

## **Lochaber Association Ltd**

### **Management Committee Member's Role Description**

#### **Purpose of document**

This document provides a statement of the responsibilities of the Management Committee collectively and of its individual members. It is intended to act as a reference for all those involved in the governance of the Association, including new and established Management Committee members and senior members of staff.

The document is consistent with the principle set out in the Regulatory Code of Governance, published by the Scottish Housing Regulator, that 'good governance means performing effectively in clearly defined functions and roles', and with the associated regulatory requirements (section 2 of Regulatory Code).

It is also consistent with the Guidance for Scottish Charity trustees "Acting with Care and Diligence" 2006, issued by the Office of the Scottish Charity Regulator (OSCR), which sets out the formal responsibilities of trustees in ensuring that the Association acts in line with its charitable objects.

The roles and responsibilities of members of the Management Committee are further influenced by the relationships between the members of the group and the responsibilities of each. The Association must not be under the control of any other body, for example, being subject to powers that allow the removal of a Management Committee member, restrictions on voting rights or other unreasonable influence over the business of the Association.

#### **Section 1: Introduction**

The Management Committee is ultimately responsible for the work of the Association. For the Management Committee to be effective, it is essential that the role and responsibilities of the Management Committee are understood and observed (section 2). Being a member of a Management Committee carries important responsibilities; individuals require to understand and accept these responsibilities (Section 3). In return for the commitment required to be an effective member of the Management Committee, the Association has a responsibility to support Management Committee members to enable them to carry out their role effectively (Section 4).

#### **Section 2: What the Management Committee is responsible for**

The function of the Management Committee as a whole is two-fold:

- To provide leadership to the Association and determine its strategy; and
- To control the Association's affairs and ensure compliance.

The operational management of the Association is delegated to the Association's staff, within a framework of controls established by the Management Committee. In practice, this distinction involves a strong element of partnership between the Management Committee and staff, and demands mutual respect, trust and support.

In relation to its **strategic and leadership** function, the core responsibilities of the Management Committee are to:

- Determine the Association's central purpose, its values and its culture, and ensure that they are consistent with the Association's Rules;
- Determine and keep under review the Association's strategic direction and its business objectives;
- Develop and maintain an understanding of the operating environment of the Association, and take this into account in assessing the Association's strategy;
- Disseminate and ensure compliance with the values of the Association;
- Establish a framework for the development, approval and review of policies and plans to achieve the Association's business objectives;
- Ensure that the organisation is adequately resourced to meet its business objectives;
- Identify and manage the risks associated with the Association's strategies;
- Decide on and keep under review formal partnerships and alliances with other organisations;
- Build up strategic links with external bodies and foster relationships with senior staff to enable them to discharge their strategic and leadership duties.

In relation to its **control and compliance** function, the core responsibilities of the Management Committee are to:

- Establish and oversee a framework for delegation to office bearers, to sub-committees and to staff;
- Establish and regularly review systems of internal and external control, including Standing Orders, external audit, internal audit, financial control and performance reporting;
- Establish and oversee a framework for the identification and management of risk, in order to protect the Association and its assets;
- Ensure the solvency of the Association, approve the annual budget, and approve the annual accounts prior to publication;
- Monitor and assess the Association's performance against plans, budgets, controls, and targets, taking into account customer feedback and the performance of comparable Associations;
- Establish and oversee a framework for the employment of staff;
- Appoint, support, appraise and (if necessary) dismiss the Chief Executive, and determine his/her remuneration;
- Ensure that the Association meets all its statutory obligations and acts in accordance with regulatory expectations and accepted good practice standards;
- Ensure that the Association acts in accordance with its Rules;
- Assess periodically the Management Committee's own effectiveness;
- Assess how well the Management Committee members follow its Code of Conduct.

In both sets of responsibilities, the Management Committee is informed, advised and supported by the staff group.

### **Section 3: What the Association expects of individual Management Committee members**

Each individual member is expected to contribute constructively to the work of the Management Committee. The effective collective performance of the Management Committee depends on members recognising and fulfilling their individual responsibilities.

All members share and must accept collective responsibility for the decisions properly made by the Management Committee. All members are equally responsible in law for the decisions made. Each must act only in the interests of the Association and its customers, and not on behalf of any constituency, other organisation or interest group. Although members may have been elected, nominated or appointed by a particular stakeholder group, their overriding loyalty must be to the Association as a whole.

Every individual member is expected to:

- Uphold the values, objectives and policies of the Association;
- Contribute to and accept responsibility for the Management Committee's decisions;
- Uphold and promote the principles of equality and diversity in the governance of the Association;
- Treat all colleagues on the Management Committee with consideration, and foster mutual respect and trust;
- Prepare for meetings and attend regularly and punctually;
- Attend relevant training sessions and events;
- Represent the Association positively and appropriately;
- Be aware of the restrictions on payments and benefits and follow the Association's policy on managing these restrictions;
- Not accept any offers of gifts and hospitality which could be seen as a way of exercising an improper influence over decision making;
- Declare any personal or other interests which could potentially conflict with those of the Association;
- Not engage in any activity which could be detrimental to the interests of the Association;
- Respect confidentiality of information where appropriate;
- Keep his/her own learning and knowledge of the local and national operating environment and the impact that this has on the Association, as up to date as possible, in order to make well informed decisions.
- Adhere to the principles and the expectations set out in the Scottish Housing Regulator's Regulatory Code of Governance and other regulatory codes that apply to the Association.

The individual responsibilities listed form the basis of the Code of Conduct for Management Committee Members. On becoming a member of the Management Committee, each member is given the Code of Conduct, and is asked by signing to confirm their acceptance of their responsibilities.

#### **Section 4: How the Association supports Management Committee members**

The Association is committed to ensuring that the Management Committee and its members are able to exercise their roles and responsibilities. It recognises that members require support and assistance to carry out their responsibilities, and to make their role a rewarding and satisfying one.

In return for their commitment and time, the Association offers its Management Committee members:

- A welcome and introduction when they first join and ongoing support thereafter;
- Clear guidance, information and advice on their responsibilities and on the work of the Association;
- Formal induction training to assist them settle in;

- Papers which are clearly written and presented, are circulated in advance of meetings;
- The opportunity to put members' experience, skills and knowledge to constructive use;
- The opportunity to develop members' own knowledge and personal skills;
- The opportunity to work in a stimulating and mutually supportive environment;
- The chance to network with others with shared commitment and ideals;
- The opportunity to stand for one of the office bearer positions

All members of the Management Committee are volunteers and receive no payment for their contribution. There are restrictions set out in legislation which prevent Management Committee members or their relatives benefiting personally from their involvement with the Association. However, all expenses associated with the role of Management Committee member are fully met and promptly reimbursed. No Management Committee Member is expected to be out of pocket as a result of any work on behalf of the Association.

### **Section 5: Where to find out more**

The following documents are relevant to your role as a Management Committee member, and form part of the package given to you when you become a member.

- **Rules**  
These represent the constitution of the Association. They can only be changed with the agreement of the shareholding membership of the Association, of the Scottish Housing regulator and the Financial Services Authority.
- **Standing Orders**  
These are the procedures agreed by the Association for the discharge of its business through the Management Committee, its sub-committees and the staff.
- **Regulatory Code of Governance**  
The Code, published by the Scottish Housing Regulator, sets out the regulatory standards which apply to the Management Committee as a whole and to individual Management Committee members.
- **Policy on Shareholding and management Committee Membership**  
This policy sets out how the Association recruits new Management Committee members, through election or co-option
- **Accountability, Probity and Integrity Policy**  
This policy sets out how the Association interprets the statutory restrictions on the payments and benefits which Management Committee members can receive, and the exceptions to those restrictions. It also sets out the policy in relation to offers of gifts and hospitality offered by third parties.

Finally, the Chief Executive, any member of the Management Team or any current Management Committee Member will be happy to provide any further information if required.