



Herts Vision Loss

## Code of Corporate Governance

### 1. Aims of the Charity

Herts Vision Loss provides services and information to visually impaired people throughout Hertfordshire, as well as to their families, carers and any organisations with an interest or involvement in people with a visual impairment. The aim is to help visually impaired people to retain independence by providing help and advice on daily living, by co-ordinating volunteers to support those who require assistance and signposting them to other sources of help and services and providing any other support which may from time to time be appropriate.

Through a range of direct and indirect services, Herts Vision Loss has the mission to serve the County's current population of people with a visual impairment.

### 2. Responsibilities

#### 2.1 The Board

The Board has ultimate responsibility for the governance of the Charity. The role is to direct the Charity to achieve its' charitable objectives by the creation of appropriate policies, strategies and effective mechanisms for review.

#### 2.2 Board Directors

The Board will comprise independent non-executive directors presenting a balance of skills and experience most suitable to the needs of the Charity. It will be structured in such a way that no individual or group of Directors can inappropriately dominate the Board's decisions.

#### 2.3 Essential Functions of the Board

Among the usual functions of the Board, its essential functions are to:

- define and ensure compliance with the values and objectives of the Charity.
- establish a framework for approving policies and plans to achieve those objectives.

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- approve each year's accounts prior to the AGM and approve each year's budget and business plan.
- establish and oversee a framework of delegation and internal control.
- establish and oversee a framework for the identification and management of risk, ensuring that regular reports are received on these.
- agree or ratify policies and decisions on all matters that might create significant financial or other risk to the Charity, or which raise material issues of principle.
- monitor the Charity's performance in relation to these plans, budgets, controls and decisions and also in the light of feedback from stakeholder consultation.
- appoint and, if necessary, dismiss the Chief Executive Officer and approve his/her salary, benefits and terms of employment/severance.
- satisfy itself that the Charity's affairs are conducted lawfully and in accordance with generally accepted standards of performance and probity.
- assess how the Charity follows the recommendations of the Code of Governance.
- appoint to and, if necessary, remove a person from, the position of Chair of the Board.

## 2.4 Sole Decisions of the Board

There are significant matters that can only be decided by the Board and which cannot be delegated to executive staff or Committees of the Board and these are:

- expansion of the Charity's operations into new activities or geographical locations.
- any decision to cease a material part of the Charity's operations.
- changes to corporate structure, including the setting up of subsidiaries.
- approval of resolutions to be put forward by the Board at a General Meeting.
- changes to the structure, size and composition of the Board.
- approval of Committee membership, including Chairmen and terms of reference.
- approval of key policies, including a Code of Conduct.
- changes to the schedule of matters reserved for Board decisions.
- such other things as the Board may agree from time to time.

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## 2.5 The Chair

There is a clear differentiation between the Chair and the Chief Executive Officer. These are running the Board and running the Charity, respectively.

The responsibilities of the Chair are to:

- ensure the efficient conduct of the Board's business and of the Charity's General Meetings.
- ensure that all Board Directors are given the opportunity to express their views and that appropriate standards of behaviour are maintained in accordance with the Code of Conduct.
- establish a constructive working relationship with, and provide support for, the Chief Executive Officer and ensure that the Board as a whole acts in partnership with the Charity's executive staff.
- ensure that the Board delegates sufficient authority to the Chair, Committees of the Board and the Charity's officers to enable the essential business of the Charity to be carried out effectively between Board meetings; also to ensure that the Board monitors the use of those delegated powers.
- ensure that the Board receives professional advice when needed, either from its senior staff or from external sources.
- ensure that the Charity follows the recommendations of this Code.
- represent the Charity as appropriate.
- take decisions delegated to the Chair by the Board.

Also working in consultation with other Board Directors to:

- ensure that the Board makes proper arrangements to appraise the performance of the Chief Executive Officer and to determine the remuneration of the Chief Executive Officer and the remuneration of such other staff as the Board may from time to time determine.
- ensure, when necessary, that the Chief Executive Officer is replaced in a timely and orderly fashion.

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- ensure that the Board makes proper and appropriate arrangements for its own appraisal and that of Board members, including the Chair's own appraisal, and for implementing a succession plan for Board membership.
- ensure the Board agrees the role of the Vice-Chair, where one is appointed.

## 2.6 The Chief Executive Officer

The Chief Executive Officer has the responsibility of managing the Charity's activities, to achieve its objectives complementary to the policies and strategies decided by the Board.

Among the usual duties of the Chief Executive Officer, his/her essential functions are to:

- act in the best interests of the organisation.
- assist and advise the Board in determining the Charity's policies and strategies.
- manage the affairs of the Charity in accordance with the values and objectives of the Charity, and the general policies and specific decisions of the Board.
- draw the Board's attention to matters that it should consider and decide.
- ensure that the Board is given the information necessary to perform its duties and, in particular, that the Board receives advice on matters concerning compliance with its Articles and Memorandum of Association, the law and the need to remain solvent.
- ensure that proper systems of control, risk assessment and risk management are established and maintained, and that regular reports on these are provided, at least annually, to the Board.
- supervise, with the guidance of the Chair, the preparation of documents for consideration by the Board.
- help the Chair ensure that the business of the Board is properly conducted.
- lead and manage the staff of the Charity and ensure that their performance is appraised.
- liaise with appropriate organisations.
- represent the Charity as appropriate.

## 3. Conduct of the Board's Business

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### **3.1 Processes**

Board decisions will, wherever possible, be based on agendas and documents circulated to members well in advance of meetings. Points for decision will be clearly identified in those documents. Decisions and the main reasons for them will be recorded in the minutes.

Each year, the Board will set aside time for a full discussion about the effectiveness with which it is conducting its business.

Urgent decisions will be referred to the Chair who will in turn decide whether to take the decision or to call an emergency Board Meeting.

The role of Director not to be held by a paid executive.

### **3.2 Committees of the Board**

The Board may set up any Committee as necessary to deal with areas of delegated responsibilities.

The Board to specify clear terms of reference and also reporting arrangements. The Board also to make arrangements to review the effectiveness of those Committees and periodically review their structure.

Paid staff of the Charity should not chair any Committee or form a majority of the Committee's membership.

In the case of a dispute, the Board's decision will override that of a Committee. There are currently three Standing Committees of the Board, the Finance & Governance Committee (F&G), the Services Committee (SC) and the Fundraising & Marketing Committee (F&M).

The F&G will comprise two Directors or such Directors or officers as the Board shall determine from time to time and the CEO as an invitee.

The SC will comprise three Directors, the Chief Executive, one member of the service delivery team, two representatives from Sensory Services, two HVL volunteers and one service user.

The F&M comprises three Directors, the Chief Executive Officer and two other staff members.

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## 4. Directors

### 4.1 Recruitment

The Board will comprise people with a range of skills and experience to ensure that there is a balance of expertise available to the Charity. This balance will be reviewed at intervals. The Board will ensure that new members are recruited or elected on a systematic and continuous basis. The Board has an agreed policy on recruitment of new members, preferred Board composition and terms of appointment.

Board members will be appointed or elected with the expectation that they will serve for at least three years, even though, under the terms of the Articles of Association they may face re-election after a shorter period.

Potential new Board members will need to demonstrate what value they will bring to the Board. They will also need to show that they are not disqualified from Board membership for any reason directed in the Articles of Association or other legal prescriptions that apply.

### 4.2 Induction

The Board will ensure that all new members receive induction training and that they be subject to appraisal after one year and then at periods applicable to all Board members.

### 4.3 Maximum Term of Office

To support Board renewal, terms of office will normally be three years with the possibility of renewal limited to three terms. The Board will have the authority to extend the length of service in individual cases beyond the nine years at its discretion and with the approval of Members at AGM or EGM.

### 4.4 Training

All Board members will receive relevant training to enhance their skills, experience and knowledge on an ongoing basis, based on an analysis of their training and development needs.

### 4.5 Appraisal

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The Board will carry out regular appraisal of its own performance and ensure that the appraisal of individual members, including the Chair, is carried out after one year in office and then every three years after appointment.

The appraisal system will:

- review how well the Board performs its key roles
- review the effectiveness of Board relationships
- review the composition of the Board, the skills and contribution of individual members and the Charity's ability to recruit and retain the balance of Board members it needs.
- result in a clear plan to support continuous improvement of the Charity's Board to meet the challenges facing it.

#### **4.6 Areas of Competency**

To discharge its responsibilities for the direction of the Charity, the Board as a whole must have, or acquire, a diverse range of skills, competencies, experience and knowledge. These will cover the following principles:

- providing leadership and working as an effective team to take strategic decisions.
- direct knowledge of the needs and aspirations of blind and partially sighted people.
- general business, financial and management skills.
- other relevant specialist skills, including legal, health, social services and experience/knowledge in the voluntary charity sector.

#### **4.7 Directors Agreement**

Each Board member will have an agreement specifying their obligations and will sign signifying their acceptance. The Agreement will set out the key roles and duties of Board membership and time commitment involved. The Agreement will also include obligations to:

uphold the values and objectives of the Charity.

- uphold the Charity's core policies.
- contribute to and share responsibility for the Board's decisions.
- prepare for and attend meetings, training sessions and other events.

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- attend and participate in reviews linked to individual performance or that of the whole Board.
- represent the Charity as appropriate.
- declare any relevant interests.

respect confidentiality of information.

uphold this Code of Governance and the Code of Conduct.

## 5. Office of Chief Executive Officer

### 5.1 Terms of Employment

The Chief Executive Officer will have a written contract of employment which defines:

- duties and standard of performance required.
- procedures for monitoring the Chief Executive Officer's performance and fixing his/her remuneration.
- how complaints and disciplinary matters will be dealt with.
- length of notice required for termination of the contract by either party.

### 5.2 Chief Executive Officer's Remuneration

The Board will ensure that there is a Committee which has responsibility for appraising the Chief Executive Officer and making a recommendation to the Board for his/her remuneration package.

The Committee will include the Chair of the Board, but he/she will not chair the Committee.

The Board may act on the recommendation of the Committee, but it is for the Board as a whole to approve the Chief Executive Officer's remuneration package.

A remuneration package will be given which is sufficient to attract, retain and motivate the quality of Chief Executive Officer required. There will be full disclosure of all elements of the remuneration package, including any pension arrangements, periods of notice and compensation payable for loss of office.

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## 6. Openness and Transparency

The Board and the Charity's staff accept an obligation to account for their actions in an open manner, in accordance with the policy on Access to Information and Documentation but taking into account information that needs to be kept confidential.

The Board will publish an Annual Report about the Charity's activities and performance in understandable language. It will be published in printed paper format, on the Charity's website and in such other formats as may be agreed.

The Charity will comply with reasonable outside requests for appropriate information.

The Board will review the openness of the Charity's arrangements on a regular basis and take into account further developments of good practice.

## 7. Accountability

The Charity has a range of stakeholders who have an interest in its activities and who need to be considered in ensuring the Charity is accountable for its activities. The Charity's key accountability to stakeholders is:

- the provision of effective services.
- the regular review of service effectiveness.
- the achievement of objectives detailed in the Charity's Business Plan.

### 7.1 Stakeholders

The Charity's direct stakeholders are its registered service users and the Charity's Members.

Indirect stakeholders include staff, volunteers, people making donations to the Charity, family/carers of service users, potential service users, grant and contract making bodies whose funds are for specific service provision, regulatory bodies, i.e. Charities Commission and Companies House and people seeking information from the Charity.

### 7.2 Stakeholder Involvement

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The Charity will endeavour to involve stakeholders by a number of means, including:

- seeking feedback on services from a sample of service users on a regular basis.
- encouraging feedback through the Charity's regular Newsletter and through clubs.
- monitoring the Charity's activities via a periodic call log on its Sight Line and making an evaluation of the information gained.
- through monitoring information that is required from grant and contract giving bodies.

### 7.3 Complaints Procedure

The Charity has a Complaints Procedure that any stakeholder can invoke if he/she feels they have not received good, or appropriate, service from the Charity or for any complaints of improper conduct against a paid member of staff or a volunteer.

## 8. Audit Arrangements

The Charity is committed to a high standard of financial reporting and controls. The Board will maintain a sound system of internal controls to safeguard the Charity's assets and protect its financial viability. The Charity's annual audit is by way of an Independent Examination, which is commensurate with the level of the Charity's income and is in line with Charity Commission rules (ref: Charity Commission Internal Financial Controls Self Checklist for Charities).

### 8.1 Principles

- The Independent Examiner will be independent and effective. The Charity's External Examiner will not normally provide non-audit services. Where the External Examiner does provide non audit services, the Charity's F&G will satisfy itself that there are no threats to the objectivity and independence of the independent examination from the provision of such services.
- The Board will periodically review the selection of the Independent Examiner and make appropriate recommendations to the AGM.
- The Charity's F&G considers all audit related matters. It meets as required and its minutes are reported to the full Board meeting. The F&G is able to meet without paid staff being present. The Chair of the Board will not normally also be Chair of the F&G.

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- The Charity has controls in place to:
  - ensure that all financial transactions are properly recorded both in paper and electronic formats. This includes donations made to the Charity directly to its office or via visits from staff to service users.
  - ensure that cheques and other financial transactions are authorised to an authorised signatory list.
  - ensure the correct authorisation of financial commitments.

## 9. Risk Assessment

The Charity is required to identify the risks facing the organisation. These fall into financial risks and operational risks.

### 9.1 Financial Risks

The Board have a policy of management of the financial risks facing the Charity and the actions to be taken should the Charity be facing the risk of running out of funds. These risks are regularly reviewed and reported on in the Annual Report and Accounts.

### 9.2 Operational Risks

There are a number of risks to be considered and these are:

- Risks to paid staff and volunteers from others in carrying on their normal duties, e.g. threats, intimidation, physical violence. These will be identified under the Charity's Health and Safety Policy and appropriate risk assessments will be completed and staff and volunteers made aware of them.
- Risks to the Charity from allegations of improper conduct from its paid staff or volunteers from service users or others. In these circumstances, the matter would be investigated under the Charity's Complaints Procedure and in line with Hertfordshire County Council's Safeguarding Adults from Abuse procedure.

## 10. Equality and Diversity

The Charity is fully committed to Equal Opportunities as demonstrated by its Equal Opportunities/Diversity Policy.

## 11. Conduct

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The Charity has a Code of Conduct for its Board members and staff, aimed at upholding high standards of ethics and probity.

### **11.1 Reviews**

The Board will review from time to time:

- the stated aims of the Charity and how they are being implemented.
- the implementation of this Code of Governance.
- the Code of Conduct for Board members and staff.

the Charity's policies and procedures relating to hospitality, gifts, whistleblowing and other matters of business ethics.

### **11.2 Conflicts and Declarations of Interest**

Board members to ensure that their private or personal interests do not influence their decision making and that they do not use their position to obtain personal gain of any sort, other than their reasonable out-of-pocket expenses for being a Board member.

Board members and staff must be meticulous about declaring dualities or conflicts of interest. Any such matters must be reported to the Company Secretary who will keep a record on the Members Register.

When the Board considers a matter which poses a conflict of interest for any member or employee present; that person must declare the interest, which will be formally minuted.

If the interest is clear and substantial, the Board member should offer to withdraw, or, if asked to remain, to refrain from voting on the matter. Where such conflict is likely to occur on a frequent basis, the Board member should offer to resign.

### **11.4 Gifts and Hospitality.**

The Charity has a policy on the receipt and giving of hospitality and gifts by Board members and staff which must be adhered to at all times. The policy will be periodically reviewed by the Board.

### **11.5 Probity**

If any issues of ethics or probity arise concerning a Board member, the matter will be investigated by the Chair and one other Board member. Should the matter involve the Chair, then two other Directors appointed by the Board will deal with it. In either

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circumstance, the case and the recommended outcome will be reported to the Board for final decision making and, if appropriate, referral to the Charities Commission.

If any issues of ethics or probity arise concerning a member of staff, the matter will be investigated by the Chief Executive Officer in the first instance.

Should the matter involve the Chief Executive Officer, then the matter will be dealt with initially by the Chair and one other Board member. In either circumstance, the case and the recommended outcome will be reported to the Board for final decision making and, if appropriate, referral to the Charities Commission.

Board members, Committee members and members of staff may raise issues under the Charity's Public Interest Disclosure ('Whistleblowing') policy without fear of reprisal.

Where a Board member has concerns about the way the Charity is being run, these concerns will be recorded in the minutes. The reasons for a Board member's resignation will also be recorded in the minutes.

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