

## TRUSTEE BOARD

### Constitution and Terms of Reference

**Approved: June 2024**

#### 1. PURPOSE

- 1.1 The Trustee Board ("the Board") is accountable for the governance, compliance and control of all activities of the Institution of Mechanical Engineers (IMechE) and shall ensure the Institution's primary purpose "to promote the development of Mechanical Engineering and to facilitate the exchange of information and ideas thereon" (and further learned society activities prescribed in the Royal Charter) are carried out, so that we may "Improve the World through Engineering".
- 1.2 The Board shall:
- focus on strategy, performance (including financial) and assurance, rather than operational matters, and reflect this in what it delegates (ensuring appropriate oversight);
  - ensure the IMechE complies with the law, applicable regulations (particularly including for the Privy Council, Charity Commission, Office of the Scottish Charity Regulator and Engineering Council), relevant good practice and the IMechE's Royal Charter and By-Laws;
  - act in the best interests of the IMechE;
  - safeguard and promote the IMechE's reputation and, by extension, promote public confidence in the engineering profession and associated sectors.

#### 2. DUTIES

- 2.1 The following seven principles<sup>1</sup> are the way the Board shall measure itself; they are intended to articulate what the Board is really trying to achieve. As such, they form the narrative for everything the Board does and how it assesses, measures and reports progress.
- Organisational Purpose:** Ensure the Board is clear about the IMechE's aims and ensures that these are being delivered effectively and sustainably.
  - Leadership:** Ensure the Board operates effectively, providing strategic leadership in line with the IMechE's aims and values.
  - Integrity:** Ensure the Board acts with integrity, adopting values and creating a culture which help achieve the IMechE's purposes. Ensure the Board is aware of the importance of the public's confidence and trust in the work of the Institution and that Trustees undertake their duties accordingly.
  - Decision Making, Risk and Control:** Ensure the Board decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.
  - Board Effectiveness:** Ensure the Board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.
  - Diversity:** Ensure the Board's approach to diversity supports its effectiveness, leadership and decision-making.

---

<sup>1</sup> Aligned with the Charity Governance Code (for large charities).

- g) Openness and Accountability: Ensure the Board leads the organisation in being transparent and accountable. The Institution should be open in its work, unless there is good reason for it not to be.

## **2.2 Strategy**

- 2.2.1 Review the IMechE's purpose and the external environment in which it operates, at regular intervals to ensure the ongoing relevancy and validity of the Institution and its purposes.
- 2.2.2 Lead the development of and approve a strategy to achieve the Institution's purposes and determine the desired outputs, outcomes and impacts.
- 2.2.3 Annually review the sustainability of its income sources and business model and their impact on achieving the Institution's purposes in the short, medium and longer term.

## **2.3 Performance**

- 2.3.1 Provide oversight and direction to the IMechE, supporting and constructively challenging the organisation, Chief Executive Officer (CEO) and staff.
- 2.3.2 Work with senior management to ensure corporate and operational plans and their associated key performance indicators and budgets are in line with the Institution's purposes, strategic aims and available resources.
- 2.3.3 Direct, monitor the performance of and co-ordinate the activities of IMechE boards and committees (including necessary delegations of authority). The Board shall regularly review the organisational structure to ensure it is fit for purpose (including the roles and responsibilities of each element) and amend it as necessary.
- 2.3.4 Every quarter, monitor performance against plans, budgets and targets and evaluate the IMechE's impact by measuring and assessing results, outputs and outcomes.

## **2.4 Assurance**

- 2.4.1 Actively manage risk through regular review of specific significant risks and their cumulative effect and approve appropriate mitigations. Ensure effective delegation, control and risk assessment and management systems are set up and monitored.
- 2.4.2 Regularly review the IMechE's key policies, institutional structures and procedures (and associated delegated authorities) to ensure that they continue to support, and are adequate for, the delivery of its aims. This includes but is not limited to policies, institutional structures and procedures dealing with strategy, functions and responsibilities, finances (including reserves), service and quality standards, good employment practices, and encouraging and using volunteers and data protection.
- 2.4.3 Ensure arrangements are in place for an appropriate body to independently investigate concerns raised in confidence about alleged improprieties, misconduct or wrongdoing, including for concerns raised by 'whistleblowing'.

## **3. MEMBERSHIP**

### **3.1 Composition**

- 3.1.1 The Board shall comprise the following roles:

<b>No.</b>	<b>Role</b>	<b>Basis of Appointment</b>	<b>Term</b>	<b>Type</b>
1	Chair	The President; elected in accordance with the By-laws, TBR and Voting Regulations.	1 year	Voting
2	Deputy Chairs	Deputy Presidents; elected in accordance with the By-laws, TBR and Voting Regulations.	Normally 2 years	Voting
4	Vice Presidents	Elected in accordance with the By-Laws, TBR and Voting Regulations.	3 years	Voting
At least 5	Ordinary Members	Elected in accordance with the By-Laws, TBR and Voting Regulations.	3 years	Voting
*	Co-opted Members	Appointed in accordance with By-law 57.4 following an open process run by NomCo (TBR1.4).	1 year with extension if appropriate	Voting

\* The number of co-opted trustees is limited by the requirement in By-law 57.4 for elected Trustees to retain a two-thirds majority, including for taking part in deciding any resolution.

3.1.2 Role descriptions for elected Trustee positions are attached as Appendix A.

3.1.3 Persons permitted to attend the annual schedule of Trustee Board meetings include:

No.	Role	Basis of Attendance	Term	Type
1	Council representative	Observer (to attend relevant parts of the agenda as agreed by the Chair).	-	Non-voting
1	Young Members Board representative	Observer (to attend relevant parts of the agenda as agreed by the Chair).	-	Non-voting
1	CEO	Current post holder	-	Non-voting
1	Associate Director of Governance/senior governance staff member	Current post holder	-	Non-voting
	Secretary/other governance staff	Appointed by the CEO	-	Non-voting
5	Directors	Current post holders to attend relevant parts of the agenda as agreed by the CEO.	-	Non-voting

3.1.4 Decisions of the Board (whether in a Board meeting or ex-committee) shall be arrived at by a majority of a quorate Board. Should there be an equal number of votes cast for and against a proposal then the Chair shall have an additional deciding vote.

3.1.5 Once decisions are made the Board unites behind them and accepts them as binding.

### 3.2 Elections & Appointments

3.2.1 The Trustees are elected in accordance with the relevant By-Laws, Trustee Board Regulations and Voting Regulations.

3.2.2 The Board shall ensure there are proper arrangements for the appointment, supervision, support, remuneration and, if necessary, dismissal of the CEO.

### 3.3 Conduct

3.3.1 Trustees are required to commit to the following:

- a) The IMechE's Royal Charter and By-Laws.
- b) Understand their role and legal responsibilities, and have read and understood:
  - (i) the Charity Commission's guidance "[The Essential Trustee](#)" (CC3).
- c) The IMechE's Values, Behaviours and Code of Conduct (see appendix 1).
- d) Disclose any actual or potential conflicts of interest/loyalty to the Board and deal with these in line with a conflicts of interest/loyalty policy (reviewed every six months).
- e) Trustees shall keep their independence and tell the Board if they feel influenced by any interest or may be perceived as being influenced or to having a conflict.
- f) Maintain high levels of confidentiality where required and ensure GDPR compliance is upheld.

### 3.4 Skills, Training & Performance Measurement

3.4.1 The Board shall carry out an audit of skills, experience and diversity of background of its members annually to find imbalances and gaps and inform Trustee recruitment and training.

3.4.2 Trustees shall undertake induction, training and refreshers as required to maintain the

skills and knowledge for their roles and the broader capabilities and effectiveness of the Board.

3.4.3 The President and the Deputy Presidents shall review their mid-year leadership performance via appropriate means (e.g. '360° feedback' from Trustees and other senior stakeholders) and enact any improvements identified. The President shall hold regular performance appraisals with all Trustees and the CEO. The Board Secretary shall arrange the reviews and record outcomes confidentially for audit purposes.

3.4.4 The Board shall regularly take part in training and/or reflection about diversity to ensure it understands its responsibilities in this area.

#### **4. SECRETARIAT**

4.1 The CEO (or their nominee) shall provide the Board with a professional secretariat service including the preparation of papers, minuting of meetings/actions, timely distribution of relevant information to the Trustees and an appropriate records system that all Trustees have unrestricted access to, including:

- a) Board decisions.
- b) Registers of interests, hospitality and gifts.
- c) Trustee Declaration of Interest forms.
- d) Trustee skills assessments.

#### **5. MEETINGS**

##### **5.1 Definition**

5.1.1 Meetings may be held either virtually or physically. Members may virtually join a physical meeting without it affecting their attendance record or right to vote.

5.1.2 There shall be a Trustee only session immediately preceding each board meeting with minutes recorded by the Secretary. The CEO and any others required shall attend at the discretion of the Chair.

##### **5.2 Participation**

5.2.1 Only Board members have the right to attend Board meetings, and only voting members shall participate in Board votes. At the discretion of the Chair and as appropriate for the business at hand, other individuals may be invited as observers, to attend all or part of a Board meeting.

##### **5.3 Quorum**

5.3.1 For a main Board meeting to be quorate the following members must be present:

- a) The Chair or a Deputy Chair.
- b) Seven voting members in addition to (a).
- c) The CEO or their delegate.

##### **5.4 Out of meeting decisions**

5.4.1 When a time-sensitive matter requires Board approval ahead of a scheduled meeting, an "out of meeting decision" process may be enacted. On the Chair's approval, details of the decision to be made will be emailed to all Trustees with a deadline for responses set, normally 7 days.

5.4.2 As per 5.3, seven voting members plus the Chair/Deputy Chair must cast a vote for the decision to be quorate.

5.4.3 Any conditions placed on a Trustee's approval will result in the vote being discounted. It is at the Chair's discretion whether the matter should be deferred and discussed at the next Trustee meeting.

5.4.4 The results of any out of meeting decision will be notified to all Trustee and formally recorded at the next full Trustee Board meeting

##### **5.5 Frequency**

- 5.5.1 There shall typically be at least six Board meetings per year, with the required number and dates agreed by the board ahead of the start of each Institution year.

## **5.6 Board Papers**

- 5.6.1 All Board agendas and papers shall be distributed at least five days (including a weekend) prior to each meeting and stored in an access controlled, electronic shared workspace.
- 5.6.2 The format of papers shall be in accordance with guidance set by the Governance department from time to time

## **6. REPORTING & INTERFACES**

- 6.1 The Board is responsible to members through the elective process, the Annual Report and the Annual Meeting. Several channels of communication shall be maintained with members via electronic media and summaries of Board meetings (with appropriate records kept).
- 6.2 Approved minutes of Board meetings (appropriately redacted to safeguard any confidential information) shall be made available on the IMechE's website
- 6.3 The Board is accountable for the production and submission of Annual Accounts in line with statutory requirements, and the publication and dissemination of the annual Trustee Board's Report and Annual Accounts to stakeholders, which shall also include:
- a) A description of the Institution's approach to risk in line with regulatory requirements.
  - b) An explanation of how the Institution evaluates the Board's effective leadership and performance.
  - c) The process for setting the remuneration of senior staff, and their remuneration levels.
  - d) A statement supported by specific figures on gender pay differences.
  - e) A description of what it has done to address the diversity of the Board and its performance against its diversity objectives, with (if applicable) an explanation of where they have not been met.
  - f) A statement on Trustee's attendance record at Board meetings.

## **7. AUTHORITY**

- 7.1 The Trustee Board's authority is established by the Institution's governing document, including but not limited to Royal Charter Clause 9: "The government and control of the Institution and its affairs shall be vested in the Trustee Board subject to the provisions of these Presents and to the By-Laws of the Institution. The business of the Trustee Board shall be conducted in such manner as the Trustee Board may from time to time prescribe."
- 7.2 The Trustee Board may establish any such sub-boards/committees for the purpose of delegating responsibility, but not accountability, to fulfil its duties. It may appoint officers with such functions, tenure and terms of office as the By-Laws of the Institution may prescribe or the Trustee Board deems appropriate to appoint. It shall collectively exercise the powers of delegation to senior managers, boards and committees (including the approval, amendment or withdrawal of any associated terms of reference), individual Trustees, members, volunteers or employees.
- 7.3 The Board is accountable for an effective process for reviewing and recommending the appointment of the statutory auditors to the membership at the Annual Meeting, taking advice from the Audit & Risk Committee.

## **8. APPROVAL**

- 8.1 This document was approved by the Board on xxx. It is subject to review and re-approval every two years and, by exception, at other times as required by the Board.

## Appendix 1

All members of the Trustee Board are expected to abide by the IMechE Values and Behaviours which must factor into all interactions as a member of the Trustee Board.

**WE ARE INCLUSIVE** We are united and work together as one inclusive team, showing kindness and compassion to one another by valuing, respecting, supporting, and actively listening to the contributions we each have to make

- We welcome and embrace diversity. We value, appreciate and embrace individual differences, welcoming diverse views and perspectives to help us learn, grow and achieve the best outcomes for IMechE.
- We are open, transparent, and respectful. We communicate and share information in an open, transparent, clear, meaningful, and timely way to show trust and respect for one another, giving people what they need, how they need it and when they need it.
  - We actively and openly listen. We listen with empathy and compassion in order to hear and understand all views, ideas, and suggestions, and provide feedback to help each other be their best.
  - We encourage and praise one another. We encourage each other to achieve their goals, celebrating their successes with gratitude and praise in a timely and meaningful way

**WE ACT WITH INTEGRITY** We are committed to acting with the best intentions to support and drive IMechE's mission by being honest, truthful, and authentic, adhering to the highest levels of quality and professional standards in every decision we make and every action we take.

- We put our personal agendas aside. We are committed to putting the good of IMechE ahead of our own personal agendas, respecting and accepting decisions made after debates, and doing our part to support and move things forward together.
- We are honest and courageous. We proactively and courageously speak up, doing so in a kind, respectful, vulnerable, and inclusive manner to find solutions and overcome problems and challenges head on.
- We are dependable. We earn and maintain the trust of others by being credible, fair, consistent, and reliable. We say what we'll do and do what we say.
  - We admit our mistakes. We openly and freely admit and learn from our mistakes, viewing them as lessons learned, meeting them with understanding so that we can move forward to resolve and overcome them.

**WE ARE INNOVATIVE** We find better ways to get things done, working together to find solutions and drive change, moving our vision forward by improving the world through Engineering.

- We are open minded. We are open to and accept that our ideas and views can and should be appropriately challenged, focusing on 'getting it right' rather than 'being right'.
- We are curious. We explore, enquire, analyse and envisage a variety of solutions and perspectives before making decisions and taking actions, identifying any potential opportunities and risks to the Institution.
- We challenge the status quo. We question why, what and how we do things, challenging norms and current practices to continuously improve and look to the future, innovating to create and enable change

**WE MAKE AN IMPACT** We make a difference and have an impact on each other, our profession and society. We influence as individuals and succeed together by collaborating.

- We take ownership. We take responsibility for owning and meeting our commitments,

holding ourselves accountable, and making sure that we deliver in a timely manner to serve the overall objectives of the Institution.

- We drive results. We work in partnership to make decisions and take action to drive results. We find ways to overcome obstacles to deliver on tasks and goals.
- We are proud. We take pride in the contribution and impact we have on one another, and in making a difference as individuals and together to improve the world through Engineering