council).

### **What happens after a report is made?**

There are, of course, two sides to every story and preliminary enquiries will be made either by a staff member or a Council Member prior to a full investigation being undertaken.

If a full investigation is necessary then, depending on the nature of the alleged misconduct, the concerns raised will be either:

- investigated initially by the person receiving the complaint or that person may refer the matter to another appropriate internal person or source for guidance, or
- referred to the appropriate external person (for example, the police, external auditors or other relevant authority such as the Charity Commission).

Subject to any legal constraints EEIBA will inform the person making the complaint the outcome of the preliminary enquiries, full investigation and any further action that has been taken.

### **Will the identity of the “whistleblower” be kept confidential?**

EEIBA will do everything possible to keep the identity of the “whistleblower” confidential, if this is requested. However, there may be circumstances where the “whistleblower” may be required as a witness. Should this be the case EEIBA will discuss the matter with them at the earliest opportunity.

### **What can a “whistleblower” do if they are unhappy with the way EEIBA has dealt with the report?**

If a “whistleblower” is unhappy with the outcome of an investigation, EEIBA would prefer that the complainant makes another report explaining why this is the case. The report should be given or sent to the Chief Executive or the Chairman of the Executive Committee who will further review the complaint and where necessary undertake further investigation.

While EEIBA cannot guarantee that it will respond to a report in the way that a complainant might wish, the charity will try to handle the matter fairly and properly. Using this procedure will help the charity to achieve this objective.

### **Really serious cases**

EEIBA recognises that there may be exceptional circumstances, for example, where the wrongdoing is extremely serious, where it may be appropriate to report concerns directly to an outside body. Public Concern at Work (contact details below) will be able to advise on such an option and the circumstances in which staff may be able to contact an outside body and be protected by the Public Disclosure Act.

A complainant can raise their concerns with an external body without first following this policy if they:

- fear being bullied or harassed if they raise it internally
- believe that someone may conceal or destroy evidence if they raise the matter internally first
- have previously raised the matter internally but no action was taken
- consider the seriousness of the allegation warrants such action.

Depending on the nature of the complaint, reports could be directed to the police, registration authorities, charity commissioners, external auditors etc.

### **Independent advice**

If a “whistleblower” is unsure whether to use this procedure or needs independent advice at any stage, they may contact the independent charity Public Concern at Work (Suite 306, 16 Baldwin’s Gardens, London EC1N 7RJ: Tel No 020 7404 6609).

Contact information:

EEIBA  
8 Station Parade  
Balham High Road  
London  
SW12 9BH

for the attention of the Chief Executive or Chairman of the Executive  
Committee

(mark letter Private and Confidential)

See also EEIBA's website [eeiba.org](http://eeiba.org)

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