

Terms of Reference Board of Trustees

Approved by the Board: January 2025

Review due: January 2027

1. Summary

The Board of Trustees is responsible for the overall governance, strategic direction, and financial health of the LI and to ensure it operates in a manner consistent with its mission and values and complies with all legal and regulatory requirements.

2. Responsibilities

1. **Purpose:** Furthering the charity's overall purpose, as set out in its governing document.
2. **Strategic direction:** Shape and approving the LI's strategic direction and corporate strategy and oversee its implementation including:
 - Shaping and approving the Institute's Corporate Strategy, identifying priorities and developing a long-term financial strategy to ensure adequate resources.
 - Engaging actively in strategic decision making and policy decisions to implement the agreed strategy. Keeping under review the long-term development of the Institute in light of the political, economic and social environment in which it operates.
 - Approving the LI's annual business plan and budget.
3. **Financial Oversight:** Approve budgets, monitor financial performance, and ensure financial sustainability and:
 - Safeguarding people as well as finances, resources and property and making sure they're used to further the charity's purposes.
 - Ensuring a Schedule of Delegation is in place that assigns appropriate levels of responsibility and authority and is adhered to.
4. **Risk Management:** Identify and manage risks to the charity's operations and reputation and that:
 - Appropriate risk management and effective internal control systems are implemented and monitored.
5. **Compliance:** Ensure compliance with all relevant laws and regulations.
6. **Performance Monitoring:** Evaluate the performance of the charity and its executive team by ensuring that:
 - The Board operates effectively and takes account of good practice as outlined in the Charity Governance Code.

- The necessary management information systems exist to assess the Institute's performance and progress in meeting its objectives, including evaluation of operational effectiveness and efficiency, compliance with laws and regulations and the reliability of management and financial information.
- Actively monitoring the performance of the employees of the Institute, ensuring clear accountability.

7. Leadership: ensuring effective leadership of the LI by:

- Appointing the Chief Executive and reviewing their performance and that of the Senior Leadership Team.
- Acting as advocates of the Institute.
- Advising and giving feedback to the Chief Executive and Senior Leadership Team.
- Acting in accordance with the Nolan Committee's Seven Principles of Public Life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

8. Accountability: Ensure accountability by:

- Accounting for the Board's action and appropriately communicated and approving the form and content of the Annual Reports to members
- Making arrangements for the general meetings of the Institute.
- Proposing changes to the Royal Charter, By-Laws or Regulations as required.
- Reporting appropriately to the Advisory Council and ensuring that the Council has opportunities to express views to the Board of Trustees and feed into decision making as appropriate.
- Ensure compliance with the Trustees Code of Conduct.

3. Meetings

The Board shall meet at least four times per year.

4. Quorum

- A quorum for meetings shall be five Trustees or as set out in the Regulations.
- Decisions at a quorate meeting shall be made by a majority vote of those present with one vote per Trustee. In the case of a tied vote the Chair has the deciding vote.

5. Chair

The Chair of the Board to be appointed as per the requirements of the relevant By-Laws and Regulations.

6. Membership

- The Board to comprise of a maximum of thirteen Trustees as set out in By-Law 22.
- Terms of Office of all Trustees as per By-Law 18.
- Observers may be invited to attend a meeting at the discretion of the Chair.
- As per By-Law 23.1.7, a Trustee may be removed by the Council in accordance with the Regulations.

7. Staff support

The Board to be supported by the Board Secretary.

8. Minutes of meetings

- Minutes of all Board meetings will be taken and kept for inspection by the LI auditors.
- Minutes to record:
 - details of those present, in attendance and any apologies
 - a summary of the discussions and deliberations of the Trustees
 - any decisions taken and recommendations for actions.

9. Authority

- The powers and proceedings of the Board are as set out in By-Law 25 and Regulation 22 sets out the proceedings of the Board.
- The Board may establish committees as required to focus on specific areas or statutory, legal and compliance responsibility such as Finance and Risk, People, Culture and Change and Governance.
- Each committee to have its own terms of reference and report regularly to the Board.

10. Review

Reviewing its own performance and effectiveness at least once every two years.