



IRISH MEDICAL
ORGANISATION
Ceardchumann Dochtúirí na hÉireann

THE IRISH MEDICAL ORGANISATION
CODE OF PRACTICE

Irish Medical Organisation

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Code of Practice

- 1. Transparency and Accountability in Financial Matters**
- 2. Roles and Responsibilities**
- 3. Relationship between IMO and IMO Financial Services**
- 4. Establishment of new legal entities and/or related companies**

INTRODUCTION

The 2014 Rule Amendments proposed by IMO Council contain a number of important changes in relation to how the Organisation is structured and governed so as to ensure greater transparency to the wider membership and greater oversight to the elected members of the Organisation.

These are significant changes and in order to support these Rule Amendments, Council will, if the Rules Amendments are adopted, commit to implementing the following Code of Practice in relation to all financial dealings in the Organisation and its related companies so as to support and ensure the Rules will be strictly adhered to in the day to day financial management of the Organisation.

The Roles and Responsibilities section of this Code of Practice ensure elected members have the responsibility and authority to effectively fulfil their remit as elected members and officers on behalf of the wider membership and for the benefit of the Organisation and its members.

The section dealing with the relationship between the IMO and IMO Financial Services, being a company which is wholly owned by the IMO, is designed to ensure that proper reporting and oversight structures are in place and there is transparency to the elected and wider membership. However, the IMO as a Trade Union must not seek to become (or incur liabilities as) a shadow director of the company which must operate according to Company Law and the regulations as determined from time to time by the Financial Regulator.

Council are committed to reviewing this Code of Practice at least every three years or sooner upon receiving any recommendations from the Governance Committee or Executive Board. Council are further committed to publishing the Code of Practice in each Annual Report and advise members of any changes contained therein.

1. Transparency and Accountability in Financial Matters

1.1 Reporting to Members

Each year the IMO Financial Statements will be published in the Annual Report and circulated to all members. The Financial Statements will include the following information in addition to what is already provided for in the Financial Statements:

- Profit and Loss Account of the IMO and any operating related companies/legal entities.
- Expenditure analysis by heading for the IMO and any operating related companies/legal entities.
- Details of all payments made to the Chief Executive of the IMO in terms of contractual and/or other payments
- Details of amounts paid to elected members, officers and Non Executive Directors in terms of stipends and expenses for both IMO and any operating related companies
- Details of Expense Rates applicable to IMO Secretariat, Elected Members and Officers and Non Executive Directors for both IMO and any operating related companies
- Details of Code of Practice for IMO and notice of any changes to the Code of Practice which have been approved by Council.

1.2 Appointment and Role of Independent Auditors

1.2a) An independent Auditor will be appointed by the Organisation to:

- Prepare Quarterly Management Accounts and
- Annual Financial Statements

1.2b) Such Independent Auditor will be appointed by the Trustees upon the recommendation of the Executive Board following a competitive tendering process undertaken by the Audit and Risk Committee of the Executive Board. Auditors will be appointed for a period of three years. At the end of each three year interval, the Executive Board will ensure the Audit & Risk Committee hold a competitive tendering process for the appointment of Auditors. The existing Auditors may compete in each process and be reappointed. Members will be advised every three years at the AGM as to the appointment of auditors.

1.2c) The members of the Audit & Risk Committee of the Executive Board have the authority to request and receive all documentation they require on financial matters.

1.3 Internal Reporting on Financial Matters

The Chief Executive and the Chief Operating Officer will report to the Executive Board and to the Audit and Risk Committee which is a sub committee of the Executive Board in terms of:

- Proposals for Annual Budgets and Subscription Rates which must be approved by the Executive Board
- Report on Monthly Financial Accounts with provision of detail on actual performance against budget in terms of income and expenditure
- Proposal to address any variance where actual expenditure has exceeded budget in any expense heading

- Report on Quarterly Management Accounts with provision of detail on actual performance against budget in terms of income and expenditure, such accounts having been prepared by external independent auditor
- Proposals to address any variance where actual expenditure has exceeded budget in any expense heading
- Report on Annual Financial Statements, such financial statements having been prepared by external independent auditor
- Any other matter relating to the finances of the IMO deemed appropriate by the Audit and risk committee

1.4 Internal Financial Controls and Processes

- Once annual budgets have been approved, the COO and CEO must seek approval from the Executive Board for any additional expenditure on projects outside of the approved budget which will have an overall cost in excess of €10,000. In order to allow the Executive Board to fully consider such additional expenditure the request for approval must include:
 - a) Full details of proposed project and expenditure
 - b) Cost/Benefit analysis
- The above also applies to any requests from Specialty Committees for additional expenditure outside of approved budget which must be submitted in the first instance to the COO.
- In the context of preparing the annual budget, the COO must advise the Executive Board of any projects that are likely to incur more than €70,000 plus VAT in payment to an individual supplier. Such projects will trigger a tendering process upon the completion of which a supplier will be approved by the Executive Board. If such projects envisage expenditure over a number of years, it is agreed that the Executive Board will have the authority to approve a supplier for a maximum of three years upon which a new tendering process will take place. Such process does not prohibit the existing supplier from tendering.
- The above will include tendering for legal services but will not oblige the Executive Board to tender for the engagement of Counsel in respect of legal proceedings as such decisions will usually require urgent attention and the sourcing of Counsel with particular expertise. It will be the responsibility of the CEO and/or COO to advise the Executive Board, upon receiving suitable advice, as to the appointment of Counsel and the likely costs involved.
- Purchasing:
 - All purchases must be accompanied by an Order Requisition from the Financial Officer and approved by the COO.
- Payments:
 - All payments, whether by cheque or electronic transfer must be signed by two signatories one of which must be the Treasurer or Chair of the Audit & Risk Committee and the other will be COO or CEO
 - All payment requests must be accompanied by invoice in the case of a supplier or vouched expense claim forms in the case of Secretariat Staff, Elected members and officers, Non Executive Directors.
 - All Expense Claims must be:
 - a) Completed on IMO Expense Claim Forms

- b) Expense claims from staff must be authorised and co-signed by the line manager (who will verify that the claim complies with IMO expenses guidelines) before presenting for payment
- c) Expense claims from CEO must be approved by Treasurer or the Chair of the Audit & Risk Committee (who will verify that the claim complies with IMO expenses guidelines) before presenting for payment
- d) Expense claims from Committee Members, Honorary Officers and Non Executive Directors must be approved by a member of the Audit & Risk Committee of the Executive Board who may not be the person making the claim

1.3 Stipends

The overriding objective is to ensure that those members who by virtue of their involvement in the work of the IMO are not out of pocket for time spent or expenses incurred in relation to IMO activities.

- Stipends will be reviewed annually by the Audit and Risk Committee of the Executive Board who will bring recommendations to Council for approval
- The rate of Stipends payable in any given year will be published in the Annual Financial Statements
- Stipends will be taxed at source
- The following Stipends will be paid in respect of April 2013/14 and April 2014/15:

President	€35,000 pa
Chair of Executive Board	€25,000 pa
Treasurer	€10,000 pa
Committee Chairs	€3,000 pa
Committee Chairs foregoing private practice	€25,000 pa (inclusive of €3K above)

(Those being GP Chair and Consultant Chair who are in whole time private practice)

1.4 Locum Expenses

In the case of Negotiating Team Members from the GP Committee there will be an allocation of €10,000 per committee per year to cover twenty days locum expenses, such daily rate being defined at a maximum of €500 and payable only on vouched expenses for locums. Such allocation will be reviewed on an annual basis by the Audit and Risk Committee of the Executive Board.

1.5 Travel and Meeting Expenses

The objective is to ensure that those members attending meetings on behalf of the IMO are not out of pocket in terms of expenses incurred for attendance at official IMO meetings.

Domestic Travel:

- The IMO will pay Public Service Travel and Subsistence Rates as amended from time to time
- Subsistence may only be claimed where catering is not provided
- No payment will be made in respect of IMO AGM or any National Meetings as the committee members will be expected to fund their own attendance in line with other members

International Travel within Europe:

- Economy return fare for delegate
- Additional vouched necessary transport costs
- Standard accommodation in conference venue for duration of conference and bearing in mind flight schedules
- Payment for official dinners and €40 per day subsistence

International Travel outside of Europe:

- Any travel outside of Europe will require specific approval from Council

Secretariat Staff:

- The IMO will pay approved expenses incurred by Secretariat Staff in line with provisions for elected members and for official IMO business only.

2. Roles and Responsibilities

Within the Rules and Constitution there are a number of amendments to defined roles within the Organisation, however to support elected members the following are the principal roles and responsibilities within the IMO structures.

2.1 Elected Officers, Committee Chairs and Committee Members

President:

- The President will be the official spokesperson of the IMO on organisational, medical and societal issues not directly associated with specialty negotiating issues.
- The President will Chair IMO Council and may Chair some Standing Committees as defined from time to time but will not chair the Executive Board.
- It is the responsibility of the President to liaise with the Chair of the Executive Board and to ensure that the Executive Board is fulfilling its remit and reporting requirements are strictly adhered to.
- It is the responsibility of the President to liaise with Chairs of each of the Standing Committees to ensure they are fulfilling their remit and reporting requirements are strictly adhered to.
- It is the responsibility of the President to liaise with the Chairs of the National Specialty Committees and ensure that any cross specialty issues are addressed.
- It is the responsibility of the President to propose Bye Laws to Council based on recommendations from Standing Committees or identifying any issues that need to be addressed.
- The President will, with the Honorary Secretary, adjudicate on Conflict of Interest matters referred to by Chairs.

Chair of Executive Board:

- To Chair the Executive Board and any sub committees associated with that Board with the exception of the Audit and Risk Committee and the Chair of the Executive Board may not be a member of the Audit and Risk Committee
- To liaise with the President on the work of the Executive Board.
- To formally report to IMO Council on the work of the Executive Board.

- To ensure the Audit and Risk Sub Committee are fulfilling the functions/remit of that Committee particularly in regard to all financial matters and in terms of remuneration matters.
- To ensure the work of the Executive Board is in line with its remit and that all matters are addressed in a transparent manner.

Chairs of Other Standing Committees Governance Committee, International Affairs Committee and Ethics Committee:

- To Chair their Committee and ensure the Committee is meeting the remit as set out in the Rules and Constitution.
- To liaise with President and formally report to Council on the work of the Committee.
- To take on additional matters as determined by Council or referred from Council within their remit as set out in the Rules and make recommendations to Council.

Chairs of Specialty Committees:

- To agree the Specialty Committee Strategy and to effectively manage that strategy agenda with the Director of Industrial Relations.
- To liaise with the President and report to Council on Specialty Committee business.
- To advise the President of any issues arising that may impact on another Specialty Group within the Organisation.
- To represent the issues affecting their specialty group in the media as required from time to time and in line with Communications/PR Strategies.

Members of all Committees:

- To commit themselves to representing the interests of the membership they represent.
- To commit themselves to a high level of attendance and engagement at meetings.
- To ensure they notify the Committee Chair of any potential conflicts of interest they may have and excuse themselves from discussions or decision making in these areas.
- Upon being elected each year committee members will complete a Declaration of Interest Form, which will be approved from time to time by IMO Council. Thereafter it will be the responsibility of the individual member to ensure they notify the Chair of their specialty committee of any potential conflicts of interest that may arise between some activity they are engaged in and their role as an IMO Committee Member and to withdraw from any process or discussion that could give rise to such a conflict. In the event of a dispute arising from a conflict of interest issue between the elected member and the Chair of the Committee, the matter shall be adjudicated upon by the President and the Honorary Secretary whose decision shall be binding.
- In dealing with committee business there may be situations where differing views are held. The Specialty Committee will decide upon the official position. All Committee members, including those who hold differing views, are duty bound to publicly support the democratically selected positions. To do otherwise will be at odds with continued membership of that Committee.

2.2 Role of Chief Executive and Internal Reporting Structure

The IMO is committed to ensuring the IMO Secretariat is effectively managed and structured with a professional staff so as to deliver the best possible service to members in line with IMO goals and objectives.

Chief Executive:

- To manage the development and implementation of agreed strategies as approved by IMO Council and IMO Executive Board so as to deliver upon:
 - Corporate goals in respect of all the Organisation's work
 - Membership goals
 - Financial and risk management goals
- To manage the development and implementation of financial and budgetary policy subject at all times to approval of the Executive Board and the Audit and Risk Sub Committee.
- To manage the appointment, salaries, conditions and performance of Secretariat Staff subject to any changes in terms and conditions being approved by the Executive Board.
- To provide effective leadership and performance management so as to ensure the objectives of the IMO are delivered upon.
- To report to the Executive Board and its Audit and Risk Sub Committee in terms of performance objectives and participate in formal performance reviews as determined by the Audit and Risk Sub Committee.
- To ensure the profile of the IMO and its members are enhanced through lobbying and PR initiatives.
- To represent the Organisation on National and International Bodies as determined by Council and only with approval of Council.

The method of appointment, and fixing of terms and conditions, including pension arrangements of the Chief Executive is laid out in the Rules as follows:

- Appointment process to be managed by the Audit and Risk Committee of the IMO along with the IMO President for ultimate approval of IMO Council.
- Detailed job description, terms and conditions, including pension arrangements will be determined by the Audit and Risk Committee but will require the approval of IMO Council.
- Any candidate recommended by the Audit and Risk Committee for the position of Chief Executive must be ultimately approved by Council.
- Any change in terms and conditions will require prior approval by Council.
- Performance management and reviews will be formally conducted by the Audit and Risk Committee and the President who will submit their findings along with any recommendations to Council.
- The Chief Executive may not hold a separate employment contract with any related IMO companies or legal entities. This does not preclude the Audit and Risk Committee recommending that the Chief Executive be responsible for any aspect of such companies/legal entities upon approval by Council.

3. Relationship between IMO and IMO Financial Services

IMO Financial Services is a company which is wholly owned by the IMO and is governed by a Board of Directors. IMO Financial Services is bound to comply with company law and with regulations as may be determined from time to time by the Financial Regulator and the Director of Corporate Enforcement and its Registrar of Companies. IMOFS will be required at all times to hold the required level of professional indemnity and as a separate legal entity the IMO will not be responsible for any losses incurred by the company. The IMO does not seek to become a shadow director of this company but the following Code of Practice seeks to ensure there is adequate reporting to the Shareholder, that being the IMO, and a transparent process for reporting on matters to IMO Council and the wider membership.

All reporting relationships shall be subject to such statutory or regulatory requirements as may be in force from time to time. Subject to this, the following shall apply:

- IMO Council will appoint the Chair of the Board of IMO Financial Services and, subject to members of Council being in a position to comply with regulatory requirements for IMOFS, the Chair shall be from one of their number, and subject always to the approval of the regulatory authorities. Such nominee may not also serve on the Executive Board.
- IMO Council will appoint any and all Non Executive Directors of the Board of IMO Financial Services who will not be members of the IMO and will have relevant expertise in the area of financial services, subject always to the approval of the regulatory authorities.
- There will be a defined tenure for both the Chair and Non Executive Directors of the Board of IMO Financial Services that being for three years. Council may reappoint the Chair and Non Executive Directors for a second period of three years but no more and providing always that:
 - The Chair remains a member of Council
 - The Chair and Non Executive Directors continue to meet the approval of regulatory authorities
- The Board of IMO Financial Services will have an Audit & Risk Committee who will meet on a quarterly basis with the Audit & Risk Committee of the IMO Executive Board to review all financial and risk issues.
- The Chair of IMO Financial Services will be required to provide a written report to IMO Council on a quarterly basis in terms of strategic and operational issues of the company, along with a review of services to IMO members and any proposals for the development of new services.
- All Non Executive Directors will be obliged, upon appointment, to complete a Declaration of Interest Form which will be submitted to IMO Council and updated on an annual basis.
- The Board of IMOFS will develop clearly defined Terms of Reference and areas of responsibility in line with obligations of company law and regulatory authorities and these will be agreed with IMO Council and such Terms of Reference will be published on the website and available to IMO members.

4. Establishment of new legal entities and/or related companies

- Only IMO Council may approve the establishment of any new related company or legal entity.
- Any proposal to establish such an entity must in the first instance be examined by the Executive Board and include for consideration:
 - Details of how the proposed new entity has, as its purpose, an objective of the IMO as set out in the Rules and Constitution
 - Details and analysis of the benefit to individual members and to IMO as an Organisation
 - Details and analysis of any risk to individual members and to IMO as an Organisation
 - Detailed five year financial projection
 - Mission Statement
 - Board and Management Structure (all directors to be appointed by IMO Council)
 - Details of how any appointments and reporting structures will be in line with existing IMO policy as outlined in IMO Rules and Code of Practice as amended from time to time.

February 2014