

What is a Code of Conduct?

A Code of Conduct is an established set of rules outlining the responsibilities of, or proper practices for, an individual or organisation.

They come in many different shapes and sizes, from short and simple to comprehensive, complex and legalistic. But their most important characteristic must be that they are appropriate for each organisation that seeks to use them.

They are something that helps organisations improve their governance practice; they are not, in themselves, a legal requirement. However, some of the contents of a Code of Conduct may constitute legal requirements.

Why a Code of Conduct for trustees?

Codes of Conduct are about putting in place a mechanism to avoid problems. They are not about a lack of trust in the trustees of an organisation. A Code of Conduct provides a framework for trustees to understand what is required of them as a trustee, and enable them to be transparent and open about what they do and how they do it. Ideally a Code will simply codify the good practice and behaviour already in existence, but it's also useful to have it as something to refer to should tricky situations arise.

Trusteeship is never be a static role where you can learn all there is to know and be a perfect trustee. So it is useful to have a tool which encourages you to think about what you do as a trustee and whether that is what you should be doing.

Trustee boards are not governed by the same laws and regulations as staff, yet their role is crucial, and all too often they fail to work as smoothly as people might like. The reality of trustee boards is that they are a diverse group of people coming together infrequently, rarely seeing each other between meetings, rarely given any training and support, but are expected to know what to do and ensure that an organisation is well-run. It's not entirely surprising that problems often arise, and these can be very serious unpleasant and stressful.

If, as a trustee, you have experienced an awkward or difficult situation on your board, you will understand how easily they can arise. A Code of Conduct is one way of trying to avoid these situations in the first place, and of trying to resolve them as quickly and painlessly as possible should they arise.

Brief history

Ever since Lord Nolan published the Seven Principles of Public Life in response to the 'cash for questions' scandal of the early 1990s and recommended that all public bodies adopt Codes of Conduct incorporating those principles, there has been a move towards charities also adopting Codes of Conduct.

Various models of Codes of Conduct have been available to charities along with some guidance. However, many of the issues that Codes of Conduct seek to avoid and address continue, and it seemed timely to look at the various Codes and guidance available and present the subject in an accessible, practical and useful way for trustees.

Nolan principles: The Seven Principles of Public Life

- 1. Selflessness:** Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
- 2. Integrity:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- 3. Objectivity:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- 4. Accountability:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- 5. Openness:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- 6. Honesty:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- 7. Leadership:** Holders of public office should promote and support these principles by leadership and example.

"These principles apply to all aspects of public life. The Committee has set them out here for the benefit of all who serve the public in any way."

The Nolan Principles may not be very specific, but they are the basis for many Codes of Conduct, and have been adopted widely.

Companies Act 2006

Many trustees are also directors of charitable companies incorporated by guarantee. These trustees are subject to both charity and company law. Under the Companies Act 2006 directors are subject to a number of statutory duties. These are –

- Duty to avoid conflicts of interests
- Duty not to accept benefits from third parties
- Duty to declare interest in proposed transactions or arrangements with the charity
- Duty to act within powers
- Duty to promote the success of the charity to achieve its purposes
- Duty to exercise independent judgment
- Duty to exercise reasonable care, skill and diligence

These are all duties which can be incorporated into a Code of Conduct, but you may wish to consider whether their requirements, being statutory, have any further implications for the governance of the charity.

This publication cannot provide detailed guidance on the Companies Act 2006 and statutory duties of trustees who are also directors. Further guidance and signposting to guidance is available from the Institute of Chartered Secretaries and Administrators at www.companiesact.org.uk.

Key areas of a Code of Conduct

These are areas which are applicable to all trustees no matter what the size, area of work or legal structure of their charity. Some of them are legal requirements, some good practice, but all of them are things good trustees should do.

The list can form a basic Code of Conduct for a small organisation or form the bones of a more detailed Code of Conduct for a larger and more complex organisation.

Trustees must:

- **Act within the governing document and the law** – being aware of the contents of the charity's governing document and the law as it applies to your specific charity
- **Act in the best interest of the charity as a whole** – considering what is best for the charity and its beneficiaries and avoiding bringing the charity into disrepute

- **Manage conflicts of interests effectively** – registering, declaring and resolving conflicts of interests. Not gaining materially or financially unless specifically authorised to do so
- **Respect confidentiality** – understanding what confidentiality means in practice for your organisation, board and the individuals involved
- **Have a sound and up-to-date knowledge of the charity and its environment** - understanding how the charity works and the environment within which it operates
- **Attend meetings and other appointments or give apologies** - reconsidering your position as a trustee if you regularly cannot attend meetings
- **Prepare properly for meetings and all work for the charity** – reading papers, querying anything you don't understand and thinking through issues in good time before meetings
- **Actively engage in respectful discussion, debate and voting in meetings** - contributing positively, listening carefully, challenging sensitively and avoiding conflict
- **Act jointly and accept a majority decision** – making decisions collectively, standing by them and not acting individually unless specifically authorised to
- **Work considerately and respectfully with all** – respecting diversity, different roles and boundaries, and avoiding giving offence

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Management committee members/trustees must:

- **Act within the governing document and the law** – being aware of the contents of the charity's governing document and the law as it applies to UK Sikh Healthcare chaplaincy group
- **Act in the best interest of UK Sikh Healthcare chaplaincy group as a whole** – considering what is best for the charity and its beneficiaries and avoiding bringing UK Sikh Healthcare chaplaincy group into disrepute
- **Manage conflicts of interests effectively** – registering, declaring and resolving conflicts of interests. Not gaining materially or financially unless specifically authorised to do so.
- **Respect confidentiality** – understanding what confidentiality means in practice for UK Sikh Healthcare chaplaincy group its board and the individuals involved with it
- **Have a sound and up-to-date knowledge of UK Sikh Healthcare chaplaincy group and its environment** - understanding how [charity name] works and the environment within which it operates
- **Attend meetings and other appointments or give apologies** - reconsidering your position as a trustee if you regularly cannot attend meetings
- **Prepare properly for meetings and all work for UK Sikh Healthcare chaplaincy group** – reading papers, querying anything you don't understand and thinking through issues in good time before meetings
- **Actively engage in discussion, debate and voting in meetings** - contributing positively, listening carefully, challenging sensitively and avoiding conflict
- **Act jointly and accept a majority decision** – making decisions collectively, standing by them and not acting individually unless specifically authorised to
- **Work considerately and respectfully with all** – respecting diversity, different roles and boundaries, and avoiding giving offence

Alleged breaches of this Code will be investigated and may result in a management committee member being asked to leave the trustee board.

Signed

Name

Date

Code of Conduct

I will respect and uphold the values of UK Sikh Healthcare chaplaincy group and to provide my best endeavours to uphold Sikh principles and standards.

General

- I will act within the governing document of UK Sikh Healthcare chaplaincy group and the law, and abide by the policies and procedures of the charity. This includes having a knowledge of the contents of the [governing document] and relevant policies and procedures.
- I will support the objects and mission of UK Sikh Healthcare chaplaincy group, championing it, using any skills or knowledge I have to further that mission and seeking expert advice where appropriate.
- I will be an active trustee, making my skills, experience and knowledge available to UK Sikh Healthcare chaplaincy group and seeking to do what additional work I can outside of trustee meetings.
- I will respect organisational, board and individual confidentiality, while never using confidentiality as an excuse not to disclose matters which should be transparent and open.
- I will develop and maintain a sound and up-to-date knowledge UK Sikh Healthcare chaplaincy group and its environment. This will include an understanding of how UK Sikh Healthcare chaplaincy group operates, the social, political and economic environment in which it operates and the nature and extent of its work.
- I will use UK Sikh Healthcare chaplaincy group resources responsibly, and when claiming expenses will do so in line with UK Sikh Healthcare chaplaincy group procedures.
- I will seek to be accountable for my actions as a trustee of UK Sikh Healthcare chaplaincy group, and will submit myself to whatever scrutiny is appropriate.
- I accept the responsibility to ensure that the charity is well run and will raise issues and questions in an appropriate and sensitive way to ensure that this is the case.

Managing interests

- I will act in the best interest of the charity as a whole, and not as a representative of any group – considering what is best for the charity and its beneficiaries and avoiding bringing the charity into disrepute.

- Unless authorised to do so, I will not put myself in a position where my personal interests conflict with my duty to act in the interests of the charity. Where there is a conflict of interests I will ensure that this is managed effectively in line with UK Sikh Healthcare chaplaincy group policy. I understand that any failure to declare or manage conflicts of interest may result in my removal from the board.

Meetings

- I will attend all appropriate meetings and other appointments at UK Sikh Healthcare chaplaincy group or give apologies. If I cannot regularly attend meetings I will reconsider my position as a trustee, and think how else I might be of better use to UK Sikh Healthcare chaplaincy group
- I will prepare properly for meetings and all work for the charity. This will include reading papers, querying anything I don't understand, thinking through issues in good time before meetings and completing any tasks assigned to me in good time.
- I will actively engage in discussion, debate and voting in meetings. My contributions will be positive, I will listen carefully, challenge sensitively and avoid conflict.
- I will participate in collective decision making, accept a majority decision of the board and will not act individually unless specifically authorised to do so.

Governance

- I will actively contribute towards improving the governance of the trustee board, participating in induction and training and sharing ideas for improvement with the board.
- I will help to identify good candidates for trusteeship at [charity name] and will appoint new trustees on the basis of merit.

Relations with others

- I will endeavour to work considerately and respectfully with all those I come into contact with at UK Sikh Healthcare chaplaincy group. I will respect diversity, different roles and boundaries, and avoid giving offence.
- I recognise that the roles of trustees, volunteers and staff of UK Sikh Healthcare chaplaincy group are different, and I will seek to understand and respect the difference between these roles. Where I also volunteer with the charity I will ensure that I do not confuse my roles of volunteer and trustee.
- I will seek to support and encourage all those I come into contact with at UK Sikh Healthcare chaplaincy group. In particular I recognise my responsibility to support the Chair and the senior staff member.

- I will not make public comments about the charity unless authorised to do so. Any public comments I make about UK Sikh Healthcare chaplaincy group will be considered and in line with organisational policy, whether I make them individually or as a trustee.

Leaving the Board

- I understand that substantial breach of any part of this Code may result procedures being put in motion that may result in my being asked to resign from the trustee board.
- Should this happen I will be given the opportunity to explain my side of the story. In the event that I am asked to resign from the board I will accept the majority decision of the Board in this matter and resign at the earliest opportunity.
- If I wish to cease being a trustee of UK Sikh Healthcare chaplaincy group I will inform the Chair in advance in writing, stating my reasons for leaving. I will also participate in an exit interview with the Chair.

Signed

Name

Date

To sign or not to sign

Signing demonstrates that you are committed to do what the Code says and enables you to be accountable to your fellow trustees and other people involved with the charity.

If trustees are unwilling to sign a Code of Conduct the UK Sikh Healthcare chaplaincy group will explore with them why they are unwilling to sign. It may be that there are some parts of it they disagree with. Subject to the approval of the board they may then agree to certain changes.