



CODE OF GOVERNANCE: MANAGEMENT COMMITTEE MEMBERS

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**Clydesdale Housing Association Limited is a Registered Scottish Charity
(SCO34228)**

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Introduction

This document draws on the most recent good practice and legal requirements as set out in:

- The Scottish Federation of Housing Associations' (SFHA) Code of Governance: Governing Body Members (October 2002)
- SFHA/CoSLA/Communities Scotland Performance Standards
- Housing (Scotland) Act 2001
- Communities Scotland Guidance Notes
- SFHA Raising Standards in Housing Chapter 4: Governance and Accountability (1999)
- The Rules of Clydesdale Housing Association Limited

The purpose of this Code of Governance for Management Committee Members is to ensure the highest standards of integrity in the management of Clydesdale Housing Association by Management Committee Members.

The Association expects all Management Committee Members to accept and abide by the Code, as adherence to its principles will help maintain customer and public confidence in the Association and the wider voluntary housing movement.

The Code is presented in three parts: the first deals with the conduct and responsibilities of each individual Management Committee Member; the second deals with the primary responsibilities and activities of the Management Committee collectively; the third deals with action may be taken by the Association and stakeholder organisations where this Code has been breached.

Part One: The Management Committee Member

1. Conduct and Responsibilities of the Management Committee Members

Management Committee members must act to maintain their reputation for high standards of conduct. Some of these standards are enshrined in legislation (for example, Schedule 7, Part 1, Section 2 of the Housing (Scotland) Act 2001, which covers payments and benefits to governing body members), while others are set out in the Association's Rules.

Members of the Association's Management Committee are expected to act in accordance with the following principles:

1.1 Gifts and Hospitality

The Association recognises that the receipt of gifts or hospitality from organisations or individuals by members of Management Committee potentially places the Association at risk of allegations of influence and bias in its decision-making.

In order to protect the excellent reputation of the organisation, Clydesdale Housing Association prohibits Management Committee members and staff from accepting gifts or hospitality. Any offer of gifts or hospitality made to individual Committee or staff members must be declined and the following details of that offer entered onto the Association's Register of Gifts and Hospitality:

- Date when the offer was made
- Person/s offered the gift or hospitality
- Person/s and/organisation making offer
- Nature of gift or hospitality
- Approximate value
- Signature of Person making the report
- Director's Signature/Chairman's signature (in case of Committee members or the Director)

Exceptions:

Committee and staff members are permitted, in certain circumstances, to accept gifts or hospitality. These circumstances are listed below:

- Food and beverage whilst representing the Association at events organised by other RSLs, eg opening ceremonies;
- Food and beverage whilst representing the Association at events organised by membership bodies such as SFHA, SHARE, EVH, etc;
- Food and beverage whilst representing the Association at events organised by stakeholder organisations, eg, community planning conferences, local housing strategy seminars, consultation events, etc;

- A small gift such as chocolates can be accepted from a customer by staff where refusal of the gift could cause offence. The gift should, where practical, be shared by all staff;
- Complementary calendars and wall planners from contractors and suppliers.

Food and beverage under the above exceptions will not require recording in the Association's Register, however small gifts from customers should be entered.

A report on the Register of Gifts and Hospitality will be presented to the Management Committee on an annual basis by the Director.

Please refer to the Association's Gifts and Hospitality Policy for further details.

1.2 Personal Interest

Each Management Committee Member is expected to:

- Ensure that the facilities of the Association are used only in line with their duties as a Management Committee member;
- Actively avoid situations that could cause suspicion or improper conduct;
- Declare any conflict of interest that might influence judgement or give the impression that personal motives are being pursued. Where a conflict of interest exists, the Management Committee Member affected should withdraw from the meeting whilst that item is discussed. Committee Members in such circumstances must not participate in votes. Where frequent conflicts of interest arise for the same Management Committee Member, resignation should be considered by that Member. All conflicts of interest will be recorded by the Management Committee and a Register of Management Committee Members' Interests will be maintained and made available to the Management Committee at its meetings and on written request by members of the Association and other interested parties. A copy shall be kept in the fireproof cabinet.

All Management Committee Meeting agendas will include a standing item for Declarations of Interest;

Arrangements for Declaration of Interest are included in the Standing Orders and Rules of the Association.

Please refer to the Association's Conflicts of Interest Policy for further details.

1.3 General Conduct

Management Committee members are expected to:

- Avoid using their authority or position to attempt to influence the granting of a tenancy;
- Do nothing that cannot be justified to the full Management Committee, the membership of the Association, tenants or the public;

- Account for their decisions and actions in an open manner;
- Ensure that confidential information, acquired as a Management Committee member, is not disclosed to anyone other than those who have a right to the information. Management Committee Members must ensure that such information is not used for personal advantage;
- Behave appropriately during a Management Committee meeting, including being considerate of other Members and allowing them to speak.

All Management Committee Members have a duty to:

- Uphold the values, objectives and policies of the Association;
- Contribute to and be responsible for Committee decisions;
- Prepare adequately for meetings;
- Attend meetings punctually;
- Attend relevant training and events;
- Represent the Association positively;
- Respect confidentiality of information;
- Uphold the Codes of Conduct and Statement of Common Values of the SFHA.

Part Two: The Management Committee

2. Conduct and Responsibilities of the Management Committee

Part two of this document concerns matters of management practice, which Management Committee Members are required to observe. It covers the primary areas of responsibility and activity for a Management Committee.

2.1 Membership of the Association

The Management Committee, as a collective body, should encourage eligible people to join the Association. Membership is determined by the Rules and Membership Policy of the Association and all members should be encouraged to participate as much as possible.

2.2 The Management Committee

The Management Committee is responsible for:

- The direction and control of the Association.
- Ensuring that it receives appropriate information and advice to carry out its duties.
- The risks and legal responsibilities arising from its control.

- Ensuring that the objectives of the organisation are in line with the Rules.
- Regularly reviewing the objectives.
- Ensuring there is a mechanism for regular performance reviews.
- Ensuring there is a balance of skills, experience and diversity of equality on the Committee.

2.3 Core Functions of the Management Committee

The core functions of the Management Committee include:

- Ensuring that the organisation operates within the law and according to its rules and procedures, and meets the standards laid down by the SFHA, Communities Scotland and other regulatory bodies;
- Establishing business and financial objectives;
- Monitoring performance against those objectives and performance standards;
- Protecting the assets of the organisation;
- Recognising its duty to tenants, applicants and other service-users;
- Developing, operating and regularly reviewing policies designed to achieve these objectives;
- Approving each year's budget, exercising financial management and managing responsibly both financial and non-financial risks;
- Overseeing and exercising control over the organisation's work and services;
- Delegating authority to and monitoring the work of sub-committees and staff;
- Being responsible for employing staff to carry out the work of the organisation and setting their terms and conditions;
- Ensuring standards of performance are set by the Association;
- Ensuring that the achievements of performance targets are monitored;
- Ensuring that the information collected is used to amend targets, policies and/or procedures as necessary.

2.4 Conduct of the Management Committee's Business

A Management Committee Member has a duty to the Association, its members, its tenants and service users, the wider community and its staff.

New and prospective Management Committee Members will be given an induction programme so that they learn the workings, policies and procedures of the Association. They should also receive clear information of what is expected of them (for example, a copy of this Code, the Association's Rules and Raising Standards in Housing Chapter on "Governance and Accountability").

Please refer to the Association's Committee member Induction Policy for further details.

The Management Committee will:

- Be given a regularly updated list of all the available policies and procedures that the Association is required to have;
- Ensure that professional advice is sought when it is required to inform decisions;
- Ensure that any sub-committees, working groups and staff are delegated the authority to enable the business of the Association to be carried on between meetings, where there is urgent business, and during emergencies;
- Draw up a regular training plan for Management Committee and individual Management Committee Members to support continuing effectiveness.

2.5 Roles and Responsibilities of Office Bearers

The Chairperson must be an elected Management Committee member. The responsibilities of the Chairperson include:

- Ensuring the smooth running of meetings by making sure that all those who wish to contribute are allowed to, allocating adequate time for contributors to speak, ensuring voting procedures are in place and that these are followed, and announcing votes at general meetings;
- Providing support for and establishing a constructive working relationship with the Director of the Association;
- Representing the Association where authorised;
- Taking all other decisions that are the responsibility of the Chair as laid down in the Rules and Standing Orders.
- Participating in training, where necessary, to enable the above responsibilities to be carried out.

Responsibilities of the Secretary include:

- Calling, attending and keeping the minutes of general and committee meetings;
- Circulating the relevant papers for these meetings.

- Preparing and sending all necessary reports to Communities Scotland, the Financial Services Authority and other regulatory bodies.
- Keeping the Register of Members, the organisation's Seal and accounts.
- Ensuring that the organisation acts legally and constitutionally within its Rules.

If the Secretary is a member of staff, s/he must remain in an advisory role, and must not take part in the Management Committee decisions.

2.6 Co-opted Members

The Management Committee can co-opt anyone who is suitable to become a Committee Member. Co-optees do not need to be members of the Association, but they can only serve as co-optees until the next annual general meeting or until removed by the Management Committee. Co-optees can take part in Management Committee discussions and vote at meetings on all matters except those that directly affect the membership of the Association or the election of Office Bearers. Co-optees may not stand for election, nor be elected as one of the Office Bearers of the Management Committee (for more guidance, refer to Rules 39.1, 39.2 and 39.3 and chapter 4 of Raising Standards in Housing on “Governance and Accountability”).

2.7 Sub-Committees

Where sub-committees exist, the following principles will apply:

- Each sub-committee and its chair should have clear written terms of reference and levels of delegated authority which have been approved by the Management Committee;
- Each sub-committee must report regularly to the Management Committee;
- Sub-committees must meet regularly enough to complement the work of the Management Committee and carry out the Association’s business;
- Sub-committees should have their terms of reference and levels of authority reviewed periodically.

2.8 Openness and Accountability

The Management Committee is required to operate in an open and accountable manner. Openness in decision-making and access to information is a prerequisite for accountability and empowering those who are users of services. However, confidentiality where necessary is equally important to the professional and personal conduct of the Association and those who work for it – ie staff and Management Committee Members.

Information should be disseminated widely to all stakeholders and made readily available in different formats. Only information that is of a personal or commercially sensitive nature may be withheld (refer to raising Standards chapter on “Access to

Information” for a definition of personal or commercially sensitive information), or where disclosure is covered by legislation.

The Association has an Openness and Confidentiality Policy that covers the following areas:

- Ensuring that all information is made available to the public unless it is personally confidential or commercially sensitive;
- Ensuring publication and wide access to key information on the Association’s performance and how it plans to improve;
- Ensuring a range of mechanisms (such as websites) for dissemination of handbooks, leaflets, newsletters, survey results, posters, etc.;
- Ensuring that documents are written in plain English and translated into other languages if necessary;
- Ensuring that requests for information are met, unless it is confidential or commercially sensitive;
- Consider allowing members to attend non-confidential parts of meetings, and making publicly available, non-personal or non-commercially sensitive governing body papers and minutes;
- Ensuring a well-publicised complaints procedure that is accessible and easy to use;
- Ensuring that feedback is used to inform policy and service reviews. How the Association has responded to the feedback should be communicated to tenant members, etc.;
- Ensuring a regular review of the Association’s policy and practice on openness and confidentiality.

2.9 The Management Committee and Staff

The Management Committee will ensure that the Association is complying with all current legislation and good practice on employment, including Equal Opportunities. In the recruitment of staff, the Management Committee (and each Management Committee Member) must ensure a fair and impartial process that is in line with the Association’s recruitment policy.

The Management Committee (and each Management Committee Member) will foster a mutual respect with all staff. However, great care must be taken to avoid undue familiarity.

2.10 User Participation

The Association’s Management Committee is committed to involving tenants, residents and other members of the community in the work of the Association, as this promotes accountability. Management Committee will ensure that the Association

develops a policy on participation that outlines how tenants and other stakeholders can be involved. The Association's Tenant Participation Strategy includes for example, the participation of tenants on Management Committee, the publication and distribution of policies and information, the methods by which tenants and other stakeholders will be consulted, the holding of public meetings to encourage participation and the involvement of tenants in service reviews.

2.11 Equal Opportunities

The Association has an Equal Opportunities Policy that underpins the work and culture of the whole organisation. The Management Committee will adhere to its legal responsibility to ensure that this policy is implemented within the Association, with reporting structures established to monitor and develop progress.

2.12 Financial Control

The Management Committee must ensure at all times that they have financial control of the Association, and that they comply with legislation and performance standards and guidance issued by the SFHA, Communities Scotland and other regulatory bodies.

2.13 Audit – External, Internal & Performance

External - The Association is required to have its accounts audited externally. The Management Committee's role includes record keeping, setting and selecting appropriate accounting policies, and preparation of the financial statements. The Management Committee's role in the external auditing process should include the provision of a statement in its audited accounts about the Association's system of internal financial control. The statement should cover:

- An acknowledgement of Management Committee's responsibility;
- An explanation of the extent of the assurance against financial loss;
- A description of key procedures;
- Confirmation that the Management Committee has reviewed the effectiveness of the system;
- Information about weaknesses in financial control that have led to losses.

External auditors are appointed to comment on the Statement of Internal Financial Controls that the Management Committee is required to include with the Association's annual accounts. Thus, the Management Committee must ensure that they are independent and effective. The Management Committee must also ensure that auditors are appointed through proper selection procedure, with the appointment subject to periodic review.

Internal – The Association is required to conduct internal audits to ensure good internal procedures in all areas of operation. An internal audit should examine closely the key components of good governance, which are: standards of performance, procedures, service delivery, and compliance with standards and

legislation. It is also important that the Management Committee see that it has a responsibility between Risk Management, Risk Assessment and the Internal Audit Programme.

A report of recommendations and findings, following completion of the internal and external audit, should go to the Management Committee. The role of the Management Committee in the internal and external audit process is to ensure that the findings are understood and acted upon.

Performance – The Management Committee is responsible for ensuring that the Association is in compliance with Performance Standards published by Communities Scotland, SFHA and COSLA.

The Management Committee must ensure that:

- Standards of Performance are set by the Association;
- That the performance is monitored against the standards;
- That monitoring and other information is used to amend targets, policies and/or procedures as necessary.

Part Three: Breaches of this Code

All Management Committee Members must adhere to this Code.

The Management Committee will investigate any complaints made about the conduct of individual Committee Members conduct, which may constitute a breach of this Code. Serious breach of this code will invoke Rule 43.2 and lead to the removal of a Committee member from the Management Committee.

The SFHA will investigate any complaints made about the Association's conduct which may constitute a serious breach of this Code. SFHA will advise and support the Association, where required, to improve its practice and to ensure these principles are adhered to. SFHA is primarily concerned with promoting good practice and not punitive action. However, where any member organisation continues to breach this Code, SFHA Council can decide to terminate SFHA membership. SFHA Council can also decide to report the breach to Communities Scotland to safeguard the integrity and reputation of the voluntary housing movement.

Approved by the Committee of Management on:	
Signed:	Signed:
Secretary/Chairperson	Director/Senior Staff Member