



Olmec vision mission and values

Responsibilities of a trustee

Responsibilities of a company director

1. 0 OLMEC

VISION

To play a leading role in creating a fair, just and equitable society in which each individual can fulfill and determine their aspirations to reach their maximum potential.

MISSION

To empower communities through race equality, and economic and social justice programmes and projects.

To foster and develop a people centered approach in creating the best social and economic outcomes for individuals and communities.

To build communities by investing in the strengths of individuals so that they can play their full part in benefiting their communities and wider society.

To create social change through innovative programmes.

VALUES

We are passionate about serving communities with integrity, inspiration and accountability. At the core of all of our work are the values of social justice, honesty, transparency and excellence.

1.1 RESPONSIBILITIES OF TRUSTEES

Essential Roles of the Olmec Board

1. Guarding the vision, mission and values.

The primary duty of the Olmec board is to ensure that the organisation delivers on the mission of race equality through economic and social justice.

2. Develop strategy

Together, the charity board and chief executive officer develop long-term strategy. Meeting agendas and annual awaydays reflect the key points of the strategy to keep the organisation on track.

3. Monitor policies

The trustee board monitor our policies that govern organisational activity. These cover:

- Guidance for staff
- Systems for reporting and monitoring
- An ethical framework for everyone connected with the organisation
- Conduct of trustees and board business

4. Employment procedures

The charity trustee board monitors comprehensive, fair and legal personnel policies. These protect the organisation and those who work for it. They cover:

- Recruitment
- Support
- Appraisal
- Remuneration
- Discipline.

5. Ensure compliance with governing document

The governing document is the rulebook for the organisation. The board makes sure it is followed. In particular, the organisation's activities must comply with its charitable objectives.

6. Ensure accountability

The board should ensure that the organisation is accountable as required by law to:

- The Charity Commission
- the Inland Revenue

Customs and Excise

- The Registrar of Companies (if it is a company limited by guarantee).

The board also needs to make certain that the organisation is accountable to donors, beneficiaries, staff, volunteer, and the general public. This means publishing annual reports and accounts and communicating effectively.

7. Ensure compliance with the law

The board is responsible for making sure that all the organisation's activities are legal.

8. Maintain proper fiscal oversight

The board is responsible for effectively managing the organisation's resources so it can meet its charitable objects. It:

- Secures sufficient resources to fulfil the mission
- Monitors spending
- Approves the annual financial statement and budget
- Provides insurance to protect the organisation from liability
- Seeks to minimise risk
- Participates in fundraising (in some organisations)
- Ensures legal compliance

9. Select, manage and support the chief executive

The board creates policy covering the employment of the chief executive. It selects and supports the chief executive and reviews his or her performance.

10. Respect the role of staff

The board recognises and respects the domain of staff responsibility. At the same time, it creates policy to guide staff activities and safeguard the interests of the organisation.

11. Maintain effective board performance

The board keeps its own house in order. It takes steps to establish:

- Productive meetings
- High standards of trustee conduct

- Effective committees with adequate resources
- Development activities
- Recruitment and induction processes
- Regular performance reviews
- Partnership with consultants where necessary

12. Promote the organisation

Through its own behaviours, governance oversight and activities on behalf of the organisation the governing Board enhances and protects the reputation of its organisation. Board members are good ambassadors for the organisation.

2. 0 Compliance – Trustees must:

(2) Ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular, ensure that the charity prepares reports on what it has achieved and Annual Returns and accounts as required by law.

(3) Ensure that the charity does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out there.

(4) Comply with the requirements of other legislation and other regulators (if any) which govern the activities of the charity.

(5) Act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.

Duty of prudence – Trustees must:

(6) Ensure that the charity is and will remain solvent.

(7) Use charitable funds and assets reasonably, and only in furtherance of the charity's objects.

(8) Avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk.

(9) Take special care when investing the funds of the charity, or borrowing funds for the charity to use.

Duty of care – Trustees must:

(10) Use reasonable care and skill in their work as trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient.

(11) Consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

RESPONSIBILITIES OF A COMPANY DIRECTOR

Companies Act 2006

CHAPTER 2

GENERAL DUTIES OF DIRECTORS

Introductory

170 Scope and nature of general duties

(1) The general duties specified in sections 171 to 177 are owed by a director of a company to the company.

(2) A person who ceases to be a director continues to be subject—

(a) to the duty in section 175 (duty to avoid conflicts of interest) as regards the exploitation of any property, information or opportunity of which he became aware at a time when he was a director, and

(b) to the duty in section 176 (duty not to accept benefits from third parties) as regards things done or omitted by him before he ceased to be a director.

To that extent those duties apply to a former director as to a director, subject to any necessary adaptations.

(3) The general duties are based on certain common law rules and equitable principles as they apply in relation to directors and have effect in place of those rules and principles as regards the duties owed to a company by a director.

(4) The general duties shall be interpreted and applied in the same way as common law rules or equitable principles, and regard shall be had to the corresponding common law rules and equitable principles in interpreting and applying the general duties.

Companies Act 2006 (c. 46)

Part 10 — A company's directors

Chapter 2 — General duties of directors

79

(5) The general duties apply to shadow directors where, and to the extent that, the corresponding common law rules or equitable principles so apply.

The general duties

171 Duty to act within powers

A director of a company must—

(a) act in accordance with the company's constitution, and

(b) only exercise powers for the purposes for which they are conferred.

172 Duty to promote the success of the company

- (1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—
- (a) the likely consequences of any decision in the long term,
 - (b) the interests of the company's employees,
 - (c) the need to foster the company's business relationships with suppliers, customers and others,
 - (d) the impact of the company's operations on the community and the environment,
 - (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
 - (f) the need to act fairly as between members of the company.
- (2) Where or to the extent that the purposes of the company consist of or include purposes other than the benefit of its members, subsection (1) has effect as if the reference to promoting the success of the company for the benefit of its members were to achieving those purposes.
- (3) The duty imposed by this section has effect subject to any enactment or rule of law requiring directors, in certain circumstances, to consider or act in the interests of creditors of the company.

173 Duty to exercise independent judgment

- (1) A director of a company must exercise independent judgment.
- (2) This duty is not infringed by his acting—
- (a) in accordance with an agreement duly entered into by the company that restricts the future exercise of discretion by its directors, or
 - (b) in a way authorised by the company's constitution.

174 Duty to exercise reasonable care, skill and diligence

- (1) A director of a company must exercise reasonable care, skill and diligence.
- (2) This means the care, skill and diligence that would be exercised by a reasonably diligent person with—
- (a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the director in relation to the company, and

Companies Act 2006 (c. 46)

Part 10 — A company's directors

Chapter 2 — General duties of directors

80

- (b) the general knowledge, skill and experience that the director has.

175 Duty to avoid conflicts of interest

- (1) A director of a company must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.
- (2) This applies in particular to the exploitation of any property, information or opportunity (and it is immaterial whether the company could take advantage of the property, information or opportunity).
- (3) This duty does not apply to a conflict of interest arising in relation to a transaction or arrangement with the company.
- (4) This duty is not infringed—
- (a) if the situation cannot reasonably be regarded as likely to give rise to a

conflict of interest; or

(b) if the matter has been authorised by the directors.

(5) Authorisation may be given by the directors—

(a) where the company is a private company and nothing in the company's constitution invalidates such authorisation, by the matter being proposed to and authorised by the directors; or

(b) where the company is a public company, and its constitution includes provision enabling the directors to authorise the matter, by the matter being proposed to and authorised by them in accordance with the constitution.

(6) The authorisation is effective only if—

(a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and

(b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

(7) Any reference in this section to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

176 Duty not to accept benefits from third parties

(1) A director of a company must not accept a benefit from a third party conferred by reason of—

(a) his being a director, or

(b) his doing (or not doing) anything as director.

(2) A "third party" means a person other than the company, an associated body corporate or a person acting on behalf of the company or an associated body corporate.

(3) Benefits received by a director from a person by whom his services (as a director or otherwise) are provided to the company are not regarded as conferred by a third party.

(4) This duty is not infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.

Companies Act 2006 (c. 46)

Part 10 — A company's directors

Chapter 2 — General duties of directors

81

(5) Any reference in this section to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

177 Duty to declare interest in proposed transaction or arrangement

(1) If a director of a company is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the company, he must declare the nature and extent of that interest to the other directors.

(2) The declaration may (but need not) be made—

(a) at a meeting of the directors, or

(b) by notice to the directors in accordance with—

(i) section 184 (notice in writing), or

(ii) section 185 (general notice).

(3) If a declaration of interest under this section proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

(4) Any declaration required by this section must be made before the company enters into the transaction or arrangement.

(5) This section does not require a declaration of an interest of which the director is not aware or where the director is not aware of the transaction or arrangement in question.

For this purpose, a director is treated as being aware of matters of which he ought reasonably to be aware.

(6) A director need not declare an interest—

(a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

(b) if, or to the extent that, the other directors are already aware of it (and for this purpose, the other directors are treated as aware of anything of which they ought reasonably to be aware); or

(c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered—

(i) by a meeting of the directors, or

(ii) by a committee of the directors appointed for the purpose under the company's constitution.

Supplementary provisions

178 Civil consequences of breach of general duties

(1) The consequences of breach (or threatened breach) of sections 171 to 177 are the same as would apply if the corresponding common law rule or equitable principle applied.

(2) The duties in those sections (with the exception of section 174 (duty to exercise reasonable care, skill and diligence)) are, accordingly, enforceable in the same way as any other fiduciary duty owed to a company by its directors.