

TRUSTEE INDUCTION PACK (TIP)

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Objective of the Trustee Induction Pack (TIP)

Ensuring that the newly elected/appointed trustees have an effective induction should not only ensure that the new trustees are retained and do not become disillusioned and leave, but also that they quickly become an effective and useful member of the board of trustees.

1. Trustee Role Information

- [Medical Schemes Act 131,1998 and Regulations](#)
- [Financial Institutions \(Investment of Funds\) Act, 1984 \(Act No. 39 of 1984\)](#)
- [Inspection of Financial Institutions Act, 1984 \(Act No. 38 of 1984\)](#)
- [Companies Act,1973\(Act No. 61 of 1973\)](#)
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2. Scheme Information

- Scheme Rules
- Profiles of trustees and contact details
- Business Plan/ strategic plans/work programmes
- Job description of Principal Officer
- List of meeting dates
- Set of recent trustee documents, minutes and dates of next meetings
- Most recent audited accounts, current budget & management accounts/ Annual reports and accounts for the previous three years

- Terms of reference of sub-committees/ or ad hoc committees

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- General information – most recent publicity materials, CMS training schedule/ other training programmes and newsletters

Checklist for a new trustee

- Have you received an induction pack?
- Are you aware of any conflicts of interest you may have and have these been declared? If so, is the declaration sufficient?
- Have you filled in a self-assessment form?
- Do you have a code of conduct?
- Do you know about the activities of the medical scheme?
- Are you fully aware of the time, commitment and responsibilities involved
- Do you know how the medical scheme is funded?
- Do you know about the key issues facing the medical scheme?
- Do you know about the future projects or activities planned?
- Are aware of the structure of the board of trustees and your role in it?
- Are you aware of the staff structure and your relationship with staff?
- Are you aware of your roles and responsibilities as a trustee?
- Have you met and got to know the fellow trustees?
- Do you have support or training needs and are these being sufficiently addressed?

Trustee skills audit

This audit can be adapted for your medical schemes needs and filled in by members of the board. A skills audit is a tool to help your board identify why they have become trustees and what skills, knowledge or experience they can contribute to the board.

1. What kind of expertise do you consider you bring to the board?

- Administration ____
- Campaigning ____
- Change ____
- Conflict Resolution ____
- Consultancy ____
- Customer Care ____
- Development ____
- Disability ____
- Equal Opportunity ____
- Financial ____
- Legal expertise ____
- Clinical/Health knowledge ____
- General Strategic Planning ____
- Governance ____
- Knowledge of the Medical Schemes Industry ____
- Human Resources/Training ____
- Information Technology ____
- Management ____
- Marketing ____
- Media/PR ____
- Networks/Alliances ____
- Policy Implementation ____
- Other (please give details)

2. What other experience or skills do you feel you can offer?

3. What motivated you to become a trustee?

Overview of Governance

What is Governance?

Governance is about leadership and ensuring that an organisation is effectively and efficiently run. It is distinct from day-to-day management and operations delegated to Principal Officer's and administrators.

Governance includes:

- Creating a clear, shared vision
- Formulating plans and policies to bring about the medical schemes objectives
- Maintaining a sense of urgency about the vision
- Appointing and supervising the Principal Officer/Chief Executive Officer
- Ensuring compliance with policy and the law (Medical Schemes Act 131.1998 and other relevant Acts)
- Manage and control the business of and financial affairs of the scheme.

Governance and delegation

Governance is not necessarily about ***doing*** ; it is about ***ensuring things are done in the interest of the scheme.***

In smaller schemes/ restricted schemes, it is almost inevitable that board members will be involved not only in making decisions and monitoring work, but in doing some of the work. In bigger

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schemes/open schemes the board is less involved in the day-to-day activities- delegating responsibility to principal officers and staff for most tasks. Decision making may also be delegated to the principal officer and staff, on condition that all decisions are within policy frameworks agreed to and in consultation with the board. The Principal Officer is at all times accountable to the Board. Each medical scheme is different in its operations and such decisions to delegate should be made in agreement with all board members in order to avoid confusion and dereliction of duty.

Trustee Code of Conduct

Every scheme is advised to develop its own internal Code of Conduct. This code should be regarded as a guide

Organisational values

As a trustee of _____ (Medical Scheme) I undertake to abide by the fundamental values that underpin all the activity of this scheme. These are:

- **Accountability**

Everything _____ (Medical Scheme) does will be able to stand the test of scrutiny by the members, regulator, public, media, stakeholders and the courts.

- **Integrity and honesty**

These will be hallmarks in dealing with fellow trustees and equally when dealing with members of the scheme as well as individuals and institutions outside it.

- **Transparency**

_____ (Medical Scheme) strives to maintain an atmosphere of openness throughout the organisation to promote confidence of the members, regulator and stakeholders.

Additionally I agree to the following points:

- ***Law, mission, policies***

- I will abide and comply with the Act and the regulations in any aspect of my role as trustee
- I will support the mission and consider my self its guardian

- I will abide by the organisational policies at all times

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- ***Conflict of interest***

- I will always strive to act in the best interest of the organisation
- I will declare any conflict of interest or potential conflict of interest, or any circumstances that are likely or might be viewed
- by others as a conflict of interest at any time, as soon as it arises
- I will submit to the scrutiny and judgement of the board and do as it requires regarding potential conflict of interest.

Person to person

- I will not break the law, go against regulations or act in disregard of organisational policies in my relationship with fellow trustees, staff, members, services providers, contractors or anyone I come into contact with in my role as a trustee
- I will strive to establish respectful, collegial and courteous relationships with all I come into contact within my role as a trustee

Protecting the organisations reputation

- I will not speak as a trustee of the scheme to the media or in a public forum without the prior knowledge and approval of the Chair
- When prior consent has not been obtained, I will inform the Chair at once when I have spoken as a trustee of the scheme to the media or in a public forum
- When I am speaking as a trustee of the scheme, my comments will reflect current organisational policy even when these do not agree with my personal views.
- I will respect the scheme, board and individual confidentiality

- ***Personal Gain***

- I will not personally gain whether directly or indirectly materially or financially from my role as trustee, nor will I permit others to do so as a result of my actions or negligence.
- I will document expenses and seek reimbursement according to procedures and policies of the scheme.
- I will not accept substantial gifts or hospitality without prior consent of the Chair.

- I will use organisational resources responsibly, when authorised, in accordance with policy.

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- ***In the boardroom***

- I will strive to embody the principles of leadership in all my actions and live up to the trust placed in me by

_____ (Medical Scheme)

- I will abide by board governance procedures and practices.
- I will strive to attend all board meetings, tender apologies ahead of

time to the Chair if unable to attend.

- I will study the agenda and other information sent to me in good time prior to the meeting and be prepared to debate and vote on agenda items during the meeting.
- I will honour the authority of the Chair and respect his or her role as meeting leader.
- I will engage in debate and voting in meetings according to procedure, maintaining a respectful attitude toward the opinions of others while making my voice heard.
- I will accept the majority board vote on an issue as decisive and final
- I will maintain confidentiality about what goes on in the boardroom unless authorised by the Chair or board to speak of it.

- ***Enhancing governance***

- I will participate in induction, training and development activities of trustees
- I will continually seek ways to improve board governance practices
- I will support the Chair in his/her efforts to improve his/her leadership skills
- I will support the Principal Officer/ CEO in his executive role and, with my fellow board members, seek development opportunities for him/her.

- ***Leaving the board***

I understand that substantial breach of any part of this conduct may result in my removal from the board of trustees.

Should I resign from the board I will inform the Chair in advance in writing, stating my reason for resigning.

NAME:.....

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SIGNATURE

DATE

WITNESS

DATE

Pointers for new trustees

Getting the most from your time on the board

1. **Know what is expected of you**: Read the introductory pack (Medical Schemes Act, 131 1998; Schemes Rules) and other resources with which you will be provided.
2. **Get to know the other trustees and principal officer of your scheme**: Aim to establish trust and rapport with the other board members and the principal officer.
3. **Keep informed about the operations of the scheme**: Make sure that you in touch with what is going on without interfering in the day to day work.
4. **If in doubt, always ask**: As a trustee you must be properly informed ("*Ignorance is no excuse*"). If you are unclear about what is going on or don't understand something, always ask.
5. **Don't get overwhelmed with detail**: Your main task is to keep a clear overview of the affairs of the medical scheme. Don't get bogged down in day to day details.
6. **Involve yourself in appropriate committees**: Give priority to work on committees that make best use of your skills and experience. If you lack expertise, co-opt required skills to assist you in making informed decisions.
7. **Attend board meeting**: Try never to be absent without good reason. Remember, you are responsible for all decisions taken by the board or

committees, whether or not you were part of the meeting. Make sure you attend the AGM's and Special General Meetings.

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8. **Reclaim legitimate out-of-pocket expenses**: Trustees can be reimbursed for expenses incurred directly as a result of performing the role.
9. **Attend training regularly**: Trustees are usually encouraged to attend training opportunities, e.g. training offered by Council for Medical Schemes, for development where it will help them to be more effective in their role.
10. **Familiarize yourself with the code of conduct for trustees**

Declare any activities (desirable and/or non desirable) or interests you might have that could pose as conflict in your serving as a trustee.

What is required of a trustee?/ Job description

- To demonstrate stewardship by ensuring that the BoT complies with the schemes rules, Medical Schemes Act 131, 1998 and other relevant legislation and regulations
- To act at all times in the best interest of the beneficiaries
- To ensure that the medical scheme pursue its objectives as defined in its rules
- To ensure the effective and efficient administration of the scheme
- To ensure financial stability (solvency above 25%) of the medical scheme
- To ensure that schemes funds are used efficiently and economically, and are accounted for
- To ensure that the BoT sources proper professional advice on matters in which it does not have competencies
- To work in the interest of the medical scheme, and not for personal gain
- To work jointly with other trustees to form an effective BoT for the medical scheme
- To develop and manage risk management strategies
- To attend sub-committee meetings as appropriate
- To attend meetings and to read meeting documents prior to attending meetings

In addition to the above statutory duties, each trustee should use any specific skills, knowledge or experience they have to help the board of trustees reach sound decisions. This may involve:

- Scrutinising board papers
- Leading discussions
- Focusing on key issues
- Providing guidance on new initiatives

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- Other issues in which the trustee has special expertise

Remember: Nolan's seven principles of public life:

- ❖ ***SELFLESSNESS***
- ❖ ***INTEGRITY***
- ❖ ***OBJECTIVITY***
- ❖ ***ACCOUNTABILITY***
- ❖ ***OPENNESS***
- ❖ ***HONESTY and***
- ❖ ***LEADERSHIP***