

Operations of the John Muir Trust Board



This document provides information for Trustees as background to the John Muir Trust (JMT) Board and how it works.

The processes that JMT follows are documented in Standing Orders, which are reviewed annually, are available to members and are published on JMT's website. This document contains information that may be more transient (e.g. the names of external advisors) or confidential, and is not published externally.

The other main source of information about JMT's operations is the Staff Handbook, available to Trustees on request.

1. JMT's operational environment

JMT uses a variety of means to maintain awareness of the external environment, including legal changes, views of members, and so on. This document outlines these so that Trustees are aware of them.

External

JMT reviews the external environment and its impact in several ways:

- Staff maintain awareness of the external environment as part of their day-to-day operations (e.g. in the Policy area);
- JMT's external advisors advise of changes in relevant matters (e.g. charity law, accounting, land management, HR, IT);
- JMT maintains a risk register, which includes both external and internal risks. This is reviewed annually. For each risk exceeding the acceptable risk threshold, actions to mitigate or minimise the risk are identified and monitored;
- JMT reviews its strategy annually, and comprehensively every 5 years, including consideration of external factors

Legal & regulatory

John Muir Trust contracts with external companies for specialist advice:

- Turcan Connell for a range of legal advice (charity, commercial, employment, land etc)

¹ John Muir Trust is a registered Scottish Charitable company limited by guarantee
Scottish Charity Number: SC002061
Company Number: SC081620
Registered Office: Tower House, Station Road, Pitlochry PH16 5AN

- Macleod & MacCallum for specific crofting matters
- Scott-Moncrieff for audit control, financial and risk management expertise
- Croner for employment and Human Resources expertise
- Scottish Wildlife Trust Health & Safety Manager for Health & Safety expertise
- *<to be appointed>* for IT support and advice

All of these flag relevant changes in legal, statutory and regulatory requirements to JMT. Where additional expertise is required, this is included in Trust budgets and relevant companies or individuals are appointed.

In addition, Trustees are invited to attend Charity Law updates given by Turcan Connell in order to make sure they are informed about any relevant changes.

Flagging issues

The Board also has to make sure that matters can be drawn to its attention if there is a risk that JMT's own activities threaten the charity. It provides the following mechanisms for people (internal or external) to flag issues to Trustees:

- JMT is a member of the Fundraising Standards Board (FRSB), which means that any member of the public can raise concerns about JMT's fundraising with them, if they do not feel free to complain to JMT, or are not happy with JMT's response to a complaint.
- JMT maintains a complaints register, which is a condition of membership of the Fundraising Standards Board (FRSB). It is reported regularly to the Board.
- JMT maintains contact with its member groups who are free to raise concerns or issues.
- JMT has Formal Complaints / Whistleblower policies for staff, documented in the Staff Handbook

2. Policy making and implementation

Board policies

There are two types of Board-level policies in place:

- Those that are policies of JMT (e.g. on Acquisitions, Land Management and Built Development). These are published on JMT's website. Each policy has an associated implementation plan, which includes a timetable for its review – these plans are

approved by the Board but are not published externally. JMT maintains a calendar of policies and their review dates.

- Those that govern Board practices, standards and processes. These are documented in Standing Orders and published on JMT's website. Standing Orders are reviewed annually to see if changes are needed.

Operational policies

JMT also has policies covering its operations; these can be found in the Staff Handbook, such as redundancy, grievance, procurement, delegated financial authority, expenses. Generally, operational policies are approved by CEO and Director of Resources, rather than at Board level. Where relevant, Board Committees will be involved in such policies. Operational policies are reviewed as needed, e.g. when legislation changes.

3. Financial and asset management

All Trustees have a responsibility for financial oversight of JMT. The Board appoints a Finance Committee, the remit for which is in JMT Standing Orders.

The Trust has in place systems of financial management and audit control, namely

- A budget is approved by Trustees annually. Each department head can authorise expenditure within their section of that budget. Payments are controlled via the Finance department.
- Two authorised individuals are required for online banking regardless of amount. One authorised signatory is needed for cheques less than £5,000; two signatories are required for cheques over £5,000.
- Controls (including formal procedures checked by two or more people and segregation of duties) exist over income to ensure income is not under-reported or is recognised incorrectly.
- The Trust operates a SAGE accounting system with transactions only being processed after authorisation by the budget holder. Bank reconciliations are the over-arching control. There is adequate segregation of duties within the Finance department.

These are designed to ensure that all income and benefits are received and accounted for, and that the finances and assets of the Trust are not abused. The systems are reviewed by the Auditors annually and with the Finance Committee.

4. Governance

Skills & expertise

The members of the Trust elect Trustees to the Board. Only members are eligible to be nominated as Trustees. Co-option to fill vacancies or bring specific expertise is not permitted by JMT's Articles, a change that was made in 2012. However, the Board is able to seek or retain individuals or organisations as advisers as required. The Board maintains a register of Trustee skills and expertise. This enables the Board to be aware of any gaps in skills/expertise available to the Board. Each year, prior to inviting nominations for Board positions, the Board considers the skills and expertise needed using this matrix, and highlights gaps to members when inviting nominations. Diversity and geographic location are also highlighted as appropriate.

Training needs

The Trust ensures that Trustees receive induction training shortly after being elected to the Board. This covers both the duties of a Trustee and the operations of the Trust. Additional training opportunities are flagged as they arise, such as attendance at conferences, seminars and courses.

JMT aims to make sure that Trustees are briefed on the following topics:

- Legal duties of charity trustees
- How to manage conflicts of interest
- Financial (in order to help trustees understand the finances of the charity)
- HR/employment matters
- Health and safety
- Trust operations
- Trust policies

Performance of the Board and Trustees

The Board reviews its performance as a board by means of an effectiveness survey every 2 years. Trustees (individually) and senior staff (collectively) are invited to contribute to the survey.

The Chair is responsible for providing feedback to individual Trustees, either from observation or from feedback received from other Trustees or staff. Trustees are free to request feedback at any point.

JMT sets out the responsibilities and expectations of its Trustees in Standing Orders (“Role of a Trustee”), which includes a Trustee Code of Conduct.

JMT’s Articles allow for removal of a Trustee who fails to meet the legal obligations, such as becoming bankrupt.

5. Communications

Staff

It is important that trustees and staff have open and constructive channels of communication. The key channels and mechanisms include;

- annual joint meeting of all staff and trustees (February)
- Trustees receive quarterly operational updates and additional ad hoc updates
- the CEO provides staff with (written) feedback from Trustee meetings, highlighting decisions
- minutes of Trustee meetings are made available to staff (and the public via the website)
- Trustees and staff attend events
- As part of ongoing induction process, Trustees are encouraged to get to know staff and their areas of operation

Members

The Trust communicates with its members regularly (e.g. social media, email, journal, newsletters and letters) and invites feedback and questions through the annual AGM (Open Forum) and periodic Members’ Surveys.

Trustees are encouraged to attend local members’ meetings which operate across the country (significant meetings regularly take place in Bristol, Aberdeen, Edinburgh, Borders and occasionally in London and Cumbria). Correspondence from members, where appropriate, is forwarded to Trustees or the Chair.

Local communities

The Trust, led by staff, meets with local communities on and near land owned and managed by JMT. Arrangements vary from formal management committees, community councils and open days to more ad hoc arrangements.

External organisations

The Trust enters into relationships with third-party organisations in a number of ways. These may be by partnership (e.g. in land management), membership, by means of a Board

position and so on. Where these are formal relationships (not simply paid membership), the way in which they are managed is set out in Standing Orders (“Other Bodies”).

Communications with third-party organisations is managed either by an appropriate staff member or by the person appointed to represent JMT (e.g. as a member of their Board).

6. Change control

This document is prepared, reviewed and approved by the John Muir Trust Governance Working Group on behalf of the Board.

Appendix 1: Board Effectiveness Questionnaire

The following questionnaire is used every 2 years to assess the effectiveness of the Board. The results are reviewed and any recommendations for changes in operations or processes are then made to the Board.

1. The charity has a clear vision, mission and strategic plan that have been agreed by the board, and there is a common understanding of these by trustees and the senior management team.
2. The business, annual and other plans support the vision, mission and strategic priorities.
3. The chief executive's annual and longer-term objectives and targets support the achievement of the vision, mission and strategic priorities.
4. Board policies support the vision, mission and strategic priorities
5. The board ensures that there are effective mechanisms to listen to the views of members.
6. The board ensures that there are effective mechanisms to review the external environment for changes that might affect the charity.
7. There are effective mechanisms for measuring objectively the progress of the charity in relation to its vision, mission, strategic objectives/priorities, business plans and annual targets.
8. The trustees regularly receive reports on the performance of the charity.
9. The chairman of the board satisfies the terms of their role description.
10. The chief executive reports regularly on progress towards agreed strategic priorities.
11. The trustees hold the chief executive to account for the management and administration of the charity.
12. The trustees ensure that the chief executive receives regular, constructive feedback on his/her performance in managing the charity and in meeting his/her annual and longer-term targets and objectives.
13. The trustees ensure that the chief executive develops a learning organisation and that all staff, both paid and unpaid, review their own performance and regularly receive feedback.

14. The trustees articulate, with the help of the staff and others, the values of the charity.
15. Board policies are reviewed regularly.
16. Trustees and management are fully aware of which policies are board policies and those which are the direct responsibility of management.
17. The board ensures that there are mechanisms for members, employees, volunteers, other individuals, groups or organisations to bring to the attention of the trustees any activity that threatens the probity of the charity.
18. The board of trustees has set up mechanisms to ensure it is aware of all current or new legal, statutory and regulatory requirements and that it is confident that the charity complies with all legal, regulatory and statutory requirements.
19. The trustees maintain familiarity and comply with the rules and constitution that govern the charity, and review the constitution regularly.
20. The board's delegated authority is recorded in writing by means of minutes, terms of reference for board committees and sub-committees, job descriptions for honorary officers, trustees and key staff, etc, and there are clear reporting procedures back to the board, which are recorded in writing and complied with.
21. The responsibilities delegated to the chief executive are clearly expressed and understood, and directions given to him/her come from the board as a whole.
22. The major risks to which the charity is exposed are reviewed annually and systems have been established to mitigate or minimise these risks.
23. The charity has satisfactory control systems and procedures for holding in trust for the beneficiaries all monies, properties and other assets.
24. All monies are invested to the maximum benefit of the charity, within the constraints of the law and ethical and other policies laid down by the board.
25. Income and property of the charity are applied for the purposes set out in the governing document and for no other purpose.
26. The trustees act reasonably and prudently in all matters relating to the charity and always bear in mind the interests of the charity.
27. The board accepts accountability for the solvency and continuing effectiveness of the charity and the preservation of its endowments.

28. The board exercises effective overall control of the charity's financial affairs and ensures that the way in which the charity is administered is not open to abuse by unscrupulous associates or employees; and that the systems of control are rigorous and constantly maintained through regular evaluation and improvement in the light of experience.

29. The board ensures that intangible assets such as organisational knowledge and expertise, intellectual property, the charity's good name and reputation etc are properly valued, utilised and safeguarded.

30. For land owned by the charity, the trustees know on a continuing basis what condition it is in, if its boundaries are being encroached upon, what can be done with it and how it is or should be used. In particular, the trustees are able to ensure that any property which is a permanent endowment is preserved and invested in such a way as to safeguard the real value of the capital.

31. The trustees have systems to ensure that all income due to the charity is received and that all tax benefits are obtained and all rating relief due is claimed.

32. The trustees ensure that the charity has a governance structure that is appropriate to a charity of its size/complexity, stage of development, and its charitable objects, and that enables the trustees to fulfil their responsibilities.

33. The board of trustees reviews the charity's governance structure annually and the board's own performance every 2 years.

34. The trustees work closely with the chief executive to ensure that the board has on it the skills it requires to govern the charity well, and that the board has access to relevant external professional advice and expertise.

35. The trustees ensure that there is a systematic, open and fair procedure for the recruitment of trustees, future chairs of the board and future chief executives (with a view to succession).

36. The board ensures that all trustees receive appropriate induction on their appointment and that they continue to receive appropriate advice, information and training (both individually and collectively).

37. The board ensures that trustees have a code of conduct and comply with it, and that there are mechanisms for the removal of trustees who do not abide by the trustee code of conduct.

38. The trustees ensure that major decisions and board policies are made by the trustees acting collectively.