

MEDICAL RESEARCH SCOTLAND
Scottish Hospital Endowments Research Trust (SHERT)
Scottish Charity No: SC014959

PROCEDURES

These procedures are supplementary to the Trust's Standing Orders.

1. Members/Trustees

The Trust's legislation refers to "members" of the Trust. They would be referred to as "Directors" or "Trustees" if the constitution of the Trust was different, and they are "charity trustees" in terms of charity legislation. They are referred to as "trustees" in the day-to-day running of the Trust and will be referred to as such in this document and other documents regulating the governance of the Trust.

2. Appointment of Trustees

The formal procedure for appointing trustees is set down in the Standing Orders. It is paramount that there is a breadth of expertise and a balance of disciplines represented among the trustees. The precise steps in appointing trustees may depend on the skill set being sought and on many other matters but issues to be taken into consideration include:-

- Advertisement - some form of publicising of posts will probably be necessary. In most cases vacancies will be detailed on the Trust's website and it may also be appropriate to notify for example the Health and Biomedical Divisions of the research Universities for scientific/medical trustees. In all cases it will be made clear which areas of expertise are sought.
- Interview procedure - there will be an interview process but the make up of the interview panel will depend on the individual being interviewed to take account of areas of expertise and any conflicts. The default position is that the Chairman and Vice Chairman have a delegated authority to interview potential trustees and make recommendations to the full body of trustees. It may be felt appropriate, but will not be a requirement, to have a "non-trustee" on the interview panel.
- Periods of appointment - in most cases appointments will be for four years with one renewal (i.e. the maximum allowed in terms of the legislation). However, the precise period of appointment will be decided on a case by case basis. One issue to take into consideration is the periods of appointment of other trustees and everything possible should be done to avoid a large number of trustees all having to retire at the same time. If the trusteeship is full (i.e.

15) the aim should be to have one quarter of the trustees either retiring or coming up for re-appointment each year.

- Appraisal – trustees approaching the end of their first term of office and who are eligible for reappointment for a further term shall be subject to a 'light-touch' appraisal carried out by the Chairman and one other trustee. The Chairman will be subject to annual appraisal by two other trustees.

3. **Meetings**

The Trust's year end is 31st March and there will be at least two full Trust meetings a year, normally one in late September/early October in particular to approve the Annual Report & Financial Statements and Annual Review, award PhD studentships based on recommendations from the PhD Studentship Panel (on which some of the trustees will sit and the Terms of Reference for which are attached), review grant processes, outcomes and wider issues, review development, marketing and communications and receive a report from the Audit & Investment Committee; and one in February to consider Vacation Scholarship applications, approve annual and longer term plans, approve a budget, review investments, review governance matters including the Risk Register and receive a report from the Audit & Investment Committee.

There will be an Audit and Investment Committee which will normally meet twice a year, in June to consider a draft of the Annual Report & Financial Statements and also to review the Trust's investments) and in November principally to review investments. The Chairman of the Trust will not sit on this Committee.

There will be a Science Sub-Committee, the remit for which is to be agreed.

There will also be such other *ad hoc* Committees as may be required and it may be that a Marketing Committee will be established.

4. **Appointment of Officers and Advisers**

The Trust will at present appoint:-

- Trust Secretaries
- Accountants and Auditors (who may or may not be the same Firm)
- Investment Managers
- A Scientific Adviser
- A PR and Marketing Adviser (and possibly also a separate Fundraising Adviser)

These appointments will generally be reviewed at least every four years.

External members will also be appointed to the PhD Studentship Panel in accordance with the Terms of Reference for that Panel.

5. **Conflicts**

Any conflict must be declared and where a trustee declares a conflict they shall not be involved in any decision which requires to be taken by the trustees on that matter. Where there is a conflict in relation to a funding application the trustee declaring the conflict shall not have access to any papers relating to the application nor be party to any discussions in relation to that application, shall leave the room during any such discussion and shall have the role of observer without scoring/voting rights on such applications during any final round-table decision making on funding. If any trustee is unclear as to whether or not there is a conflict, advice should be sought from the Chairman or the Scientific Adviser. A similar procedure will be adopted as appropriate in the case of other conflict situations.

6. **Statements of Corporate Governance and Internal Controls and Operational Procedures**

As a matter of good governance the Trust will maintain statements on Corporate Governance and on internal controls and operational procedures and these will be reviewed annually by the Audit and Investment Committee and approved at a full meeting of the Trust.

7. **Annual Plan**

The Trust will produce an annual plan each year to set out the aims for the coming year and monitor the performance for the preceding year.

8. **Funding Applications**

Funding applications are considered on two occasions during the year: those for Undergraduate Vacation Scholarships are decided in the early spring; those for PhD Studentships in the late summer/early autumn.

Funding decisions for PhD Studentships will be taken in a two-stage process. Applications, detailing a defined research project, will first be subject to expert peer review by the members of the PhD Studentship Panel ("the Panel"). The Terms of Reference of the Panel are attached. The Scientific Adviser will have provided the members of the Panel with sufficient information about the applications to enable them to declare any possible conflict of interest in any application, in advance of their review. The independent reports of this group will then be considered by the Panel members in committee and recommendations for funding made to the trustees, who will take the final decision. Thereafter, those awarded funding will select suitably highly-motivated and qualified students following advertisement and interview by a group comprising the academic institution, the company and a representative of the Trust.

Vacation Scholarship applications are reviewed separately and independently by the scientific & medical trustees, with final funding decisions being taken by all of the trustees in light of the recommendations of the scientific & medical trustees.

Trustees' approval of funding is given at Trust meetings or, in exceptional circumstances, by email, and is decided by majority. Once approved, and subject to any authorisation of deviation from the application submitted which will normally be dealt with by one or two trustees under delegated authority, the Secretaries will issue award letters on behalf of the Trust.

February 2012 (last reviewed March 2013)

Terms of Reference for the PhD Studentship Panel

Purpose

The PhD Studentship Selection Panel ("the Selection Panel") is a peer review panel comprising high profile, expert external reviewers, with selected trustees of Medical Research Scotland, to review applications for PhD Studentships in a rigorous and transparent manner. The Selection Panel will make recommendations to all the trustees of Medical Research Scotland, who will be responsible for the ultimate decision making.

Membership

The Chairman of the Selection Panel will be appointed, following nomination/invitation by the trustees of Medical Research Scotland but will not be a trustee of Medical Research Scotland.

There will be other external members, recommended/nominated/invited by and subsequently appointed by the trustees of Medical Research Scotland. At all times there must be a minimum of two external members of the Selection Panel, including the Chairman.

A number of the trustees of Medical Research Scotland will sit on the Selection Panel.

There will be a Deputy Chair of the Selection Panel who will be one of the trustees of Medical Research Scotland, as chosen by the trustees of Medical Research Scotland.

The members of the Selection Panel will all be appointed by the trustees of Medical Research Scotland on such terms and conditions as are set out in their appointment letters.

Meetings

The Selection Panel will usually meet annually in the late summer/early autumn to review applications and make recommendations to the trustees of Medical Research Scotland.

Quorum

The quorum for a meeting of the members of the Selection Panel shall be two external members and three trustees of Medical Research Scotland.

Duties and Responsibilities

The principal responsibility of the Selection Panel is to carry out rigorous peer review of the applications in order to make recommendations to the trustees of Medical Research Scotland.

Conflicts of Interest

Any conflict must be declared and where a member declares a conflict they shall not be involved in any decision which requires to be taken by the members on that matter. Where there is a conflict in relation to an application the member declaring the conflict shall not have access to any papers relating to the application nor be party to any discussions in relation to that application, shall leave the room during any such discussion and should only have the role of observer, without any scoring or voting rights during any final round-table decision-making. If any member is unclear as to whether or not there is a conflict, advice should be sought from the Chairman.

Confidentiality

The members of the Selection Panel will be required to treat discussions, documents or other information relating to the work of Medical Research Scotland, and applications made to Medical Research Scotland, in a confidential manner. They will often receive information of a private or commercially-sensitive nature which is not yet public, or which perhaps would not be intended to be public. They must always respect and comply with the requirement to keep such information private. It is unacceptable to disclose any information to which they have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, they are requested to exercise their judgement as to what should or should not be made available to outside bodies or individuals. In any event, such information should never be used for the purpose of personal, commercial or financial gain, or used in such way as to bring Medical Research Scotland into disrepute.

Recommendations

All recommendations made by the Selection Panel are for consideration by the trustees of Medical Research Scotland who will use the information in their decision making process.

July 2011 (last reviewed March 2013)