

GOOD GOVERNANCE PROTOCOLS

Version History

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1.1 January 2010 – draft with clauses relating to (i) signing of MoUs and protocols between MCB and other bodies (ii) signing of conference declarations, joint letters with non-MCB affiliates and/or institutions and other public statements by an MCB office bearer [see Part 2, Sections 8 and 9, Page 12-13]

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In the name of Allah, the most Gracious and the most Merciful.

PART 1

1 Introduction

1.1 The Muslim Council of Britain (MCB) has grown rapidly as an organisation due to its open and inclusive culture it is has become a major representative force in the British society. Whilst its personnel have every right to celebrate achievements of the MCB to date, the MCB cannot afford to remain without systems and processes that ensure the integrity of the MCB and the accountability of all those associated with it. As the MCB grows and affiliates start to wield influence, the temptations for and perceptions of misuse of that influence become greater.

1.2 The MCB shall therefore ensure that influence and the grant of benefits becomes shared knowledge so as to protect individual as well as organisational integrity.

1.3 The standards of behaviour as well as conduct must reflect our faith and the principles of honesty, openness and integrity that underpin it. The Code of Conduct shall therefore operate as a reference point of standards for those working on behalf of the MCB.

2 Definitions

2.1 The following terms shall have their respective meanings herein:

(a) **Code of Conduct** means the rules and principles as outlined in section 3 herein.

(b) Concerned Members means all:

(i) Office Bearers of the MCB

(ii) committee Chairs, Vice Chairs and Secretaries;

(iii) employees of MCB, including consultants and advisors (whether paid or unpaid);

(iv) members of the Central Working Committee of the MCB, and

(v) members of committees and task groups as established from time to time,

in each case acting, purporting to act, or perceived to be acting for and/or on behalf of the MCB.

(c) **Disclosure Form** means the form prescribed in page 2.

(d) **Member Obligations** means the obligations of Concerned Members to comply with the Code of Conduct.

(e) **Permitted Benefit** means any of the benefits or gifts listed in paragraph 0.

(f) **Register of Interests** means the register of Concerned Members' interests, as populated and maintained in accordance with section 0.

(g) **Registrable Benefit** means any of the benefits or gifts listed in paragraph **Error! Reference source not found.** and which is not a Permitted Benefit.

3 CODE OF CONDUCT

Ethics

3.1 All Concerned Members shall comply with the ethical norms and standards of Islam, and not undertake any act or make any statement (written or oral) that that is or may be construed as undermining the oneness of God, the final Prophet hood of Mohammed (peace be upon him), or the integrity of the Holy Qur'an.

Commitment & Loyalty

3.2 The MCB recognises that many Concerned Members will have commitments and/or involvements with other organisations and institutions. However, where Concerned Members act, purport to act, or are reasonably perceived to act on behalf of the MCB, they shall act in the best interests of the MCB.

3.3 The MCB also recognises that some of its Concerned Members may have multiple public roles and hold positions of responsibility in other organisations. The MCB requires that Concerned Members in this position shall not use their MCB affiliation for personal benefit, the advancement of other interests to the detriment of the MCB, or to detract from MCB's political neutrality in British party politics.

3.4 Duty of care

All Concerned Members shall always conform to the laws governing the British Isles. However, this obligation shall not fetter the freedom of the MCB nor Concerned Members to evaluate the efficacy, necessity, or equity of any proposed or subsisting laws of the British Isles or any other jurisdiction.

3.5 Professional conduct

All Concerned Members shall conduct their activities in a professional manner and with integrity. Concerned Members shall therefore be aware at all times of the need to present the MCB, and where appropriate themselves, with the appropriate standard of professionalism that would be expected of a large, national body representing the interests of a multitude of institutions, organisations, disciplines and religious schools of thought.

3.6 Openness

(a) All Concerned Members should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider interest of the MCB clearly demands.

(b) Where possible, any reports or dossiers produced by Concerned Members should be requested to be uploaded to the MCB website unless there is a legitimate reason for not doing so.

(c) Associations or connections with other organisations or institutions should be managed by those concerned and the MCB to ensure that the integrity of the MCB is not undermined by such associations or connections. A Register of

Interests will therefore be maintained to manage such interests without conflict with the aims and objectives of the MCB and the Code of Conduct.

3.7 Collective Responsibility

(a) Decisions are required to be taken after due process of consultation and once a decision is agreed it is the responsibility of all including those who had disagreed with the decision to own it and to take responsibility for its consequences.

(b) Information on voting outcomes or individual voting decisions at the Central Working Committee meetings or meetings of Committees shall not, at any time, be disclosed to the media or any third party without the explicit approval of the Secretary General.

3.8 Contracts for Goods & Services

i) The award of contracts to any organisation, individual, institution or otherwise for goods or services to or on behalf of the MCB shall be based on merit and economic considerations.

ii) Where the MCB is to award a contract for goods or services for or on behalf of the MCB, or such contracts are to be awarded pursuant to any procurement activities of the MCB, and the remuneration in respect of such contract (or contracts in aggregate) is for an amount of £10,000 or more in a single financial year, the MCB shall invite organisations, individuals and institutions to competitively tender for such contract (or contracts as the case may be).

3.9 Partnerships for Projects

(i) When MCB needs to bid for funds on projects and the projects require partners or it is considered appropriate to have partner/partners by persons responsible for the project initiative, partner/partners shall be chosen following advertisement on the MCB website.

(ii) In making choice of partner/partners preference shall be given to affiliate organisation/s provided such organisation has proven track record of delivery and expertise.

3.10 Branding and Association

i) The "MCB" brand is an internationally recognised symbol, with a significant amount of goodwill and integrity attached to this symbol. Concerned Members shall be aware at all times of the risk of undermining this integrity by the association of the MCB brand with political parties, financial institutions or companies.

ii) The MCB and Concerned Members may broadly support specific initiatives of political parties, financial institutions or companies if such initiatives are aligned with the stated objectives of the MCB. However, the MCB and Concerned Members shall not formally associate, or allow the MCB or themselves to be formally associated, with a political party, financial institution or companies.

3.11 Product Endorsement

i) The Islamic finance field is a growing and dynamic field with regular product innovation. The MCB can and does play a role in encouraging this growth and innovation within the parameters of Islam. However, having regard to the variance in opinion on the

compliance of such products with Shariah and the investment risks associated with some financial products, the MCB and Concerned Members shall not endorse any specific financial product of any specific financial institution or company.

ii) Concerned Members involved in supporting developments and/or progress in the field of Islamic Finance shall use their best endeavours to ensure that the MCB brand is not misused or misrepresented in anyway by those involved in such development/progress.

4. Conflict of interest

Introduction:

4.1 It is not possible to define all the circumstances which may cause a conflict of interest. Generally, a "conflict of interest" arises where there is a conflict between the responsibilities of a Concerned Member towards the MCB with any other personal interests that particular individual may have.

4.2 Given the high profile of the MCB in the media, politics, business and the community, even a perceived conflict of interest may be construed as serious as a de facto conflict of interest.

4.3 The following are examples of situations giving rise to a possible conflict of interest.

4.3.1 A financial interest held by Concerned Member in a third party organisation that provides goods and/or services to or on behalf of the MCB. Examples of such interests are paid consultancies, equity holdings, membership of a board of directors or advisory board, trusteeship, or other any other capacity where the Concerned Member is able to exert any influence on the decisions of the organisation, or receive a pecuniary benefit from the organisation.

4.3.2 Attending consultations or delivering presentations where confusion by others may arise as to what capacity a Concerned Member is attending or presenting.

4.3.3 Authoring books or articles in the Concerned Member's name with a citation of their association with the MCB, but without clarification that such authorship is in a personal capacity.

4.3.4 Appointment of a Concerned Member in local, national or supra-national government or a non-governmental body providing a public service function.

4.3.5 Receipt of any pecuniary benefit or award of any contract by a Concerned Member, which is dependant on a Concerned Member's association with the MCB.

4.4. Rules and Procedures on Conflict of Interest

4.4.1 A Concerned Member shall declare an interest if at any meeting there is discussion that has the potential to result in financial or other tangible gain for him, his organisation or his business. The same rule shall apply if the potential beneficiary is an immediate member of his family (spouse, child and sibling).

4.4.2 The Chairman of the meeting shall record in the minutes of the meeting the declaration of interest by the office-bearer or member concerned and it shall be the duty of

the office bearer or member concerned not to participate in the discussion or influence the decision in this regard in any way.

4.4.3 If a Concerned Member or a member of his immediate family receives any remuneration or reward for services rendered or for any loss suffered, it shall be the duty of the Treasurer to disclose the particulars of the payments made as soon as practicable and no later than three months at a duly convened meeting of the Finance & General Purposes Committee

4.4.4 If an immediate member of the family of a Concerned Member gets employed by the MCB on a casual, temporary or permanent basis it shall be the duty of the Treasurer to file a report of the appointment at the next meeting of the Central Working Committee. The report will detail the process as well as the terms of appointment and will include a declaration that the appointment has been made in accordance with equality of opportunity principles.

4.4.5 The requirement set out in 4.4.4 above shall not apply to voluntary work provided that any travel and/or subsistence costs reimbursed to the volunteer do not exceed the limit set by the Finance & General Purposes Committee at one of its duly convened meetings.

4.4.6 However, the above restrictions shall not prevent the MCB from presenting paid-for adverts from financial institutions or companies in respect of their business or financial products in any promotional or informative literature produced by the MCB.

4.4.7 *Pecuniary Benefits*

Without the prior approval of the Secretary General, no Concerned Member shall receive any form of remuneration for services he provides to third parties in their capacity as a Concerned Member. Such approval in writing may take the form of an email from the respective Office Bearers.

4.4.8 The above restriction does not prevent Concerned Members from receiving Permitted Benefits.

4.4.9 All Concerned Member shall disclose to the MCB an actual or potential conflict of interest with respect to themselves using a Disclosure Form, with details on how such actual or potential conflict of interests will be or has been mitigated by the Concerned Member

4.4.10 Register of Interests

Purpose of the Register

The Register of Interest shall provide information of:

any Registrable Benefit of a Concerned Member; and

any actual or potential conflict of interests of any Concerned Member, as disclosed by that Concerned Member.

4.4.11 Registrable Benefit is:

(a) a pecuniary benefit received by a Concerned Member that has been approved in writing by at least three Office Bearers in accordance with paragraph 0;

(b) a national or international visit may by a Concerned Member which relates to or arises out of association with the MCB, where the cost of any such visit has not been wholly borne by the Concerned Member or funds of the MCB;

(c) attendance by a Concerned member or event, the fees in respect of which are greater than £200 and the cost of which has not been wholly borne by the Concerned Member or funds of the MCB; or

(d) any other pecuniary or non-pecuniary benefit that is not a Permitted Benefit.

4.4.12 Permitted Benefits are:

The following non-pecuniary benefits or gifts are not required to be noted on the Register of Interests by Concerned Members:

- (a) attendance at a dinner, reception, or other social activity, awards ceremony.
- (b) receipt of an artefact, book, foodstuff, voucher, ticket to a performance or entertainment media, the inherent value of which is less than £50.

4.4.13 Disclosure

A Concerned Member shall as soon as reasonably practicable disclose to the MCB any Registerable Benefit or actual or potential conflict of interest in respect of themselves. Such Disclosure shall be made in writing using a Disclosure Form. The Disclosure Form must be sent to the head office of the MCB or by email to admin@mcb.org.uk.

4.5.1 Form of the Register

The Register of Interests shall comprise of Disclosure Forms submitted by Concerned Members pursuant to paragraph 0, filed alphabetically under the names of the respective Concerned Members. Each Concerned Member shall bear ultimate responsibility for his or her own entry.

4.5.2 Administration of Register and Inspection

The Register of Interests shall be located at the head office of the MCB and shall be maintained by a person designated by the Board of Counsellors.

Any Concerned Member shall be entitled to inspect the Register of Interests at the MCB head office during normal business hours.

Any Concerned Member shall be entitled to request a copy of any Disclosure Form submitted by other Concerned Members.

On reasonable notice by any Concerned Member, the Register of Interests shall be brought to the next meeting of the Central Working Committee for inspection by Concerned Members at that meeting.

4.6.1 IMPLEMENTATION & AUDIT

It shall be the duty of the Board of Counsellors to monitor the implementation of the Code of Conduct and the administration and oversight of the Conflict of Interests rules as well as process either itself or through one of its appointed Committees. The Board shall submit its report to each Annual General Meeting.

4.6.2 The Board of Counsellors shall act as arbiter of all disputes regarding the interpretation of the Code of Conduct and any factual disputes regarding any person's conduct.

Disclosure Form

To: The Governance & Standards Commission
Board of Counsellors
Muslim Council of Britain
London

Date: [•]

Dear Brother/Sister,

Disclosure of Interest

Pursuant to the *Code of Conduct and Conflict of Interest guidelines* of the Muslim Council of Britain, I hereby make the following declaration of interest/benefit for placing under my respective name in the *Register of Interests*.

Name:

Position in the MCB:

REGISTRABLE BENEFITS

Benefit:

Date benefit received, or to be received:

CONFLICTS OF INTERESTS

Interest:

Steps taken to mitigate risk to MCB:

Yours faithfully,

[Signatory]

PART 2

GOVERNANCE RULES

These Rules have been approved by the Office Bearers and agreed in principle by the Central Working Committee.

The Office Bearers may amend these Rules at any time after giving notice of the proposed amendments to the Central Working Committee.

These Rules are supplementary to the provisions of the Constitution and the Standing Orders.

In the event of any conflict between these Rules and the provisions of the Constitution or the Standing Orders, these Rules will have no effect.

5. Procedures on Finance

5.1 The first meeting of the Central Working Committee immediately following the election of the Secretary General, the Deputy Secretary General and the Treasurer shall, by resolution, appoint the Secretary General, the Treasurer and two other persons to be the authorised signatories to MCB accounts held in its name in Banks, Building Societies or any other institution.

5.2 The persons so authorised by the Central Working Committee shall have the authority to operate the account/s for a period not exceeding twenty four calendar months from the date of the resolution making the appointment.

5.3 Member of staff shall have the authority to commit the MCB to an expenditure of no more than a limit agreed and set by a duly convened meeting of the Finance and General Purposes Committee. Such agreed limit shall be displayed in the premises used by the staff.

5.4 An office-bearer other than the Secretary General and the Treasurer shall have the authority to commit the MCB to expenditure or liability of an agreed limit set by a duly convened meeting of the Finance and General Purposes Committee. The Secretary General and/or the Treasurer shall have the authority to commit the MCB to an expenditure or liability not exceeding five thousand pounds at any one time, the limit being reviewable from time to time by the Finance and General Purposes Committee.

5.5 Any financial commitment or acceptance of liability in excess of £5000 but less than £10,000 will require authorisation of at least three office bearers including the Treasurer. Financial commitment or acceptance of liability in excess of £10,000 but less than £50,000 will require duly recorded authorisation of the Finance and General Purposes Committee.

5.6 Financial commitment and/or acceptance of liability exceeding £50,000 will require to be referred by the Treasurer with the approval of the Secretary General or by the decision of the Finance and General Purposes Committee to a duly convened meeting of the Central Working Committee for authorisation

6. Rules of Procedure for Finance and General Purposes Committee

6.1 In discharging its functions as set out in Articles 4.3.3 of the MCB Constitution the Finance and General Purposes Committee shall meet once every two months on dates notified at least two weeks in advance except when the Chairman and/or the Secretary General call an emergency meeting which can be convened at 24 hours notice .

6.2 Membership of the Finance and General Purposes Committee shall be restricted to the Office Bearers and Advisors duly appointed by the Central Working Committee.

6.3 The Finance and General Purposes Committee may co-opt no more than three persons to become members of the Committee for such period as is deemed appropriate but in any event not exceeding two year period.

6.4 The Secretary General or the Treasurer as Chairman of the Committee may invite any person to a meeting or meetings of the Finance and General Purposes Committee but such person/s shall not have the right to vote.

6.5 The quorum for a meeting of the Finance and General Purposes Committee shall be 6 and this number may be reduced or increased by the Central Working Committee at the request of the Secretary General.

6.6 Whilst it is the duty of each Committee of the MCB to use best efforts to raise funds for its own activities, it will be the responsibility of the Finance and General Purposes Committee, subject to availability of funds, to allocate finances for approved activities and projects of Committees in accordance with the budgets and/or statements tendered.

6.7 In the discharge of its duty to raise funds for its own activities the Committees may bid for project or other funding from the government or any other body, keeping the Chairman of the Finance and General Purposes of any such bid or fund raising activity.

6.8 Members of the Committee who are allocated permanent or temporary responsibility for oversight and appointment of paid staff shall not discharge such duties unless they receive training in relevant laws and procedures on employment matters.

7. Rules of Procedure for other Committees

7.1 Specialist Committees

a) The Constitution requires the MCB to have five Specialist Committees namely, the Finance & General Purposes Committee, The Research & Documentation Committee, the Membership Committee, the Media Committee and the Legal Affairs Committee.

b) Each Committee shall have a Chair, Vice Chair and a Secretary.

c) The Finance & General Purposes Committee shall be chaired by the Treasurer and in his/her absence the Assistant Treasurer.

d) Chair of each of the other four specialist Committees must be a member of the Central Working Committee.

e) Chair of each of such Committees is selected by the Secretary General in consultation with his/her colleagues, bearing in mind the balance in schools of thought, gender, age and ethnicity.

f) The Secretary General informs the Central Working Committee of the selection and seeks approval..

- g) If a person selected to be Chair is not a member of the Central Working Committee, the Committee may approve his/her appointment to the Central Working Committee by co-option.
- h) No person shall hold office as Chair for more than two consecutive terms of two years.
- i) The Committees shall appoint its own Vice Chairs and Secretaries from its membership.
- j) Chair of each Committee shall be responsible for keeping the MCB Office and designated Office Bearer duly and properly informed of the dates of the meetings of the Committee, minutes of each meeting and assist in ensuring that the Website is kept updated with relevant information.
- k) It is the responsibility of the Chair to file written reports on the work of the Committee for perusal of the Central Working Committee members within the time limits prescribed by the MCB Office.
- l) It is the duty of Chair to attend himself/herself or designate one of the Committee officers to attend in person meetings of the Central Working Committee and such other meetings as the Secretary General may request.

7..2. Other Committees.

- a) The Central Working Committee may from time to time appoint such Committees, as it deems appropriate.
- b) The Secretary General shall in consultation with colleagues select and appoint persons to Chair such Committees bearing in mind the balance in schools of thought, gender, age and ethnicity.
- c) Secretary General shall inform the Central Working Committee of the appointments at the earliest opportunity.
- d) Committees shall appoint other officers by election from amongst its members.
- e) Chair shall inform the MCB Office of such appointments as soon as possible.
- f) No person may hold office of Chair for more than two consecutive terms of two years.
- g) Chair of each Committee shall be responsible for keeping the MCB Office and designated Office Bearer duly and properly informed of the dates of the meetings of the Committee, minutes of each meeting and assist in ensuring that the Website is kept updated with relevant information.
- h) It is the responsibility of the Chair to file written reports on the work of the Committee for perusal of the Central Working Committee members within the time limits prescribed by the MCB Office.
- i) It is the duty of Chair to attend himself/herself or designate one of the Committee officers to attend in person meetings of the Central Working Committee and such other meetings as the Secretary General may request.

7.3. Composition of Committees

- a) The membership of all Committees except that of the Finance & General Purposes Committee shall be open to all members of the Central Working Committee and also to any person who is a member of an affiliated organisation.
- b) Persons not members of an affiliated organisation can become members of one or more Committees provided the Committee or Committees approve request for membership from such persons.
- c) A person accepted as a member of a Committee if absent without reasonable cause from three duly notified meetings of the Committee, shall by direction of the Chair of the Committee be removed from the membership of that Committee.

- d) A non-Muslim may be invited to join any of the non- specialist Committees as a Co-opted member.
- e) Minimum number of membership of a Committee shall be four and the maximum shall be twenty.
- f) The Secretary General may recommend abolition of a Committee if the Committee fails to have minimum number of members and if it fails to report on its work.

7.4 Working of non-Specialist Committees.

- a) Each Committee shall at its first meeting following election AGM agree its Terms of Reference, Work Plan, a draft Budget and fund raising Strategy.
- b) The documents specified in (a) shall be filed with the MCB office within three months of the date of the meeting.
- c) Each Committee shall agree its own procedure for membership.
- d) Each Committee shall appoint its Spokesperson bearing in mind that the Spokesperson can engage with the media and speak on behalf of the MCB only if requested by the Secretary General.

8. Procedures relating to signing of MOUs and protocols

8.1 From time to time the MCB may be invited to sign a memorandum of understanding or protocol with an institution. In principle this is not to be discouraged, particularly with academic institutions of repute.

8.2 With institutions outside the UK

Such an MoU already exists between the MCB and ISESCO (Islamic Educational, Scientific and Cultural Organization) which was established prior to an MCB internal governance process having been defined. Any further requests must proceed along the following steps:

- (i) request to be considered by the MCB's European & International Affairs Committee and after a due diligence and other appropriate check, recommendation for acceptance or rejection made to the F&GP Committee
- (ii) F&GP to assess reputational risk to MCB and If approved then it will recommend adoption by the Central Working Committee.

8.3 With institutions within the UK – as above, but request direct to F&GP

9. Procedures relating to signing of conference declarations and resolutions, joint letters with non-MCB affiliates and/or institutions and other public statements

9.1 The MCB will from time to time be invited to lend its support to campaigns, jointly signed letters to the media, conference resolutions and declarations and similar public statements. If the invitation is to the MCB as an institution, rather than an individual

office bearer in his or her personal capacity, then authority rests with the Secretary General.

9.2 Similarly MCB office bearers (SG, DSG, Treasurer and the three ASGs) will from time to time be invited to lend their support to campaigns, jointly signed letters to the media, conference resolutions and declarations and similar public statements in a personal capacity. The MCB accepts that OBs will often be public figures in their own right, independent of their MCB affiliation, and they cannot be denied the right to support causes of their choice. However the distinction between private support and MCB endorsement can often become blurred. For this reason the MCB internal governance process is as follows:

- (i) An OB should avoid signing or endorsing public statements likely to be controversial for the MCB, without first consulting the SG. In deciding what is likely to be controversial, the OB should err on the side of caution
- (ii) If an OB finds himself/herself in a situation where it is impossible to consult the SG, and circumstances demand his/her signature or endorsement, then he/she must add in his own writing immediately after his/her signature the words 'signed in my personal capacity', followed by the date of signature.

PART 3

AMENDMENTS

8. Standards of conduct and Rules relating thereto as set out in Article 3 and 4 of Part 1 may be amended on the recommendation of Office Bearers by the Central Working Committee at its meeting, members thereof having been given fourteen days notice in advance of the proposed amendment/s recommended by the Office Bearers.

9. Governance Rules of Procedure as set out in Part 2 are rules of guidance and may be amended on the recommendation of Office Bearers by the Finance & General Purposes Committee at its meeting, members thereof having been given seven days notice in advance of the amendment/s recommended by the Office Bearers.

10. For the purposes of Articles 8 and 9 the phrase Office Bearers shall mean the Secretary General, Deputy and Assistant Secretary Generals, Treasurer and Assistant Treasurer.