

Governance

National Occupational Standards

July 2010

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CFAGOV1

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

CFAGOV1

Define the remit of a Governing Body

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

CFAGOV1

Define the remit of a Governing Body



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.

Company Secretary CS1

Links to other NOS

CFAGOV1

Define the remit of a Governing Body

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity current

Status Original

Originating organisation Skills CFA

Original URN GOV1

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

Key words Governing Body, Governance structure, Governing Body decision making, Governing Body meetings, Governing Body committees, Governance strategy, Governance and Leadership, Governing Body stakeholders, Governing Body role and responsibility, collective leadership, related party transactions

CFAGOV2

Define the composition of the Governing Body



Overview

This standard is about ensuring that the membership of the Governing Body has the necessary balance in terms of size and expertise to meet the needs of the organisation

CFAGOV2

Define the composition of the Governing Body

Performance criteria

You must be able to:

- P1 Maintain the appropriate size and expertise of the Governing Body to govern the organisation
- P2 Maintain the composition and balance of the Governing Body with regard to its cohesion, independence and diversity
- P3 Establish rotation or succession plans for Governing Body members
- P4 Ensure that all Governing Body members are submitted for re-election at regular intervals
- P5 Have a process in place to review membership of the Governing Body
- P6 Take action to identify potential candidates for selection as Governing Body members
- P7 Ensure that board members and nominated potential members publish accurate biographical information to where appropriate

CFAGOV2

Define the composition of the Governing Body

Knowledge and understanding

You need to know and understand:

- K1 The factors that determine a Governing Body's size and composition
- K2 What the organisation's requirement is for cohesion, diversity and independence of its Governing Body members
- K3 How to devise and implement succession strategies
- K4 How to identify potential candidates for selection as Governing Body members
- K5 The range of processes that might be put in place to review membership of the Governing Body

CFAGOV2

Define the composition of the Governing Body



[Links to other NOS](#)

Company Secretary

CS1, CS3, CS4

CFAGOV3

Appoint and oversee Governing Body

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

Status Original

Originating organisation Skills CFA

Original URN GOV2

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
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- 4214 Company Secretaries

Suite Governance

Key words Governing Body composition, Governing Body succession, Governing Body selection, Governing Body succession strategy, Board members nomination, Governance processes

CFAGOV3

Appoint and oversee Governing Body



Overview

This standard is about the Governing Body appointing, determining the remuneration and monitoring the performance of Governing Body appointees (this includes the Governing Body and any post appointed by them including the executive team and the committees)

CFAGOV3

Appoint and oversee Governing Body

Performance criteria

You must be able to:

- P1 Ratify the appointment of posts reporting to the Governing Body
- P2 Agree, establish and maintain a remuneration system for Governing Body appointees
- P3 Establish succession plans for Governing Body appointees
- P4 Establish procedures to monitor, review and evaluate the performance of Governing Body appointees
- P5 Take decisions based on the outcomes of performance monitoring
- P6 Oversee implementation of decisions taken relating to Governing Body appointees
- P7 Obtain input from specialists where appropriate

CFAGOV3

Appoint and oversee Governing Body

Knowledge and understanding

You need to know and understand:

- K1 The responsibilities of Governing Body members associated with the appointment of posts that report to the Governing Body
- K2 Current best practice in recruitment and selection of Governing Body appointees as appropriate
- K3 Methods of remuneration systems and their appropriate use
- K4 The importance of succession planning
- K5 Methods of performance evaluation
- K6 The range of potential decisions that might be made as a result of performance monitoring and how to ensure that these are implemented in line with organisational policies and procedures
- K7 When the use of specialist input is appropriate

CFAGOV3

Appoint and oversee Governing Body



[Links to other NOS](#) CS1, CS3, CS4

CFAGOV3

Appoint and oversee Governing Body

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity current

Status Original

Originating organisation Skills CFA

Original URN GOV3

Relevant occupations

- 1000 Managers and Senior Officials
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- 4214 Company Secretaries

Suite Governance

Key words Governing Body, Governing Body appointees, decision making, Governance best practice, succession planning, performance evaluation

CFAGOV4

Organise Governing Body Meetings



Overview

This standard is about taking responsibility in the organisation of Governing Body meetings and what must be done before, during and after Governing Body meetings. The process requires communication skills, establishing clear objectives and understanding the decision making process.

CFAGOV4

Organise Governing Body Meetings

Performance criteria

You must be able to:

- P1 Determine a schedule of Governing Body meetings, their frequency and duration and agree the notice that will be provided to its members
- P2 Provide input to the meeting agenda
- P3 Read the meeting papers in advance and prepare for the meeting
- P4 Ensure that members have sufficient access to the advice and services of the Company Secretary, and independent professional advisers and people internal to the organisation, to discharge their responsibilities at the organisation's expense
- P5 Ensure that the meeting has a **quorum**
- P6 Approve minutes of previous meetings
- P7 Take into account all relevant information in decision-making processes, considering options where appropriate
- P8 Ensure that any **related party transactions** are dealt with in a fair and transparent manner
- P9 Challenge the assumptions made in the meeting papers where appropriate
- P10 Make informed and transparent decisions
- P11 Consider the impact of Governing Body decisions on stakeholders
- P12 Ensure that decisions, actions and responsibilities are minuted, stating clear criteria and rationale
- P13 Establish how decisions made by the Governing Body will be disseminated
- P14 Receive and review reports, both from Governing Body committees and from senior executive management
- P15 Review and ratify policies as required by the remit of the Governing Body
- P16 Ensure minutes of the meeting are circulated in line with Governing Body policy

CFAGOV4

Organise Governing Body Meetings

Knowledge and understanding

You need to know and understand:

- K1 The content of an annual calendar of meetings
- K2 The process of generating meeting agendas and papers and their format and content
- K3 How to prepare for Governing Body meetings and the circumstances in which it is appropriate to seek clarification in advance of the meeting
- K4 Governing Body members' rights to access the Company Secretary and independent professional advisors where appropriate
- K5 Governing Body procedures relevant to meetings
- K6 How to evaluate and challenge assumptions within proposals and make appropriate decisions
- K7 The law relating to meetings
- K8 Best practice in minute taking

CFAGOV4

Organise Governing Body Meetings

Links to other NOS

Company Secretary NOS
CS1, CS4

Glossary

P5 Quorum:

The minimal number of officers and members of a committee or organization, usually a majority, who must be present for valid transaction of business.

P8 Related party transactions

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.

CFAGOV5

Monitor the performance of the Governing Body

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

Status Original

Originating organisation Skills CFA

Original URN GOV4

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

Key words Governing Body meetings, Governing Body committees, senior executive management, decision making, Company Secretary, annual calendar of meetings, meeting quorum, related party transactions, Governing Body stakeholders, stakeholder impact, minute taking, Governance policies, Governance strategies, Governing Body remit

CFAGOV5

Monitor the performance of the Governing Body



Overview

This standard is about why and how the Governing Body's performance should be monitored and the ways in which improved performance can be achieved.

CFAGOV5

Monitor the performance of the Governing Body

Performance criteria

You must be able to:

- P1 Agree procedures and determine criteria to review the performance of the Governing Body
- P2 Put procedures in place to meet the development needs of the Governing Body
- P3 Ensure that the performance of the Governing Body is monitored against agreed criteria
- P4 Issue and implement a Governing Body development plan based on the results of the evaluation

CFAGOV5

Monitor the performance of the Governing Body

Knowledge and understanding

You need to know and understand:

- K1 The value and benefit of board evaluation
- K2 How to establish procedures to seek continuous improvement in Governing Body performance
- K3 How to evaluate the effectiveness of members of the Governing Body, both as part of a team and individually
- K4 Training and development procedures for Governing Body members
- K5 How to work with independent consultants to set and meet objectives for the continuous improvement of the Governing Body
- K6 How to produce and implement a Governing Body development plan

CFAGOV5

Monitor the performance of the Governing Body



[Links to other
NOS](#)

Company Secretary NOS CS1

CFAGOV5

Monitor the performance of the Governing Body

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

Status Original

Originating organisation Skills CFA

Original URN GOV5

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

Key words Governing Body performance, Governing Body development plan, Governing Body performance criteria

CFAGOV6

Determine and review the organisation's purpose vision and values



Overview

This standard is about the Governing Body determining the organisation's purpose, vision and values and the importance of keeping these under review.

CFAGOV6

Determine and review the organisation's purpose vision and values

Performance criteria

You must be able to:

- P1 Define the organisation's purpose to ensure its success
- P2 Define the organisation's vision to set the future direction for the organisation
- P3 Define how the organisation **creates value**
- P4 Determine how the organisation's resources should be used to generate value for the organisation and its stakeholders.
- P5 Define the organisation's values to reflect its purpose and vision
- P6 Where appropriate, encourage internal and external stakeholders to contribute to the formulation of the organisation's purpose, vision and values
- P7 Oversee the dissemination of the organisation's purpose, vision and values
- P8 Champion the organisation's purpose, vision and values
- P9 Determine how the organisation will build on its stated purpose to set the pace for its current operations and future development
- P10 Determine how the organisation will build on its stated vision to set the strategy
- P11 Determine how the organisation will build on its values to promote its desired culture and ethos
- P12 Establish a system to regularly review the organisation's purpose, vision and values

CFAGOV6

Determine and review the organisation's purpose vision and values

Knowledge and understanding

You need to know and understand:

- K1 The nature and importance of an organisation's purpose, vision and values in ensuring success
- K2 Why the purpose, vision and values need to be embedded and communicated clearly throughout the organisation
- K3 How the organisation **creates value** and determines how it's resources should be used to provide value for the organisation and its stakeholders
- K4 How key internal and external stakeholders can influence the purpose, vision and values
- K5 Methods through which stakeholders can contribute to the formulation of an organisation's purpose, vision and values and their appropriate use
- K6 Why Governing Body members must champion the purpose, vision and values throughout the organisation
- K7 Why values should promote equality, diversity and ethical behaviour throughout the organisation
- K8 How to review the organisation's purpose, vision and values and take action based on the outcomes
- K9 The ways in which the culture set by the board affects the operation of the organisation.

CFAGOV6

Determine and review the organisation's purpose
vision and values



Glossary

K3 Creating Value: Value creation models

In this context, the Governing Body must create value for the employees of the organisation in order to motivate and enable them to create value for the organisation's products and services. Value for employees includes being treated respectfully and being involved in decision-making.

Links to other NOS

Company Secretary
CS5

CFAGOV6

Determine and review the organisation's purpose vision and values

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

Status Original

Originating organisation Skills CFA

Original URN GOV6

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

Key words Value creation, value generating, stakeholders, organisational values purpose and vision, organisational culture and ethos, ethical behaviour, equality and diversity

CFAGOV7

Determine the organisation's strategy and its approach to risk



Overview

This standard is about the Governing Body determining the organisation's strategy and the criteria against which the strategy will be evaluated and success measured. It includes the creation of value for the organisation, identifying, analysing and quantifying potential risks and how to manage the impact of change to the organisation and its stakeholders.

CFAGOV7

Determine the organisation's strategy and its approach to risk

Performance criteria

You must be able to:

- P1 Evaluate and select strategic options in line with the organisation's purpose, vision, values and goals
- P2 Determine the nature and extent of the significant **risks the organisation is willing to take** in achieving its strategic objectives
- P3 Determine the **'tone at the top'** in relation to risk
- P4 Oversee the identification, prioritisation and review of internal and external strengths, weaknesses, opportunities and threats, challenging assumptions as appropriate
- P5 Oversee the identification and evaluation of any potential risks to future opportunities and threats
- P6 Consider the impact of changes upon the environment and key stakeholders of the organisation
- P7 Obtain input from specialists, where appropriate
- P8 Ensure that adequate resources are available to implement the strategy
- P9 Determine the criteria against which the strategy will be evaluated and success measured
- P10 Put in place systems to ensure that the strategy is monitored

CFAGOV7

Determine the organisation's strategy and its approach to risk

Knowledge and understanding

You need to know and understand:

- K1 How to select strategic options in line with the organisation's purpose, vision, values and goals
- K2 How to assess **risk levels** that are appropriate for the organisation
- K3 How to evaluate information and challenge assumptions contained within the review of internal and external strengths, weaknesses, opportunities and threats
- K4 Techniques and attitudes towards identifying, analysing, evaluating, transferring, modifying and reducing risks
- K5 When the use of specialist input is appropriate
- K6 The importance of ensuring that adequate resources are available to implement the strategy
- K7 How to determine criteria against which the strategy will be evaluated and success measured
- K8 Systems to monitor the implementation of the strategy

CFAGOV7

Determine the organisation's strategy and its approach to risk



Glossary

P2... risk levels the organisation is willing to take ...

K2 ... risk levels

P2/K2 relate to the Risk Appetite of an organisation. It is the amount of risk exposure or the potential adverse impact from an event that the organisation is willing to take.

P3 Tone at the Top

Tone at the Top sets the culture of the organisation and the risk appetite the organisation is willing to take. It refers to how an organisation's leadership creates an ethical work environment and its trickle-down effect on employees to uphold ethics and integrity across the organisation.

Links to other NOS

CS1, CS2, CS3, CS4, CS5

CFAGOV7

Determine the organisation's strategy and its approach to risk

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

Status Original

Originating organisation Skills CFA

Original URN GOV7

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

Key words Strategy options, Implementing Strategies, Risk assessment, measuring success, tone at the top, managing change, impact of change,

CFAGOV8

Ensure the organisation's structure, resource allocation and remuneration systems align with its strategy



Overview

This standard is about the Governing Body's responsibility and accountability for achieving strategic objectives, ensuring that systems are in place and that they align with the organisation's strategy. It is about negotiation and influencing, setting goals and making sound judgements and decisions.

CFAGOV8

Ensure the organisation's structure, resource allocation and remuneration systems align with its strategy



Performance criteria

You must be able to:

- P1 Determine and agree a structure for the organisation to meet the needs of its strategy
- P2 Ensure the application of clear lines of responsibility and accountability throughout the organisation
- P3 Agree the allocation of resources to ensure the organisation has the capability to achieve its strategic objectives
- P4 Ensure remuneration and incentives are aligned to strategy
- P5 Put systems in place to monitor and evaluate the structure and oversee the implementation of improvements

CFAGOV8

Ensure the organisation's structure, resource allocation and remuneration systems align with its strategy



Knowledge and understanding

You need to know and understand:

- K1 The range of potential organisational structures to meet requirements
- K2 The differences between responsibility and accountability and the techniques for setting clear lines of responsibility and accountability throughout the organisation
- K3 Resource management systems
- K4 Monitor evaluate, remunerate and improve

CFAGOV8

Ensure the organisation's structure, resource allocation and remuneration systems align with its strategy



[Links to other
NOS](#)

Company Secretary
NOS CS1, CS5

CFAGOV8

Ensure the organisation's structure, resource allocation and remuneration systems align with its strategy



Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

Status Original

Originating organisation Skills CFA

Original URN GOV8

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

Key words Organisational strategy, organisational structure requirements, resource allocation, management systems, strategic objectives, evaluating the structure, improving systems, monitoring systems, improving systems

CFAGOV9

Establish and seek assurance that internal control, management and compliance procedures are in place



Overview

This standard is about the importance of the Governing Body establishing effective internal control systems and seeking regular assurance that appropriate and proportional procedures for the management of risk and compliance are in place.

CFAGOV9

Establish and seek assurance that internal control, management and compliance procedures are in place

Performance criteria

You must be able to:

- P1 Establish systems of internal control and risk management to safeguard the rights of providers of capital and the organisation's assets
- P2 Ensure that appropriate performance risk indicators are used
- P3 Ensure that the system of internal control is effective in managing risk
- P4 Initiate and oversee regular review of internal control systems; including all financial, operational and compliance controls and risk management systems
- P5 Provide statements of assurance that appropriate internal controls, risk management and compliance systems are in place
- P6 Report on any reviews that have taken place and any action that has been taken
- P7 Obtain input from specialists where appropriate
- P8 Ensure risk is addressed appropriately by the Governing Body

CFAGOV9

Establish and seek assurance that internal control, management and compliance procedures are in place

Knowledge and understanding

You need to know and understand:

- K1 Legal and best practice responsibilities of the governing body concerning internal control and risk management
- K2 How to identify performance risk indicators to evaluate internal control and risk management
- K3 The appropriate risk management framework, policy and processes for the organisation
- K4 How to objectively verify the effectiveness of the internal control and risk management systems
- K5 How systems of internal control and risk management are designed to safeguard the rights of **providers of capital**
- K6 The reporting and disclosure requirements for internal control and risk management systems
- K7 How to exercise judgment in respect of risk information
- K8 When the use of specialist input is appropriate

CFAGOV9

Establish and seek assurance that internal control, management and compliance procedures are in place



Glossary

K3 risk management framework, policy and processes This section looks at the Governing Body's risk appetite

Risk appetite is the amount of risk exposure, or potential adverse impact from an event that the Governing Body is willing to accept or retain.

K5 providers of capital

Awaiting definition from Steering Group

Links to other NOS

Company Secretary
CS2

CFAGOV9

Establish and seek assurance that internal control, management and compliance procedures are in place



**Links to other
NOS**

Company Secretary NOS CS1, CS2

CFAGOV9

Establish and seek assurance that internal control, management and compliance procedures are in place

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

Status Original

Originating organisation Skills CFA

Original URN GOV9

Relevant occupations

- 1000 Managers and Senior Officials
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Suite Governance

Key words internal control systems, organisational assets, compliance controls, performance risk indicators, review control systems, statements of assurance

CFAGOV10

Comply with the organisation's legal responsibilities



Overview

This standard is about the Governing Body ensuring legal compliance i.e. what must be done to ensure the organisation complies with legislation.

CFAGOV10

Comply with the organisation's legal responsibilities

Performance criteria

You must be able to:

- P1 Ensure that the organisation and the Governing Body is working within UK, EU and other international law
- P2 Agree a system to monitor and review the legal policies and procedures and litigation position
- P3 Ensure that the impact of new UK, EU and other international legislation on the organisation and the Governing Body is reviewed and appropriate action taken
- P4 Obtain input from specialists where appropriate
- P5 Maintain appropriate communication and working relationships with UK, EU and other international regulatory and enforcement organisations, where relevant

CFAGOV10

Comply with the organisation's legal responsibilities

Knowledge and understanding

You need to know and understand:

- K1 The key UK, EU and other international legislation that applies to the organisation and Governing Body
- K2 The sources of information on the key UK, EU and other international legal responsibilities that apply to the organisation and Governing Body
- K3 The key UK, EU and other international legal responsibilities that apply to the organisation and Governing Body
- K4 When the use of specialist input is appropriate
- K5 Systems that might be used to monitor and review the legal policies and procedures and litigation position
- K6 The consequences of non-compliance with UK, EU and other international law for the organisation and Governing Body members
- K7 UK, EU and other international regulatory and enforcement organisations that are relevant to the organisation
- K8 How to maintain appropriate communication and working relationships with UK, EU and other international regulatory and enforcement organisations

CFAGOV10

Comply with the organisation's legal responsibilities

Links to other NOS

Company Secretary NOS
CS1, CS2, CS3, CS4, CS5

CFAGOV10

Comply with the organisation's legal responsibilities

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

Status Original

Originating organisation Skills CFA

Original URN GOV10

Relevant occupations 1000 Managers and Senior Officials
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2000 Professional Occupations
2421 Chartered and certified accountants
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4214 Company Secretaries

Suite Governance

Key words Governance, International Law, legal policies, legal procedures, litigation position, international regulatory and enforcement organisations, compliance, non compliance,

CFAGOV 11

Determine and review the organisation's ethical, social and environmental responsibilities



Overview

This standard is about the Governing Body determining the organisation's ethical, social and environmental responsibilities and keeping these under review. It is about the Governing Body setting company policies and procedures and what should be done in terms of best practice

CFAGOV 11

Determine and review the organisation's ethical, social and environmental responsibilities

Performance criteria

You must be able to:

- P1 Determine and agree the key ethical, social and environmental responsibilities that apply to the organisation
- P2 Ensure that the organisation's and the Governing Body's policies and procedures reflect its ethical, social and environmental responsibilities
- P3 Ensure the maintenance of a register of Governing Body members' interests
- P4 Encourage internal and external stakeholders to contribute to the formulation of the organisation's ethical, social and environmental policies and procedures
- P5 Champion the organisation's ethical, social and environmental policies and procedures
- P6 Agree a system to monitor and review the ethical, social and environmental policies and procedures
- P7 Determine the criteria against which the ethical, social and environmental policies and procedures will be evaluated and success measured
- P8 Ensure that the ethical, social and environmental policies and procedures are monitored and reviewed against the success criteria and agree appropriate revisions
- P9 Report to stakeholders on the impact of the organisation's ethical, social and environmental activities
- P10 Ensure that its members conduct themselves and behave in the best interests of the organisation

CFAGOV 11

Determine and review the organisation's ethical, social and environmental responsibilities

Knowledge and understanding

You need to know and understand:

- K1 The organisation's ethical, social and environmental responsibilities and the impact of these on the organisations, its stakeholders and the environment
- K2 Transparent and fair procedures for the Governing Body to deal with related party transactions
- K3 How to encourage contributions to the formulation of the organisation's ethical, social and environmental policies and procedures from internal and external stakeholders
- K4 Why the Governing Body members should champion the organisation's ethical, social and environmental policies and procedures
- K5 Systems that might be used to monitor and review the organisation's ethical, social and environmental policies and procedures
- K6 How to determine criteria against which the ethical, social and environmental policies and procedures will be evaluated, success measured and revisions made
- K7 The process used to report to stakeholders on ethical, social and environmental activities

CFAGOV 11

Determine and review the organisation's ethical, social and environmental responsibilities

Links to other NOS

Company Secretary

CS2

CFAGOV 11

Determine and review the organisation's ethical, social and environmental responsibilities

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

Status Original

Originating organisation Skills CFA

Original URN GOV11

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

Key words Governing Body policies, ethical, social and environmental responsibilities, Governing Body register, stakeholders, related party transactions

CFAGOV12

Manage relationships with stakeholders



Overview

This standard is about the Governing Body identifying key stakeholders, responding to their concerns, managing relationships with and between them and resolving conflicts when necessary.

CFAGOV12

Manage relationships with stakeholders

Performance criteria

You must be able to:

- P1 Identify internal and external stakeholders and their relationship with the organisation
- P2 Agree methods and criteria to manage relationships with stakeholders
- P3 Ensure channels of communication are set up with stakeholders
- P4 Generate support from stakeholders on key strategic issues
- P5 Ensure that the organisation responds effectively to significant issues and concerns involving stakeholders
- P6 Identify and resolve conflicts and disagreements between internal and external stakeholders
- P7 Encourage and enable the engagement of stakeholders to ensure the efficient exercise of its **stewardship** functions and governance responsibilities
- P8 Ensure that communications from the organisation are relevant, consistent, accurate, and cost-effective
- P9 Monitor and review relations with stakeholders
- P10 Ensure that robust procedures are embedded into the systems to manage communications at times of crisis as well as on a routine basis
- P11 Ensure information systems are capable of alerting the Governing Body to the possible risks and costs of mismanaged relations

CFAGOV12

Manage relationships with stakeholders

Knowledge and understanding

You need to know and understand:

- K1 How to identify internal and external stakeholders
- K2 How to evaluate stakeholder interests and their impact on organisations
- K3 Methods and criteria that can be used to manage relationships with stakeholders
- K4 Channels and methods of communication appropriate for use with stakeholders
- K5 How to generate support from stakeholders on key strategic issues
- K6 Methods of identifying, prioritising and responding to stakeholder issues and resolving conflicts where appropriate
- K7 Methods of encouraging and enabling engagement with stakeholders
- K8 How to enhance the quality of engagement between key stakeholders and organisations
- K9 Criteria for evaluating communications with stakeholders
- K10 Appropriate monitoring and evaluation systems
- K11 The risks and costs of mismanaged stakeholder relations

CFAGOV12

Manage relationships with stakeholders

Glossary

Stewardship

The UK Stewardship Code is based on the UK Corporate Governance Code which emphasises the value of a constructive dialogue between institutional shareholders and companies based on a 'mutual understanding of objectives' including the good practice on engagement with investee companies which it believes institutional shareholders should aspire to.

Links to other NOS

Company Secretary NOS
CS1, CS4, CS5

CFAGOV12

Manage relationships with stakeholders

Developed by Skills CFA

Version number 1.0

Date approved July 2011

Indicative review date July 2014

Validity Current

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- 2000 Professional Occupations
- 2421 Chartered and certified accountants
- 2422 Management accountants
- 4000 Administrative and Secretarial Occupations
- 4214 Company Secretaries

Suite Governance

Key words Governance responsibilities, Company Secretary, stakeholder engagement, stakeholder interests, managing relationships, stakeholder support, strategic key issues, resolve conflicts, stewardship, stakeholder relations

CFAGOV13

Provide information to user groups



Overview

This standard is about the Governing Body overseeing the organisation's disclosure, transparency and accountability. It also includes providing reports (e.g. AGMs, annual reports etc) and which methods of reporting are appropriate and legal (e.g. website). It also covers the identification of the potential users of organisation information and what type of company information is required.

CFAGOV13

Provide information to user groups

Performance criteria

You must be able to:

- P1 Identify the actual and potential groups of users of information concerning the organisation and how this information may be used
- P2 Determine the information required by actual and potential groups of users of information
- P3 Agree the information that will be disclosed to different audiences and the way in which it will be disseminated
- P4 Agree the information that will remain confidential
- P5 Oversee the production of the information and ensure that it is comprehensive, accurate and timely
- P6 Ensure that the organisation's reports are audited where appropriate

CFAGOV13

Provide information to user groups

Knowledge and understanding

You need to know and understand:

- K1 Actual and potential groups of users of information concerning the organisation
- K2 How information may be used by different user groups
- K3 Different types of financial and narrative information that can be required by actual and potential user groups
- K4 UK, EU and other international legislation and best practice with regard to the disclosure of information and confidentiality
- K5 The consequences of non-compliance with UK, EU and other international legislation and best practice with regard to the disclosure of information and confidentiality
- K6 Different ways in which information can be disseminated, including the Annual General Meeting, Annual Report, shareholder newsletters and correspondence and websites
- K7 The circumstances in which it is appropriate to use particular methods of dissemination
- K8 The legal requirements for information to be comprehensive and accurate and any deadlines associated with its production and dissemination
- K9 The circumstances in which an organisation's reports must be audited

CFAGOV13

Provide information to user groups



Links to other NOS

Company Secretary NOS
CS1, CS3, CS4, CS5

CFAGOV13

Provide information to user groups

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Version number 1.0

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Indicative review date July 2014

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4214 Company Secretaries

Suite Governance

Key words Information user groups, disclosure of information and confidentiality, disseminating information, Annual General Meeting, Annual report, shareholder newsletter, auditing