

The Inland Waterways Association

Information for Potential New Trustees

This document describes the role of The Inland Waterways Association's Board of Trustees, the role of a trustee of the Association and a person specification which sets out the sort of individuals who the Association hopes will put themselves forward for election as a trustee, whether to be elected by national vote, or as a region chairman.

Role of the Board

The role of the Association's trustees is to optimise the charitable benefit achieved in fulfilment of the Trust's charitable objectives. In order to do this the Board needs:

- To agree high level objectives, strategy and resource allocation;
- To approve key performance measures, budgets and policies;
- To review the organisation's performance;
- To report for the organisation (e.g. Annual Accounts);
- To appoint and supervise the chief executive;
- To support management and to hold them to account;
- To act as keepers of the Association's brand and reputation;
- To ensure compliance with all statutory and regulatory requirements;
- To safeguard the Association's assets;
- To supervise risk management;
- To manage the Board itself, including appointment of officers;
- To manage Committees of the Board and oversee the subsidiary companies

The Board of Trustees comprises 17 trustees (or 18 if there is a national treasurer who is not otherwise elected as a trustee), one of whom is the national chairman. Trustees are elected for terms of three years and are not allowed to serve more than four terms without a three-year break.

The Board currently has five committees: Navigation Committee, Finance Committee,

Remuneration Committee, Marketing Committee and Waterway Recovery Group.

Role of a trustee

In summary, the role of a trustee of The Inland Waterways Association is as follows:

- With the help of the chief executive, to formulate and review regularly the Association's vision, values and long-term strategy as well as policies for its fulfilment;
- To be accountable to the Association's members and stakeholders for the Board's decisions, the performance of the Board and the performance of the Association;
- To set and agree targets and evaluate performance against them;
- To oversee the management of the organisation and its assets in the interest of current, potential and future public benefit;
- To ensure that the Association complies with all regulatory and statutory requirements;
- To exercise financial controls in order to ensure the Association's financial stability;
- To be familiar with and keep under regular review the Association's rules and constitution (e.g. Articles of Association, byelaws, etc);
- To understand and accept the legal duties, responsibilities and liabilities of trusteeship;
- To safeguard the Association's good name and reputation, and assets, and ensure the proper investment of the Trust's funds;
- To attend the majority of board meetings, scrutinise meeting papers, challenge management on their content, contribute to the board discussion, focus on key issues and accept collegiate decisions

Region chairmen also have additional responsibilities to oversee the proper running of their region, to chair meetings of their region committee, and to act as mentor and manager of the region as a whole, encouraging and enabling achievement of best potential from branches.

There is a series of more detailed role papers covering responsibilities and duties of individual national officers, trustees in general, regions, branches and each of the national committees. These are available on the Association's web site.

Trustees may also wish to undertake further roles including acting as ambassadors for the Association, including amongst their own personal contacts, and serving on one or more of

the national committees.

Further information on the role of a trustee is contained in the Code of Conduct of Trustees.

Person specification

All Trustees need to have certain qualities, such as integrity and commitment. In addition the Association looks for the following qualities, skills and experience:

Essential

- A passion for the inland waterways;
- A willingness to commit time to the Association's work;
- An ability to think strategically;
- An ability to operate effectively at board level;
- An ability to express clear views and exercise sound judgment in a collegiate environment.

Desirable (i.e. each trustee should have at least some of these)

- Experience of organisations and what makes them tick;
- Great networks and a willingness to use them on behalf of the Association;
- Experience at a strategic level, ideally as non-executive director or trustee;
- An ability to understand financial information;
- Sufficient and diverse experience to hold management to account;
- Willingness to give time outside of the board meetings;
- Experience as a chief executive or similar management position;
- Willingness to represent IWA externally at meetings and events;
- An ability to think laterally;
- Dynamic and creative abilities to drive issues forward.

IWA's Code of Conduct for Trustees

Introduction

1. Trustees have legal duties and responsibilities. The most important of these are summarised in the Charity Commission's leaflet **The Essential Trustee – What You Need to Know** (<http://www.charity-commission.gov.uk/library/guidance/cc3text.pdf>). The directors of a charitable company (such as IWA) are charity trustees and have duties under company law as well as charity law.

2. This Code of Conduct is not a list of trustees' legal duties, although many of the elements of the Code are based on legal principles. The conduct and practices recommended in this Code go beyond what the law requires in some respects but they are nevertheless fully consistent with the law.

Purpose of a Code of Conduct

3. To set out the relevant standards expected of trustees in order to maintain the highest standards of integrity and stewardship; to ensure that the Association is effective, open and accountable; and to ensure a good working relationship with the chief executive and other employees.

The Code

General

4. Trustees must act with probity, due prudence and should consider taking professional advice on any matter of significance to the Association where they do not have expertise themselves.

5. Trustees must administer the organisation and all its assets in the interest of current, potential and future beneficiaries (i.e. the inland waterways, and the general public).

6. Trustees should hold themselves accountable to the Association's stakeholders, including the public, for (a) the Board of Trustees' decisions, (b) the performance of the trustees, individually and collectively, and (c) the performance of the Association.

7. Except where legally authorised, trustees must not gain financial or other material benefit for themselves, their families or their friends from their trusteeship of the Association. The Board of Trustees should ensure that there are clear written policies on claiming of expenses by trustees.

8. Trustees must not place themselves under any financial or other obligation to outside individual organisations that might influence them in their performance of their duties as trustees.

9. Trustees should conduct themselves in a manner which does not damage or undermine the reputation of the Association, or its employees or volunteers, individually or collectively, and should not take part in any activity which is in conflict with the objects or which might damage the reputation of the Association.

10. Trustees should make decisions together and take joint responsibility for them. The extent to which any one trustee or a small group of trustees is empowered to speak for or take action on behalf of the Association or the Board of Trustees must (subject to any specific constitutional rules) be a matter for all trustees to decide together. Such decisions must be recorded.

Responsibilities

11. Trustees must, with the help of the chief executive and other senior employees, formulate and review regularly the Association's vision, values and long-term strategy, as well as policies for its fulfilment. They should also set and agree targets and evaluate performance against them.

12. With the guidance of the chief executive, finance manager and appropriate professional advisors, trustees must ensure that the Association complies with regulatory and statutory requirements and must exercise overall control over its financial affairs to ensure the financial stability of the Association. In addition to compliance with statutory requirements, trustees should have a commitment to the development and implementation of good practice.

13. Trustees must be familiar with, and keep under regular review, the rules and constitution of the Association. Any changes must be made in accordance with constitutional and legal requirements.

14. Trustees should safeguard the Association's good name, its assets and ensure the proper investment of the Association's funds.

15. Trustees should be familiar with the Association's activities and, where appropriate, visit events, activities and meetings to gain experience and first-hand knowledge.

Meetings of the Board of Trustees

16. Trustees must strive to attend all meetings of the Board of Trustees, ensuring that they prepare for and contribute appropriately and effectively.

17. Trustees should bring a fair and open-minded view to all discussions of the Board of Trustees and should endeavour to ensure that all decisions are made in the charity's best interests.

18. Trustees must aim to foresee and avoid conflicts of interest. Where one arises, trustees must at once declare the interest and absent themselves from any discussion by other trustees, unless requested by the other trustees to remain in attendance for purposes of questioning,

and must not participate in any vote on the matter. Any transaction under which trustees would benefit either directly or indirectly must have proper legal authority (e.g. approval from the Charity Commission). Issues that might affect, or benefit, a broad range of people (e.g. all boat-owners) are not considered conflicts of interest for this purpose.

19. Confidential information or material (relating to members, employees, volunteers, commercial business, etc) provided to, or discussed at a meeting of the trustees must remain confidential and within the confines of the Board of Trustees, and must not be discussed outside.

Employees and Volunteers

20. Trustees must ensure there is a clear understanding of the scope of authority delegated to the chief executive, and of the scope of the work and authorities delegated to committees and officers of the Association.

21. Policies and strategies agreed by trustees should be expressed in unambiguous and practical terms, so that the chief executive, other employees and volunteers responsible for implementing those policies are clear what they need to do. Directions given to the chief executive, employees and volunteers should come from, or on behalf of, the Board of Trustees as a whole.

22. Trustees should appoint the chief executive and act fairly and in accordance with good employment and equal opportunities principles in making decisions affecting the appointment, recruitment, professional development, appraisal, remuneration and discipline of the chief executive and other employees.

23. Trustees should appoint members of national committees and the boards of subsidiary companies and act fairly and in accordance with equal opportunities principles in making decisions affecting the appointment, recruitment, development, appraisal and discipline of all voluntary officers of the Association and, where appropriate, its subsidiary companies.

24. Trustees must understand, accept and respect the difference in roles between the Board of Trustees, the chief executive and other senior employees and officers of the Association, ensuring that the Board of Trustees, the chief executive, other officers of the Association and other senior employees work effectively and cohesively for the benefit of the Association, and develop a mutually supportive and loyal relationship.

25. Having given the chief executive and others delegated authority, trustees should be careful – individually and collectively – not to undermine it by word or action.

Approved by Trustees - November 2008

The Inland Waterways Association

Further Information for Prospective Trustees

Responsibility of Trustees/Directors

The Inland Waterways Association is a charitable company, limited by guarantee. The members of its Board of Trustees, who are the directors of the company, have responsibilities as charity trustees under charity and trust law, as well as responsibilities as directors under company law. The Association has two subsidiary trading companies, Inland Waterways Enterprises Ltd and Essex Waterways Ltd. Some of the Association's trustees are also directors of the trading companies.

The day-to-day responsibility for managing the Association is delegated to the chief executive, national committee chairmen and managers. These executives are not 'directors' in the legal sense.

Meetings

At present the Association's trustees meet as a group six times a year, to help enable them to fulfil their responsibility to govern and supervise the Association. Full trustee meetings primarily help set policy, agree strategic direction and monitor the progress of plans.

Finance Committee

Financial governance is a responsibility of trustees. The overall purpose of Finance Committee is to assist trustees in their duty to supervise the broad direction of the Trust's financial affairs. Finance Committee also acts as an audit committee and as an Investment Committee, having a separate sub-committee, the Investment Working Group.

Meetings

Meetings of trustees, and at present of Finance and Navigation committees are currently held in Rowington, Warwickshire, on a Saturday. The trustees meetings are held in the afternoon, and other meetings in the morning. Lunch is provided.

Induction and Training

An appropriate programme of induction will be created for each trustee.

Payments to Trustees

It is a basic principle of charity law that trustees should not be placed in a position where there could be a conflict between trusteeship and their own personal interests, nor should they derive any personal benefit from their work as trustees.

Trustees are not, however, expected to contribute at their own expense, and they are entitled to reclaim reasonable out of pocket expenses to cover necessary travel, accommodation, telephone, postal costs, and authorised attendance at meetings, waterways events where they are representing the Association, conferences, seminars or training events. Normally, payment will only be made against receipts.

Some trustees prefer not to claim any expenses, regarding it as another way of supporting the Association. We suggest, however, that it avoids embarrassment if all trustees do claim for all expenses properly incurred, with the option of donating costs back to the Association tax efficiently.

Personal Liability

As the Association is limited by guarantee, its trustees, as the members of the company, are only liable to the sum of £1 each in most instances. However, the benefits of limited liability are not comprehensive and trustees could still be personally liable for such things as:

- breaches of trust under charity law;
- breaches of their fiduciary and statutory duties as company directors;
- Fraudulent trading.

As an additional safeguard, the Association has Trustees Indemnity Insurance.

Although their responsibilities may seem onerous, it is important that potential trustees have a balanced perspective of the risk of personal liability. It is most unlikely that a trustee who had behaved honestly and reasonably would suffer financial loss as a result of their trusteeship