

GOV1

Define the remit of a Governing Body



Overview

This standard is about what a Governing Body actually does. It is about defining its structure and the legal framework within which it operates as well as ensuring that its members have strong communication, negotiating and influencing skills when setting objectives for long term goals to reflect the vision and future direction of the organisation

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Performance criteria

You must be able to:

- P1 Determine the governance structure of the organisation
- P2 Identify decision making authority specifically reserved for the Governing Body
- P3 Make sure that a distinction is made between management and Governing Body meetings
- P4 Delegate authority to Governing Body committees and to managers for the development and implementation of selected strategies and plans
- P5 Determine and review regularly the authority of each individual Governing Body member and the allocation of authority within the Governing Body and between the Governing Body and management
- P6 Provide leadership to the organisation and make decisions that are in the best interests for the long-term success of the organisation and communicate these to appropriate stakeholders
- P7 Take actions based only upon the principles of transparency, accountability and responsibility
- P8 Establish and maintain the standards of behaviour and values of the Governing Body, managers and other workers and ensure that these are communicated to appropriate stakeholders
- P9 Put systems in place to ensure that the organisation is directed and managed with probity and integrity
- P10 Review the organisation's governance structure on a regular basis
- P11 Agree and review the organisation's governing documents relating to the governing body's tasks
- P12 Put in place systems to deal with **related party transactions**
- P13 Ensure that its members are properly informed with appropriate and timely information

Knowledge and understanding

You need to know and understand:

- K1 The distinction between the roles of governance and management
- K2 The basis of the decision-making authority of the Governing Body
- K3 The reasons for delegating authority to Governing Body committees and its implications for the organisation
- K4 The legal responsibilities and duties of Governing Body members
- K5 The scope of different duties undertaken by Governing Body members in particular roles
- K6 The value and benefit of reviewing authority structures
- K7 The nature and importance of the collective leadership of the organisation provided by the Governing Body
- K8 The duty of the Governing Body to promote the long-term success of the organisation
- K9 How to establish the standards of behaviour and values of the Governing Body, managers and other workers
- K10 How to put systems in place to ensure that the organisation is directed and managed with probity and integrity
- K11 Transparent and fair procedures for the governing body to deal with related party transactions

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Glossary

P12 Related party transactions (also appears in GOV4)

Related party transactions refer to transactions that are 'material' and are part of the notes to the accounts of transactions which the company has entered into with a related party.

Links to other NOS

Company Secretary CS1

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Relevant occupations 1000 Managers and Senior Officials
1112 Directors and chief executives of major organisations,
1114 Senior officials of special interest organisations
1131 Finance Managers and Chartered Secretaries
1135 Personnel, training and industrial relations managers
2000 Professional Occupations
2421 Chartered and certified accountants
2422 Management accountants
4000 Administrative and Secretarial Occupations
4214 Company Secretaries

Suite Governance

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