



Board of Directors Code of Conduct

Introduction

Voluntary Organisations are, by definition, controlled by a voluntary governing body – variously referred to as the Management Committee, Board of Directors, Executive Committee, Management Board, or Council. For ease of reference the term Board has been used throughout this Code to refer to that governing body.

The significant role which voluntary organisations play in all areas of public life and the importance the sector itself attaches to maintaining high standards of governance has promoted the development by the Scottish Council for Voluntary Organisations of a Code of Conduct for Board members – to regulate their participation in decision making, and to clarify how an organisation can ensure that conflicts of interest are recognised and handled appropriately.

Voluntary sector Board members all bring a wide range of interest, professional and private, to the organisations they govern. Such experience is welcome but can give rise to at least the perception of potential conflicts of interest. Openness and transparency are the keys to good practice and this Model Code of Conduct, supported by a Register of Interests, seeks to provide the framework on which voluntary organisations can build and demonstrate the highest standards of governance.

Implementation

Any organisation adopting a Code of Conduct for its Board members must also ensure that it develops appropriate policies and procedures for the implementation of that Code.

Of course, different organisations will need different ways of ensuring that all relevant interests are declared and conflicts of interest, immediate or potential, are recognised and dealt with. This model Code is a guide to good practice and should be supplemented with procedures and policies relevant to the adopting organisation. What is important is that each organisation clarifies its expectations of Board members, communicates those expectations effectively through an induction and training programme and institutes clear procedures to handle suspected breaches of responsibility, or its Code of Conduct. As part of that process each organisation should identify and illustrate the circumstances in which action might be taken, while the procedures might include empowering the Board to remove a member in the event of a serious breach of the Code, an appeals mechanism, or how a member might be disciplined for a less serious breach.

Responsibilities

The responsibilities of a Board member can be summarised as:

- The strategic direction and control of the organisation, according to agreed priorities and Board decisions;
- The risk, financial and otherwise, and legal obligations arising out of control of the S.K.G.B.;
- Ensuring that the S.K.G.B. operates within the law and within the limits set by its own constitution;
- Ensuring that the S.K.G.B. exercised responsibility in financial and other affairs, and remains solvent;
- Ensuring that the Board members receive the information, advice and training they need in order to make informed decisions and carry out their duties effectively;
- Ensuring appropriate frameworks for the delegation of work to staff;
- Ensuring there is a broad balance of skills and experience on the Board, utilising the power to co-opt where necessary;
- Monitoring and reviewing all aspects of the S.K.G.B.'s performance
- Ensuring that the S.K.G.B. demonstrates best practice in all its areas of work, including the development of strategies to combat discrimination;
- Establishing clear strategic, business and financial objectives; and
- Protecting the assets of the S.K.G.B.

Code of Conduct

1. Board members have a duty to accept the responsibilities of their position and to act at all times in the best interests of the S.K.G.B., ahead of any other professional or personal interest. The general principle to be observed is that the Board member will avoid action or inaction which cannot be justified to the Board, the S.K.G.B.'s members, users, or the public. Equally, a Board member should be alert to anything which might give rise to suspicion of improper conduct.
2. Board members must maintain collective responsibility for decisions and keep decision making confidential. and under no circumstance undermine fellow directors
3. Board members are required to declare any or all relevant interests during meetings, immediately it becomes apparent that such an interest has relevance to the matter under consideration by the Board. If the interest is a financial one, for example, if they or their employers is a beneficiary or a potential beneficiary, then the Board member is obliged to withdraw from the meeting and take no further part in the decision making process on this matter.
4. Where the interest is not financial but might be reasonably considered to be significant, the Board member should declare the nature of the interest immediately. It will then be for the Chair to determine whether the interest is sufficiently substantial to warrant either the member being asked to leave the meeting, or abstain from voting.
5. In either 3 or 4 above, the interest declared and the action taken will be recorded in the Minutes of the meeting and the Register of Members' Interests will be checked and amended, if necessary.
6. If the interest concerns family or personal connections with individuals in an organisation likely to benefit from the decision under discussion, or business or other relationships, with individuals, the Board member would not normally be asked to abstain from voting or to leave the meeting, but would require to state clearly and have recorded the nature or his or her interest.

Declaration

All Board members should be required to sign a formal declaration prior to their election or appointment, or any renewal of that appointment.

"I have read and understood my duties and responsibilities in accepting a position on the Board of The Scottish Karate Governing Body Limited and undertake to fulfil these duties in good faith and in accordance with the provisions of this Code of Conduct."

I [*insert full name*]

- am over 18 years
- am not an undischarged bankrupt;
- have no financial or other relevant interest in the S.K.G.B., not formally declared;
- am not legally disqualified from serving as a Board member according to the provisions of either Company Law (companies only), or the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990;
- agree to abide by this Code of Conduct and to formally register any relevant interests during any meetings of the Board where personal or professional interests are at stake;
- agree to uphold the objectives and policies of the S.K.G.B. and to encourage best practice in all areas of its work.

Signed

Dated

Register of Interests

A voluntary organisation's governing body should establish and maintain a Register of its members' interests to support the foregoing Code of Conduct. Board members would be obliged to declare any relevant interests on acceptance of a Board position. The Register should be updated at least annually following the Annual General Meeting, and immediately to record any declarations made at Board meetings. The Register should be made available on request to members, funders and the public with the proviso that no contact details will be divulged without permission to safeguard the Board members' privacy. The Register should contain at least the following information.

- Name, address, contact details;
- Employer, and position held;
- Details of all other Board memberships and offices held in the last 5 years;
- Details of any significant consultancies undertaken over the last 5 years;
- Any financial stake in relevant organisations, or as a beneficiary of such an organisation;
- Any spouse or partner in relevant organisations, or as a beneficiary of such an organisation;
- Any other interest which might be reasonably construed as creating a conflict of interest;
- Any family member where construed as a conflict of interest.

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The Scottish Karate Governing Body is a private company limited by guarantee. Company number SC270068
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