**Summary of Board Roles and Responsibilities**

**1. Role and Responsibilities of the Board**

"Every company should be headed by an effective board which is collectively responsible for the long-term success of the company". "The board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enables risk to be assessed and managed" (The UK Corporate Governance Code. Sept 2014)

The role and responsibilities of the board are to:

* Determine the mission, strategic direction and aims
* Ensure that the organisation stays within the law, and in accordance with its constitution documents.
* Set the tone for the organisation by agreeing the values and ethics that drive culture, ensure that standards of behaviour throughout the organisation are in accordance with those, and lead by example
* Approve operational plans and budgets. Agree the risk appetite, monitor key risks, and ensure that risk is managed throughout the organisation
* Provide leadership, oversee the delivery of results, and ensure corrective action is taken when needed
* Develop and approve clearly defined financial management, control and expenditure policies and procedures for the purposes of ensuring transparent and authorised use of resources. This will necessarily include the setting of appropriate expenditure limits, which will be subject to periodic review
* Ensure that effective corporate governance arrangements are in place, and the board takes account of guidance from The UK Corporate Governance Code, and other appropriate sources of guidance
* Ensure that board members have the skills to understand and use financial and governance information they are asked to review. The board should enable this through appropriate recruitment, induction and development processes.
* Review and assess the effectiveness and impact of governance arrangements on an ongoing basis.
* Ensure that the organisation meets all of its statutory and legal requirements with regard to employment practices, equality obligations, and that staff are supported in fulfilling their roles by means of effective staff development processes.
* Ensure that effective audit takes place; approve the annual accounts prior to publication, and take on board any recommendations of the auditors.
* Select and remunerate the CEO, and ensure good management.
* Ensure that adequate finance is in place, and that productive relationships are maintained with shareholders and other key stakeholders.

**2. Role and Responsibilities of the Chair**

To provide support, direction and leadership to the board and chief executive, to ensure that the board is effective in overseeing both conformance and performance, the chair will:

* Lead the board, ensure it performs its role effectively, and chair board meetings
* Set the board's agenda, and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues
* Promote a culture of openness and debate; ensure engagement by all board members and constructive boardroom relationships
* Ensure that the directors receive accurate, timely and clear information
* Ensure that decisions are clearly and accurately recorded in the draft minutes, and that those minutes are approved by the board
* Support and challenge board members to fully develop the knowledge and understanding they need to fulfil their roles and responsibilities
* Ensure boardroom succession planning
* Lead regular reviews of board, committee and chief executive performance, and ensure that development processes are in place
* Ensure that the board receives professional advice when necessary
* Engage with shareholders and key stakeholders and ensure the board is kept informed of their views
* Liaise with the Chief Executive I Managing Director, on behalf of the board

**3. Role and Responsibilities of Each Individual Board Member**

Each board member has these responsibilities, and is accountable to the board for them:

* Be aware of the legal duties of directors, and ensure they are fulfilled
* Prepare for, attend, and contribute fully to board and committee meetings
* Undertake regular learning and development for the role
* Maintain respect for the confidential nature of issues designated as such by the chair at meetings
* Question appropriately, but share collective responsibility for board decisions
* Be well informed about the organisation's purpose, services and strategies, and its operating environment.
* Challenge and support colleagues appropriately, and maintain constructive relationships
* Undertake other functions as required (eg) selection panels, working groups
* Ensure balance is maintained between strategic and operational management
* Avoid even the appearance of a conflict of interest, and disclose any possible conflicts to the chair immediately

**4. Role and Responsibilities of the Chief Executive / Managing Director**

The Chief Executive / MD is accountable to the board for the following:

* Manage the development, implementation and review of the strategic plan, the annual business plan and budgets, and report clearly to the board on progress
* Liaise with the chair of the board, and ensure they are kept fully informed about strategic issues and key risks
* Lead the staff team; ensure that staff are managed effectively, and that the values set by the board guide behaviours
* Recommend appropriate corrective action in relation to slippage on agreed plans
* Advise the board on all strategic issues, and on the need for external advice; ensuring that the board is kept informed of performance issues and potential risks
* Ensure board decisions are implemented as agreed
* Ensure that adequate controls and risk management processes are in place
* Maintain effective relationships with board colleagues
* Ensure that meetings of the board and its committees have adequate support and receive all the information they need to fulfil their role
* Represent the organisation as agreed

**5. Role and Responsibilities of the Company Secretary**

Under the Companies Act 2006, all public companies are required to appoint a company secretary. Private companies are not required to appoint a company secretary (unless their Articles of Association require it), but they may do so. If no Company Secretary is appointed by a private company, the tasks which used to be their responsibility still need to be done. The law does not state explicitly what the role of the company secretary involves. In practice, their responsibilities are in 3 main areas:

* The board — practical support to the chair and other directors, ensuring that statutory and regulatory requirements are met for the conduct and running of board meetings, and that the board has access to the information it needs.
* The company - ensuring that statutory and regulatory requirements are met, eg filing statutory returns.
* The shareholders (members) — primary point of contact for them, maintaining register of members, paying dividends, issuing annual report and accounts, co-ordinating general meetings.

The company secretary is an officer of the company, which makes them liable, along with the directors, for breaches of the regulations imposed by the Companies Act. Some company secretaries are also directors (this is not permitted in companies with only one director).

A typical list of duties for the company secretary are:

* Co-ordinating and attending all meetings of the members and of the directors, drafting the agenda and agreeing it with the chair and CEO, collecting, organising and circulating papers for meetings, organising committees, and being the point of contact for non-executive directors (NEDs)
* Ensuring that the annual general meeting (AGM) follows the requirements of the Companies Act and the Articles of Association, and co-ordinating the administration of the AGM (private companies are not required to hold an AGM)
* The secretary is usually responsible for the minutes of meetings of the members and of the directors
* Ensuring that the requirements of the Articles are complied with, drafting any amendments, and ensuring correct procedures are followed for amending them.
* Ensuring compliance with the Companies Acts and other legislation
* Maintaining the register of members and directors
* Filing statutory returns and other documents with the Registrar of Companies
* Correspondence with shareholders — in listed companies, a quarterly cycle of announcements
* The company secretary must keep up to date with legal, statutory and regulatory requirements and best practice and be able to give impartial advice and support to the