

Board Charter

Methodist Trust Association

December 2019

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Charter

This board Charter:

- Sets out the legal framework within which the board operates
- Sets out the functions and responsibilities of the board and of management
- Sets out the induction processes
- Sets out the role of the chair
- Sets out committee structures and composition
- Sets out board procedures
- Sets out board composition
- Documents indemnity and insurance policies
- Documents the policies that the board has decided upon to meet its legal and other responsibilities
- Sets out management accountabilities and delegation
- Assists the delivery of good governance
- Provides guidance and comfort to the Church and key stakeholders that the board has implemented robust governance processes

Methodist Trust Association (MTA) Establishing Principles

The Constitution of the MTA sets out its functions very simply:

- To develop and implement strategies and policies for the safe and beneficial investment of funds entrusted to it to meet the Church's requirements and the depositors' expectations;
- To develop innovative and professional funds management reporting procedures to strengthen and improve the investment returns to the Church from investment compatible with the Church's investment requirements;
- To be the preferred investment vehicle for Church funds.

Board Responsibilities

Criteria for becoming a Trustee

The Board of MTA consists of up to 16 members including the Chair. Appointment of Trustees is ratified by Conference. All Trustees must be registered with the Charities Commission. Trustees are expected to demonstrate the following attributes:

- *Leadership and Strategic Thinking*
- *Commitment and Adding Value*
- *Financial Understanding*
- *Decision-Making*
- *Honesty and Integrity*
- *Interpersonal and Communication Skills*
- *Organisational Awareness*

Preparation of Trustees for their role

Individuals nominated to become MTA Board members should understand the obligations they will be taking on and be adequately prepared to take up the role of Trustee. It is desirable that the individual should complete due diligence with the Chair prior to nomination, and be adequately prepared for the role of Trustee through an appropriate induction and training programme.

All Trustees are expected to contribute to Board meetings to the best of their ability. The individual should discuss with the Chair the time commitment required, including the time outside Board and committee meetings, reading Board papers and other material, and resolve any concerns they may have about serving on the board of MTA.

Prior to attendance at their first Board meeting, new Trustees will:

- (i) Receive a copy of the MTA Constitution. A copy of the previous year's accounts, a copy of year-to-date financial statements, strategic/business plans, policies, organisational chart, current issues, and conflict of interest register.
- (ii) Meet with the Chair for a governance familiarization. Full board introductions will take place at the first meeting. This may include meeting with the Executive Officer.
- (iii) The Trustee appointment should be published in the appropriate mediums.

Board Members' Responsibilities:

- (i) Shall act honestly and in good faith at all times in the interest of the MTA and its stakeholders, ensuring that all stakeholders, particularly MTA depositors, are treated fairly according to their rights;
- (ii) Shall carry out their duties in a lawful manner and ensure that the MTA carry out their business in accordance with the law and the terms of their own constitution;
- (iii) Shall avoid conflicts of interests in as far as this is possible. Where such conflicts arise, the Trustees concerned will act within the terms of the Board's Conflict of Interests policy;
- (iv) Shall be diligent, attend Board meetings and devote sufficient time to preparation for Board meetings to allow for full and appropriate participation in the Board's decision making;
- (v) Shall observe the confidentiality of non-public information acquired by them in their role as Board members and not disclose to any other person such information;
- (vi) Shall act in accordance with their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and moral duties of the role;
- (vii) Shall interact with the Board and the Church in a positive and constructive manner;
- (viii) Shall be loyal and supportive to the Board, abiding by Board decisions once reached;
- (ix) Shall not do anything that in any way denigrates the MTA or harms their public image.

The Board's Job Description

The Board is responsible for the long-term health and prosperity of MTA.

The Board is responsible for making decisions in the following areas:

- (i) Policies
- (ii) Strategic Plan
- (iii) Organisational priorities
- (iv) Executive Officer appointment and conditions*
- (v) Financial management
- (vi) Proposals outside the strategic plan
- (vii) Items referred to the Board from the Executive Officer

*in conjunction with the General Secretary of the Church

Board decisions can always be made more effectively if they are made at Board meetings where sufficient periods of time are allocated to substantive discussion.

Board members shall address any questions in regard to proposals or any other issue with the Executive Officer prior to the meeting.

In extenuating circumstances, the Executive Officer may distribute information for a decision outside the normal Board meeting framework. All decisions outside normal Board meetings must be coordinated by the Executive Officer.

Work Planning and Agenda Setting

To achieve its governance outcomes in a manner consistent with its policies, the Board will follow an annual work plan that (1) focuses on issues in its Strategic Plan and (2) continually improves Board performance through education and evaluation of effectiveness. Accordingly:

- (i) The Board's work plan cycle will commence at the May meeting so that the budget and planning can be based on a one year segment of the Board's focus on Strategic Plan results.
- (ii) The cycle will start with the Board's development of its work plan for the following year.
- (iii) The cycle will conclude each year so that administrative planning and budgeting can be based on accomplishing short, medium and long term ends.
- (v) Throughout the year the Board will attend to formal decision agenda items as expeditiously as possible.
- (vi) Manager monitoring will be included in the work plan if monitoring reports show policy violations or if policy criteria are to be debated.
- (vii) Executive Officer remuneration will be decided after a review of monitoring reports and upon receipt of the annual audited financial statements, but not later than 31st October each year.

Conflicts of Interest

The Board places great importance on making clear any existing or potential conflicts of interest for its Trustees. All conflicts of interested shall be declared by the Trustee concerned and officially documented in a Conflicts of Interest Register. Accordingly:

- (i) Any business or personal matter which is, or could be, a conflict of interest involving the individual and his/her role and relationship with MTA must be declared and registered in the Conflicts of Interest Register;
- (ii) All such entries in the Register shall be presented to the Board and minuted at the first Board meeting following entry in the records;
- (iii) When the Chair is aware of a real or potential conflict of interest involving one of more Trustees, the Chair must take whatever steps are necessary to ensure that the conflict is managed in an appropriate manner according to this policy;
- (iv) Individual Trustees, aware of a real or potential conflict of interest of another Trustee, have a responsibility to bring this to the notice of the Board.

Confidentiality

The objective of meetings of the Board is to bring together ideas of Trustees in free and open discussion. However, there will be times when an issue arises which may need to be treated with discretion. These are handled as outlined below:

"In Committee" Sessions:

When necessary, it is general business practice that "In Committee" or "Board Only" Sessions are held during meetings.

This is used when issues which need to be discussed are sensitive, and Trustees need to be totally comfortable that what is said in the confines of the meeting room will not be repeated outside the meeting.

"In Committee" sessions are held to:

- (i) Discuss commercially sensitive matters
- (ii) Discuss personal and personnel issues
- (iii) Enable an open and frank discussion

The Board's Documents

Constitution

The Constitution of MTA is reviewed on an annual basis and updated and amended as required.

Agenda

Correspondence requiring attention of the Board shall be included as a Special or General agenda item. All other correspondence shall be made available for viewing to Board members at each meeting.

Minutes

Board minutes are a legal record of the Board's meetings, actions and decisions. Only the formal actions of the Board as a whole are officially board business.

Minutes should:

- (i) Record the meeting's date, time and attendees.
- (ii) Record official actions of the Board;
- (iii) Upon request by individual Board members, record statements for the record.
- (iv) Record a summary of actions resulting from Board meetings at the end of the minutes. Items not completed or resolved prior to the next meeting shall be added to the action item report.
- (v) Record Chairperson's signature as an indication that the Board has agreed that the written minutes are a correct record of the meeting.

Board Policies

The Board is responsible for ensuring that all policies meet the current needs of the organisation, are legally and financially responsible and provide an appropriate framework in which the organisation can function.

Board Meetings

Are conducted in accordance with the Church's Standing Orders (refer to Law Book).

Board Committees

The Board has the authority to establish both standing and ad-hoc committees to assist in its work.

Standing Committees may include the following:

- (i) Audit / Finance Committee
- (ii) Investment and Risk Committee
- (iii) Nominations Committee

Unless explicitly empowered by the full Board, committees cannot make binding Board decisions. For the most part the function of committees is to solve problems for and/or make recommendations to the Board on which the latter, and only the latter, has the power to make decisions or policy. All standing committees have a Terms of Reference or Charter.

Current Membership of Board Committees:

Audit/ Finance Committee

Chair: David Johnston, Chris Gregory

Investment and Risk Committee

Chair: David Cleal, Richard Devereux, Chris Gregory

Nomination Committee

Chair: Jill van de Geer, Jane Davel

Media Policy

Only the Chair and the Executive Officer are authorised to comment publicly on the affairs and policies of the MTA. Generally the Chair may comment on matters that are the responsibility of the board and the Executive Officer will comment on matters of operational significance. The Chair and Executive Officer may delegate comment to Trustees and staff on strategic and operational matters respectively.

The Chair, Executive Officer and representatives of the MTA shall not support any action or public statement that is derogatory or in any way damaging to the MTA or to the wider Church.

Board Evaluation – Cost of Governance

The Trustees recognise that governance is a cost to the organisation and will therefore increase its governance capability and performance. The Board may carry out a formal evaluation on its activities from time to time.

The Board:

- (i) Shall meet regularly to monitor the performance of management and the MTA as a whole, and to do this the Board will ensure that appropriate monitoring and reporting systems are in place and that these are maintained and utilised to provide accurate and timely information to the Board;
- (ii) Shall ensure that there is an appropriate separation of duties and responsibilities between itself and the Executive Officer and that no one has unfettered powers of decision making;
- (iii) Shall ensure that the independent views of Board members are given due consideration and weight;
- (iv) Shall ensure that stakeholders are provided with an accurate and balanced view of the MTA performance including both financial and service provision;
- (v) Shall regularly review its own performance as the basis for its own development and quality improvement;
- (vi) Shall carry out its meetings in such a manner as to ensure fair and full participation of all Board members;
- (vii) Shall ensure that it develops, maintains and adheres to policies relevant to the effective governance of the MTA;
- (viii) Shall satisfy itself that the MTA has the capacity to implement policy and manage its affairs;

Chair's Role Description

The Chair assures the integrity of the Board's process and occasionally represents the Methodist Trust Association to outside parties.

Accordingly,

- (i) The Chair is empowered to chair Board meetings with all the commonly accepted power of that position.
- (ii) The Chair ensures that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the MTA.
- (iii) Meeting discussion content will be only those issues, which, according to Board policy, clearly belong to the Board to decide, not the Executive Officer.
- (iv) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
- (v) The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process, except where the Board specifically delegates portions of this authority to others. The Chair is authorised to use any reasonable interpretation of the provisions in these policies.
- (vi) The Chair has no authority to make decisions (such as creating, recreating or varying) about policies created by the Board.
- (vii) The Chair acts as the conduit between the Board and the Executive Officer.
- (viii) The Chair may represent the Board to outside parties in announcing Board stated positions and interpretations.
- (x) The Chair may delegate this authority but remains accountable for its use.

Indemnities and Insurance

The Church provides all board members with, and pays the premiums for, indemnity and insurance cover while board members/Trustees are acting in their capacities, to the fullest extent permitted by law.

Management Limitations

The Executive Officer is expected to act within all specific authorities delegated to them by the board. The assets of MTA are expected to be adequately maintained and protected and not unnecessarily placed at risk. In particular, both entities must be operated with a comprehensive system of internal control and assets or funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the entity's external auditors.

Staff Appointments Policy

Any staff appointments will be made on the principle that the person most suited to the role of carrying out the objectives and processes as detailed by the MTA and PACT 2086 shall be appointed.

The Executive Officer is responsible for all procedures and staff appointments, including the performance management and evaluation of any staff appointments. With respect to the employment and treatment of staff, the Executive Officer shall provide an environment that is fair, safe (including culturally safe), dignified, not intrusive, and that provides appropriate confidentiality or privacy.

Appendixes:

Board Tenure

Board Member	Commenced	3 year term*	Term Expires
Chris Gregory	1997		2020
Jill van der Geer	1998		
David Hunt	2003		
General Secretary of the Church, David Bush	2007		
Meleane Nacagilevu	2005		
David Cleal	2008		
David Johnston	2010		
Richard Devereux	2017	2020	
Jane Davel	2017	2020	

Term Limits

*in April 2019 the board resolved to adopt a number of governance recommendations endorsed by the MTA Working Group, including the introduction of term limits. A 3 year term of appointment was settled upon. It was further agreed that, from 2019, board members could serve a maximum of 3 x 3 year terms, with the exception of the Chair, who could serve a maximum of 4 x 3 year terms. It was further noted that the President of the Church, on the recommendation of the Board, could grant another 3 year term by request.