

Trustees' responsibilities:

Key points for Executive
Committee candidates

Prepared together with Moore Kingston Smith

Welcome

- Thank you for considering standing for election as an Executive Committee member.
- The Executive Committee is the governing body of the European Society of Endocrinology
- If elected, you would be both a:
 - **Trustee**; and a
 - **Director** of the Society
- The information that follows outlines the responsibilities of Executive Committee members **once they have been elected**.

The Society's Constitution

- The Society's Constitution is its Memorandum and Articles of Association
- The Society is a company limited by guarantee – registered with, and regulated by, Companies House
- Executive Committee members (voting members) are therefore Directors under relevant UK Company legislation i.e. the Companies Act 2006
- As such, Executive Committee members are legally responsible for running the company
- The Society is a registered charity too so are also the charity's Trustees (more later)

7 'general duties' of a Company Director

Duty to:

1. act within powers and follow and abide by the company's constitution
2. promote the success of the company
3. exercise independent judgement
4. exercise reasonable care, skill and diligence
5. avoid conflicts of interest
6. not accept benefits from third parties
7. declare interest/s in proposed transactions or arrangements

(Companies Act 2006)

Your 1st duty (Companies Act 2006):

To act within powers and follow and abide by the company's constitution

- The Society's Memorandum and Articles plus the 'rules' (Byelaws) are the Society's **governing documents**
- Executive Committee members need to know and understand the Society's purpose (Objects), the Society's powers and powers as Directors
- Executive Committee members must also follow the rules (Byelaws) which govern how the Society should be run

Your 2nd duty (Companies Act 2006):

To promote the success of the company - in a financial sense, and a wider context, and in the longer term. This includes consideration of:

- the Society's employees
- the Society's business and other 'stakeholder' relationships, and the need to maintain high standards of business conduct
- the Society's impact on the community and environment
- the need to act fairly to all members of the Society

Your 3rd and 4th duties (Companies Act 2006):

To exercise independent judgement

- This is particularly important in the role as a charity Trustee too

To exercise reasonable care, skill and diligence

- Perform to the best of your ability
- There is an expectation that Executive Committee members will use any relevant knowledge, skills and experience they have, in their role as a Director and in running the company

Your 5th duty (Companies Act 2006):

To avoid conflicts of interest

- Avoid situations where loyalties may be divided
- Where actual and potential conflicts arise, tell the other Directors and members, and follow the prescribed procedures in the Society's Constitution
- Through clear and timely declarations, actual and potential conflicts of interest and of loyalty can be managed proactively and transparently

Your 6th and 7th duties (Companies Act 2006):

Not to accept benefits from third parties

To declare your interest in proposed transactions or arrangements

Being a Charity Trustee

- The Society is also a registered charity, registered with and regulated by the Charity Commission of England and Wales
- Executive Committee members (voting members) are therefore charity Trustees under relevant Charities Acts and regulations
- Trustees have important duties and responsibilities

The essential trustee: what you need to know, what you need to do



Key points from The 'CC3' Guidance from the Charity Commission is highlighted in the next few slides

The Essential Trustee

6 main duties



Ensure the charity is carrying out its purposes for the public benefit



It's about knowing:

- what your charity can and can't do within its purposes
- how your charity is fulfilling its purposes and benefiting the public
- what difference your charity is really making

The Society's Objects - clause 3 in the Memorandum:

The Society's Objects are to promote for the public benefit research, education and clinical practice in endocrinology by the organisation of conferences, training courses and publications, by raising public awareness, liaison with national and international legislators, and by other appropriate means.

Ensure the charity is carrying out its purposes for the public benefit (continued)



It's about knowing:

- what your charity can and can't do within its purposes
- how your charity is fulfilling its purposes and benefiting the public
- what difference your charity is really making

The Society's Vision and Mission:

The Society's **vision** is to shape the future of endocrinology to improve science, knowledge and health.

Its **mission** is to advance endocrinology. We unite, support and represent our specialty, promoting collaboration and best practice, and enable our community to develop and share the best knowledge in endocrine science and medicine.

Comply with the charity's governing document and the law



It's about being:

- familiar with your governing document
- up to date with filing accounts, returns and any changes to your charity's registration details
- aware of other laws that apply to your charity

It's not about being:

- an expert - but you do need to take reasonable steps to find out

- To be familiar with the Society's governing documents - Memorandum and Articles, and the Byelaws
- Ensure that filings, returns and other formalities are up to date
- Be aware of all of the relevant laws and regulations which affect the Society, and with which you need to comply
- Adherence to relevant Codes of Conduct

Act in the charity's best interests



It's about:

- making balanced, informed decisions
- recognising & dealing with conflicts of interest
- ensuring trustee benefits are allowed
- being prepared to question and challenge
- accepting majority decisions

It's not about:

- preserving the charity for its own sake
- serving personal interests

- This is in relation to individual Trustees, as well as when acting collectively as the Executive Committee
- Keep the needs of the Society's beneficiaries at the centre of everything you do
- Take balanced and informed decisions, at the 'right' level - CC27 guidance is helpful
- Question and challenge – constructively
- Declare and deal with actual and potential conflicts of interest and loyalty

Manage the charity's resources responsibly



It's about:

- managing risks, protecting assets (reputation) and people
- getting the resources your charity needs
- having and following appropriate controls and procedures
- dealing with land and buildings
- responsibility for, and to, staff and volunteers

- This is in relation to 'resources' in its widest sense
- Identify and manage the risks facing the Society:
 - Be proactive – assess and take risks (and opportunities) with knowledge and understanding
 - Risk management strategy, including risk 'appetite'
 - Risk register
- Controls, procedures and assurance
- Review and approve the Society's policies
- Ensure that the Society has a robust and appropriate financial strategy, or business plan

Act with reasonable care and skill



It's about:

- using your skills and experience
- deciding when you need advice
- preparing for meetings
- getting the information you need (financial, management)
- being prepared in case something does go wrong

- Act with integrity, professionalism and don't be reckless
- Utilise knowledge, skills and experience effectively
- Trustee Code of Conduct
- Ask for – and receive – the information needed to make decisions
- Prepare for, attend, and contribute in meetings
- Know what to do if / when things go wrong

Ensure the charity is accountable



It's about:

- meeting legal accounting and reporting requirements
- being able to show that your charity complies with the law and is effective
- being accountable to members and others with an interest in the charity
- ensuring that staff and volunteers are accountable to the board
- welcoming accountability as an opportunity not a burden

- Comply with relevant legal, accounting and reporting requirements
- Keep accounting records, and prepare and approve the Society's Trustees' Annual Report and financial statements
- This is also about being accountable to the Society's members, other beneficiaries, and other groups and individuals who have an interest in the Society's work
- Keep the staff team to account too!
- Ensure delegated tasks and decisions are clearly documented – Trustees always retain ultimate responsibility

Home

About the Code ▾

Foundation: the trustee role and charity context

1. Organisational purpose

2. Leadership

3. Integrity

4. Decision making, risk and control

5. Board effectiveness

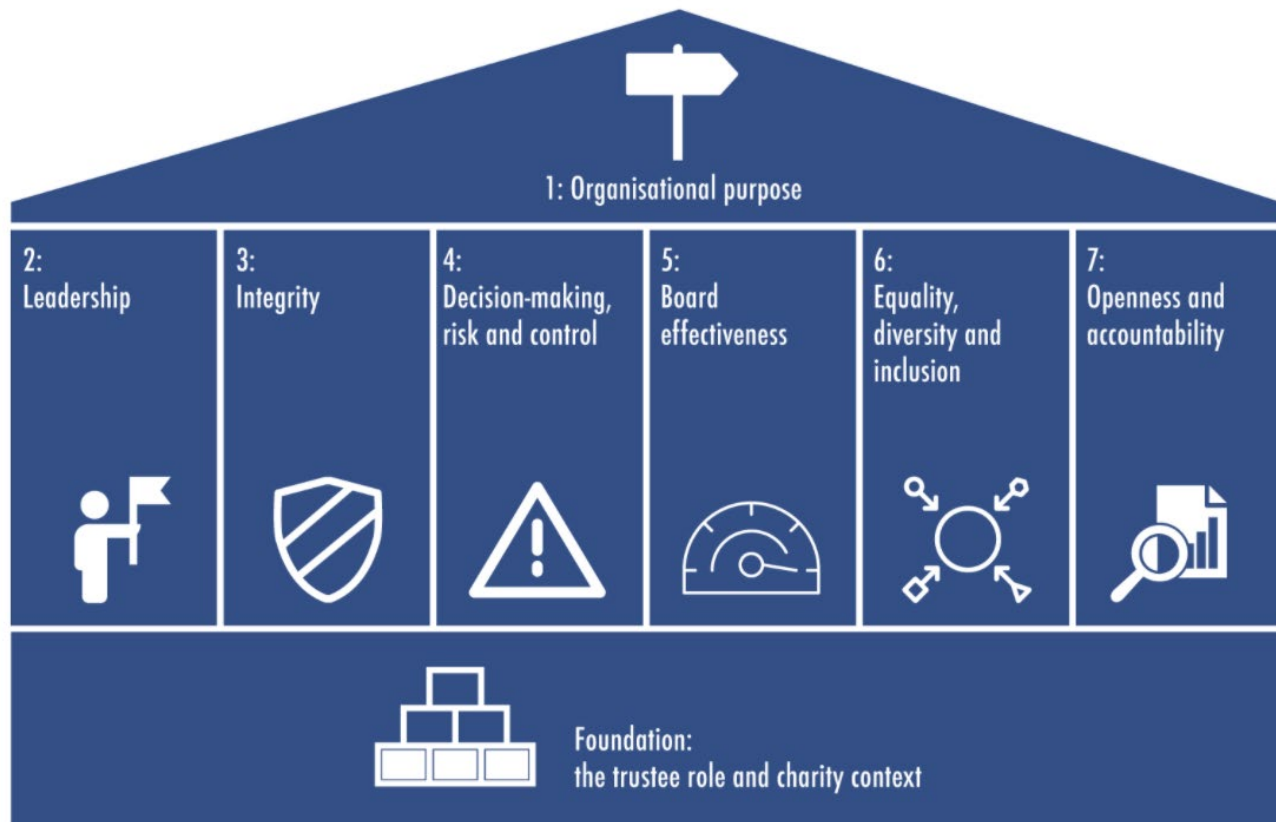
6. Equality, diversity and inclusion

7. Openness and accountability

www.charitygovernancecode.org/en

The principles

There are seven principles which make up this Code. These seven principles build on the assumption that a charity is meeting its legal and regulatory responsibilities as a foundation.



Thank you for reading!
We hope this gives you an insight into your responsibilities as a member of the Executive Committee, if elected. Further information will be provided if you are elected.

- Moore Kingston Smith is a leading firm of accountants and business advisors in the UK, and also a key member of the Moore Global Network, which is represented in over 100 countries
- As trusted advisers to businesses, private individuals and not for profit organisations, we are passionate about helping our clients achieve their ambitions
- Our dedicated, award-winning Not for Profit Group works with hundreds of charities, membership, educational, healthcare and other organisations
- Please visit our websites for further information:

www.mooreks.co.uk www.moore-global.com



Trustees' responsibilities:

Key points for Executive
Committee candidates

Prepared together with Moore Kingston Smith