

# INTERNATIONAL HARM REDUCTION ASSOCIATION

## INDUCTION FOR NEW DIRECTORS/ TRUSTEES

February 2010

This note sets out a general introduction to IHRA. There is also a lot of information on our website [www.ihra.net](http://www.ihra.net).

Directors have important legal obligations and it is important that anyone seeking to be a Director understands these obligations and responsibilities.

### 1. Legal status of IHRA

IHRA is a **charitable company**. It is a **company** limited by guarantee registered in England and Wales (No 03223265). Directors of the company cannot share in any profit from the company (it is similar to not for profit companies in other countries) and are personally financially liable for £1. IHRA is also a **charity** registered in England and Wales (No 1117375) which means, broadly, that we work for the public interest. Members of the IHRA Executive Committee are therefore both **Directors** of the company and **Trustees** of the charity.

IHRA's legal documents are the **Memorandum of Association**

<http://www.ihra.net/uploads/downloads/Governance/Memorandumofassociation2006.pdf> which sets out the reasons for establishing the company, and the **Articles of Association** which are our rules

<http://www.ihra.net/uploads/downloads/Governance/ArticlesofAssociation2005.pdf>.

The legal documents are due for revision in 2010 to bring them into line with changes in company law.

### 2. Objectives

IHRA's **objectives**, as set out in the Memorandum of Association are:

*3. The objects of the Association are to protect and preserve public health and safety by:-*

*(a) undertaking research into the causes of drug use and associated problems (particularly relating to illicit drugs, alcohol and tobacco);*

*(b) developing policies and strategies to reduce levels of harm associated with drug use;*

- (c) advancing the education of the public and organisations in policies and strategies to reduce levels of harm associated with drug use; and*
- (d) disseminating and sharing information with national and international agencies involved in reducing health and social problems associated with drug use.*

### **3. Membership**

IHRA is a membership organisation. Only paying members may nominate people for Directors and vote at the Annual General Meeting. Membership subscriptions are handled by IHRA's Administrator.

### **4. Directors/Trustees responsibilities**

The minimum number of Directors is six and the maximum is twelve. Directors and Trustees have, and must accept, ultimate responsibility for directing the affairs of IHRA, ensuring that it is solvent and well-run, and delivering the charitable outcomes for the benefit of the public for which it was set up (see also ANNEX).

**4.1** The main areas of responsibility are compliance, prudence and a duty of care.

#### ***Compliance – Trustees must:***

*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.*

*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.*

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

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

#### ***Duty of prudence – Trustees must:***

*Ensure that the charity is and will remain solvent.*

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

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

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

***Duty of care – Trustees must:***

*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.*

*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.*

***It is essential that all Directors read and are familiar with:***

- (a) 'The Essential Trustee: An introduction to the duties of Trustees' at <http://www.charitycommission.gov.uk/publications/cc3a.asp> and
- (b) 'The Essential Trustee: what you need to know' <http://www.charitycommission.gov.uk/publications/cc3.asp>

## **4.2 Board of Directors**

IHRA's governing body is the **Board of Directors** which comprises all of the Directors. It meets approximately four times a year (sometimes more). A **quorum** for Board meetings is three. The Board of Directors is responsible for governance of the organisation and broad strategy. It does not have direct operational or management responsibility.

## **4.3 Election of Directors**

Directors are elected at the **Annual General Meeting (AGM)**. Nominations for Directors must be made by the prescribed date, which will be not less than fourteen days before the date of the AGM. Directors are appointed for terms of three years and may be re-elected.

## **4.4 Time commitment**

Being a Director of IHRA is a serious commitment. Directors must be prepared to set aside time to fulfil their role, including reading and commenting on Board papers, and participating in Board teleconferences and in the annual two day meeting of the Board, which is normally held before the annual conference. Directors should also be prepared to sit on Board committees. Because much of the business is conducted by electronic communication (internet, email and telephone). Directors need good access to such means of communication in order to fulfil their role. The Board has

powers to remove Directors who do not over a period of time actively participate in Board affairs.

#### **4.5 Officers and Committees**

The Board has a **Chair** (currently Mukta Sharma), two **Vice Chair** (currently Marcus Day and one vacancy), and a **Treasurer** and a **Company Secretary** (currently jointly Bill Stronach). The Board is serviced by IHRA's administrator.

Committees of the IHRA Board of Directors are:

- a) Executive Committee
- b) Awards Committee
- c) Finance Committee
- d) Strategic Oversight Committee
- e) Conference Committee

Papers provide to the EC are normally **in confidence** to staff and Directors/Trustees. Discretion should be used when considering communicating the workings of the EC to others including staff.

#### **4.6 IHRA President**

IHRA also has Honorary President – Pat O'Hare – who is not a Director/Trustee and not a member of the Board.

### **5. Annual General Meeting**

The **AGM** is held yearly, normally in conjunction with IHRA's annual conference. All members may attend but only paying members may vote. The AGM is a legal requirement under Company Law of England and Wales at which the accounts for the previous financial year must be presented and approved (or draft accounts approved subject to later Board agreement). At the AGM we also have to confirm the names of the Directors in the preceding year, appoint our auditors/accountants, and elect new directors. The quorum for the AGM is currently six members (but it is proposed that it be increased to 10). Under Company Law major changes to the way that IHRA is constituted and run (eg those requiring changes to our Memorandum of Association or Articles of Association or the removal of Directors) need to be agreed by members.

## **6. Conflicts of interest**

Directors must be aware of potential **conflicts of interest**. See the general guidance from the Charity Commission <http://www.charity-commission.gov.uk/supportingcharities/conflicts.asp> and also IHRA's policy at <http://www.ihra.net/uploads/downloads/Governance/ConflictofInterestPolicy2.pdf>

Some Directors or their organisations may be in receipt of funds from IHRA and the above documents give guidance on this. In particular because most Directors are members of a variety of organisations they should in any communication relevant to IHRA make it clear which organisation they represent. All Directors must complete and update a conflict of interest form supplied by IHRA's administrator.

## **7. Funding and Finance**

IHRA has a number of sources of funding including project and programme grants, income from conferences, membership subscriptions, and donations. IHRA's financial systems operate in accordance with Company Law and Charity Law and recommendations. Given the scale of our operation, we are required to be audited – which means that our auditors do test checks on our financial systems. We have an annual budget which is set by the Executive Director in consultation with the Treasurer and agreed by the Board. We present annual accounts and our financial year is January-December.

IHRA controls or shares control over a total turnover of about £2m. IHRA's own current annual budget is in the region of £1.2m. Additionally we have oversight over the annual conference (see below) which has a budget of around £650,000.

Our auditors are Barcant Beardon LLP and our bank account is with National Westminster Bank, City of London Office.

## **8. Annual conference**

The harm reduction conference is run for IHRA by the Conference Consortium which is a separate company owned by UK NGOs, trades unions and professional organisations <http://www.conferenceconsortium.org/>. Its Chief Executive is Paddy Costall. IHRA has a contract with the Conference Consortium and an income and profit share arrangement.

## **9. IHRA Staff**

The staff team is led by IHRA's **Executive Director (ED)** (Gerry Stimson) who is appointed by the Board. The ED reports to the Chair of the Board. The ED appoints staff <http://www.ihra.net/Staff> . The staff team currently comprises: Rick Lines (Deputy Director), Catherine Cook (Senior Public Health Analyst), Damon Barrett (Senior Human Rights Analyst), Annie Kuch (Office Manager), Andreas Woreth (Administrator), and Jennifer Curcio (Administrator). There are three vacant posts subject to recruitment.

## **10. Areas of Activity**

Brief details of IHRA's work will be found at: <http://www.ihra.net/Whatwedo>

The programme of work is developed by the ED and staff within a strategic plan agreed by the IHRA Board and updated annually.

## **ANNEX: ROLES, RESPONSIBILITIES AND LIMITATIONS OF DIRECTORS**

### **Role and Responsibilities.**

It is the role of the Board of Directors (the Board) to govern the organisation rather than manage it. The major responsibilities of the IHRA Board include:

- Appointing the Executive Director (ED)
- Delegating the necessary authority to the ED to allow him/her to lead and manage the organisation in an effective manner.
- Contributing to and approving the Strategic Plan for the organisation.
- Approving any Business or Activity Plans and the Annual Budget.
- Contributing to and approving Policies which regulate the conduct of the organisation.
- Monitoring performance compared to approved objectives including the financial viability of the organisation.
- Ensuring compliance with legislation, regulation, and ethical standards.
- Facilitating contact with other organisations with the aim of assisting the ED with fund raising initiatives.
- Providing support and direct assistance in maximizing all funding opportunities from charitable, government or other sources.

### **Governing Style.**

The IHRA Board will govern with an emphasis on:

- The big picture.
- An objective rather than a subjective view of issues.
- Strategic leadership.
- A clear distinction between IHRA Board and ED roles.
- Building strong and trusting relationships with all stakeholders.
- Collective decision making rather than individual.
- The future direction of the organization.
- Pro-activity rather than reactivity.
- Constructively measuring results against targets as a means to learn and improve.

### **Participation of Directors.**

It is expected that all Directors will actively participate in discussions at IHRA Board Meetings and any IHRA Board Committee or Working Group to which they belong. Directors should also be available to read and comment on Board papers. All IHRA business is conducted in English and therefore Directors should be fluent in English. Board members should have good access to electronic communications.

### **Conduct of Directors.**

Directors should behave in a manner that is consistent with generally accepted procedures for the conduct of meetings. This includes, but is not limited to:

- Acting in an ethical, businesslike and lawful manner.
- Acting in the best interests of IHRA and the members.
- Acting in accordance with the Articles of Association (ie the rules) of IHRA.
- Being sensitive in interpreting any request or indication from the Chair that aims to ensure the orderly and good spirited conduct of the meeting.

Directors are expected to be forthright in IHRA Board meetings and have a duty to question, request information, raise any issue, fully canvas all aspects of any issue facing the organisation and cast their vote on any resolution according to their own decision based on the facts of the matter.

However, outside the Boardroom, Directors will support the letter and the spirit of IHRA Board decisions and Policies in any discussions with staff, funding organisations, or any other parties.

**Remuneration.**

Directors do not receive remuneration from IHRA for the services they render as a Director. However, they may be reimbursed for expenses incurred whilst carrying out IHRA Board approved tasks.

**Director Protection**

Directors are indemnified by IHRA against any liability incurred arising out of the conduct of their duties and responsibilities to IHRA if their duties and responsibilities are carried out in good faith and under the terms as detailed in the rules of the Association.

Bill Stronach  
Secretary and Treasurer  
February 2010