

# Chartered Banker

## Terms of Reference - Board of Trustees (“Board”)

July 2018

### 1. Purpose

- 1.1 The Board is responsible for the overall governance, strategic direction and functioning of the Institute as set out in the Institute’s Royal Charter, Rules and Regulations, and these Terms of Reference. The Board is also responsible for ensuring the Institute’s activities are compatible with its charitable aims, and that the Institute complies with relevant legislative and regulatory requirements.

### 2. Accountability and Reporting

- 2.1 Board members are accountable in varying degrees to a variety of stakeholders, including but not limited to: members and students, educational, financial services and charity regulators, banks and other financial services organisations, and others involved in enhancing and sustaining a culture of ethical professionalism in banking.
- 2.2 The Institute is a registered charity and Board members are the legal trustees of the Institute. As such, Board members have responsibilities as individuals and collectively, under The Charities and Trustee Investment (Scotland) Act 2005, and are accountable to the Office of the Scottish Charity Regulator (OSCR).
- 2.3 The Board shall report its activities in the Institute’s Annual Report.

### 3. Principal Tasks

- 3.1 The Board’s principal tasks include:

(a) *Governing the Institute:*

- Ensuring the effective and efficient administration of the Institute and its resources;
- Considering and approving the Annual Report and Accounts;
- Maintaining sound financial management of the Institute’s resources, ensuring expenditure is in line with the Institute’s aims and objectives, and that investment activities meet accepted standards and policies;
- Taking appropriate professional advice in all matters where there may be a material risk to the Institute, or where Board members may be in breach of their duties as Trustees, to ensure that the duty of care has been exercised;
- Ensuring the good governance of the Institute;
- Ensuring an appropriate public interest focus to the Institute’s activities is maintained;

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- Considering and approving the recommendations of the Nominations Committee concerning those individuals thought worthy of election to Fellowship;
- Taking account of the views and advice of the Membership Committee to ensure that members' views are appropriately reflected in the direction and activities of the institute; and
- Taking account of the views and advice of other Advisory Committees, as appropriate.

*(b) Determining the Institute's strategy and activities*

- Developing, directing and monitoring plans for the strategic direction of the Institute in conjunction with the Chief Executive;
- Approving annual business plans and budgets prepared by the Chief Executive;
- Monitoring business performance, financial performance, the Institute's activities and operations and the implementation of the Institute's strategy on a regular basis, and receiving regular reports from the Chief Executive on these matters;
- Advising the Chief Executive on aspects of the Institute's activities and operations;
- Dealing with matters relating to the finances of the Institute, except those matters reserved to the Audit Committee; and
- Making decisions, advising or monitoring on other matters as agreed by the Board or proposed by the Chief Executive from time to time. This may include the creation of ad-hoc working parties to assist the Chief Executive where required.

## **4. Membership**

**4.1** The Institute's Rules state that the Board shall consist of:

Officers:                      President  
                                     2 Vice Presidents

Membership:                Up to 10 Trustees, including 2 or more Independent (lay) Trustees.

**4.2** All Trustees shall be recruited by open selection on the basis of expertise, experience and skills. The recruitment process shall be overseen by the Nominations Committee, in consultation with the Membership Committee, which will propose Institute members possessing the expertise, experience and skills required, subject to Nominations Committee approval. The Nominations Committee will publish its recommendations for appointment to the Board of Trustees in advance of the Annual General Meeting, and all appointments shall be approved by the Annual General Meeting.

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- 4.3 Trustees (including Independent Trustees) shall hold office for three years from the date of the Annual General Meeting approving their appointment, and shall be eligible for re-election for one further term.
- 4.4 Trustees may be re-appointed for a third term when this would enable them to assume the Presidency/Vice-Presidency, or in other exceptional circumstances, subject to the approval of the Nominations Committee and the Annual General Meeting.
- 4.5 Any vacancy on the Board arising for whatever reason before the expiry of a Trustee's term of office may be filled by an individual co-opted by the Nominations Committee. The individual thus co-opted shall serve as a Trustee until the date of the Annual General Meeting following their co-option.
- 4.6 The Board as a whole and Trustees individually shall be subject to regular performance reviews, overseen by the Nominations Committee, to encourage and enhance Board and Trustee effectiveness.

## **5. Chair**

- 5.1 The Chair at all meetings shall be the President, or in his/her absence one of the Vice-Presidents, or in their absence, a member of the Board to be chosen by those present.

## **6. Secretary**

- 6.1 The Business Partner - Governance or their delegated nominee shall act as the Secretary to the Board.

## **7. Attendance and Frequency of Meetings**

- 7.1 The Board shall hold regular Board meetings at least four times per year, of three hours duration, plus one half-day strategy session. Trustees are expected to attend meetings in person, with videoconference facilities provided where this is not possible.
- 7.2 The Board may transact business of a regular nature and between scheduled meetings via videoconference, teleconference or e-mail as required.

## **8. Quorum**

- 8.1. The quorum necessary for the transaction of business shall be seven Board members present in person or by simultaneous telecommunications link. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board.

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## **9. Minutes of Meetings**

- 9.1. The Secretary shall minute the proceedings and resolutions of all Board meetings, including the names of those present and in attendance.
- 9.2. Draft minutes of Board meetings shall be circulated promptly to all Board members. Once approved by the Chair, minutes will be made available to Institute members.

## **10. Authority**

- 10.1 The Board is authorised to seek any information it requires from any employee of the Institute in order to perform its duties.
- 10.2 The Board is authorised to obtain, at the Institute's expense, outside legal or other professional advice on any matters as may be required.

## **11. Sub-Committees**

- 11.1 The Board may form such committees and other subsidiary bodies as it deems necessary to perform its functions, and may delegate any of its functions to a committee or subsidiary body. The Board may also form quasi-independent committees which shall work to a remit approved by Board.