

Schedule of Matters Reserved for the CGIUKI Board and Scheme of Delegation

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1. Definitions

Associated Territory means a country where members live which was associated with the UK and Republic of Ireland as at 5 March 2014 and which is not part of another Division.

Byelaws means the byelaws of The Chartered Governance Institute.

Chief Executive means the Chief Executive of CGIUKI appointed by the CGIUKI Board.

Political donation means a donation made to any political party registered under the Political Parties, Elections and Referendums Act 2000 (PPERA) or to a political party which carries on, or proposes to carry on, activities 'for the purposes of or in connection with the participation of the party in any election or elections to public office. It also means a donation to an independent election candidate at any election to public office in the UK. A donation is defined in s50 of PERA and includes gifts of money or other property, any sponsorship (as defined in s51 of PERA), membership subscription or fee, payment of expenses and the provision of services, facilities or loans other than on commercial terms.

Regulation means those regulations made by the CGIUKI Board and approved by the Council and the members of CGIUKI at a general meeting.

CGIUKI Group means the 'The Chartered Governance Institute UK & Ireland' and its subsidiaries within the territory defined in the byelaws as CGIUKI.

2. Constitutional and governance structure

The CGIUKI Board is charged with the management of the Institute's affairs in the United Kingdom, the Republic of Ireland and the Associated Territories, Crown Dependencies and the Isle of Man (CGIUKI as defined in the byelaws). The CGIUKI Board is empowered under byelaw 62.11 to make regulations about its own composition, procedure and business, which includes the power to set up committees. Its role is also described in the CGIUKI regulations, particularly regulation 25 which empowers the CGIUKI Board to appoint committees and determine their terms of reference and composition.

In practice the CGIUKI Board has chosen to exercise its management responsibility through a series of standing committees, which are reviewed from time to time. Each of the standing committees is required to report back to the CGIUKI Board on its activity and make recommendations when required to assist the CGIUKI Board to exercise its management of the division.

In addition to the list of matters reserved, there exists a Scheme of Delegation setting out the authority limits of the Chief Executive and Executive Directors to carry out operational matters and expressed in terms of financial limits. A copy of the Scheme of Delegation is attached to this document as Appendix A. The remaining matters reserved for the CGIUKI Board are described in the following Schedule.

Schedule of Matters Reserved

These are matters which the CGIUKI Board reserves to itself and does not delegate to any individual or committee. In addition, the CGIUKI Board has responsibility for ensuring compliance with any delegation instrument, declaration of trust and asset transfer agreement between the Council of The Chartered Governance Institute and the CGIUKI Board.

1. Strategy and Oversight

- a. Responsibility for the overall leadership of CGIUKI, setting its vision, mission and values.
- b. Approval of CGIUKI's strategic aims, objectives and annual strategic and business plans.
- c. Approval of CGIUKI Group's annual operating and capital expenditure budgets and any material changes to them.
- d. Review of performance in the light of CGIUKI's strategic aims, objectives, plans and budgets and ensuring that any necessary corrective action is taken.
- e. Extension of the CGIUKI Group's activities into any new area of business or territory which is not an Associated Territory.
- f. Any decision to cease to operate all or any material part of the CGIUKI Group's business.
- g. Oversight of the discharge by the Chief Executive of the day to day business of the CGIUKI Group.

2. Structure and capital

- a. Major changes to the Group's corporate structure.
- b. Any acquisitions, mergers or disposals, or other corporate activity.

3. Financial matters

- a. Approval of borrowing in any way for the purposes of the Institute in CGIUKI up to the limit referred to in regulation 98.
- b. Approval of guarantees and security in any way over property, in connection with any borrowing allowed in regulation 98.
- c. Approval of the annual membership subscriptions or any changes that relates to it.
- d. Approval of the annual report and audited accounts of CGIUKI Group.
- e. Approval and changes to the CGIUKI Investment Strategy.

4. Internal controls and risk management

Ensuring maintenance of a sound system of internal control and risk management including:

- a. Approving CGIUKI's Risk Management Methodology
- b. Receiving reports annually on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives.
- c. The making of any charitable or political donation or the incurring of political expenditure.
- d. Approving an appropriate statement for inclusion in the annual report.

5. CGIUKI Board membership and other appointments

- a. Changes to the structure, size and composition of the CGIUKI Board (Nomination Committee recommendation).
- b. Approval of the Letter of Undertaking for newly appointed CGIUKI Board members (Nomination and Remuneration Committee recommendation)
- c. Approval of role descriptions for Honorary Officers, CGIUKI Board members and the Chief Executive (Nomination and Remuneration Committee recommendation)
- d. Review of the electoral system and making of regulations for elections to the CGIUKI Board and elections of Divisional Representatives to the Council of The Chartered Governance Institute.
- e. Ensuring adequate succession planning for the CGIUKI Board so as to maintain an appropriate balance of skills and experience within the Board and for the Chief Executive (the Chief Executive will report on Senior Management Team succession to the Nomination and Remuneration Committee).
- f. Changes to the board composition of the subsidiaries (the Nomination and Remuneration Committee and the CEO to consider the board composition of the subsidiaries and any changes to be recommended to the CGIUKI Board for approval).
- g. Appointment of the CGIUKI President and Vice-Presidents. (Nomination and Remuneration Committee recommendation).
- h. Appointment or removal of the Chief Executive (Nomination and Remuneration Committee recommendation).
- i. Co-option of eligible members to the CGIUKI Board.
- j. Termination of CGIUKI Board membership in accordance with regulation 19 (c).
- k. Appointment of standing committee Chairs and members (Nomination and Remuneration Committee recommendation).
- l. Appointment of members of disciplinary bodies established by byelaw 21.1 (referred to the Council for final decision).

- m. Appointment, reappointment or removal of the external auditor to be put to members for approval at a general meeting (Audit & Risk Committee recommendation).
- n. Appointment of the investment advisers and investment manager(s) (Investment Committee recommendation).

6. Delegation of authority

- a. Approval of the division of responsibilities between the CGIUKI President and the Chief Executive, which should be clearly established, set out in writing and agreed by the CGIUKI Board.
- b. Approval of the Scheme of Delegation.
- c. Approval of this Schedule of Matters Reserved.
- d. Setting up standing committees and other groups which are established to support the work of CGIUKI Board and approval of their terms of reference.
- e. Receiving reports from standing committees on their activities.

7. Governance

- a. Undertaking (or arranging for) an evaluation of its own performance and that of its standing committees periodically.
- b. Authorising conflicts of interest where permitted by the byelaws or the CGIUKI regulations.
- c. Authorising payments where required under regulations 94 and 96.
- d. Receiving reports on members' views.

8. Policies and Codes

Any which the CGIUKI Board should approve, including but not limited to:

- a. Code of Professional Ethics and Conduct for Members, Graduates and Students
- b. Code of Conduct for Volunteers
- c. Whistleblowing policy
- d. Reserves Policy (Audit & Risk Committee recommendation)
- e. Policy for the treatment of unidentified receipts (Audit & Risk Committee recommendation)
- f. Policy for validation of supplier bank details (Audit & Risk Committee recommendation)
- g. Expenses Policy for staff (Audit & Risk Committee recommendation)
- h. Travel and Expenses Policy for Volunteers (Audit & Risk Committee recommendation)

9. General Meetings

- a. Calling all CGIUKI general meetings, requisitioned or otherwise, and approval of the form of notice and proxy.

- b. Calling of a general meeting in the event that there are proposed amendments to or revocation of, byelaws 26.7, 61.2, 61.7, 61.8, 62.1 to be conducted in accordance with the byelaws applying to general meetings (not including byelaw 29).

10. Other

- a. Approval of the use of the seal in certain circumstances as required in byelaw 82.4
- b. Approval of the overall insurance levels for the CGIUKI Group including directors' & officers' liability insurance.
- c. Approval of major changes to the rules of the Institute's defined benefit pension and assurance scheme and approval of changes of trustees
- d. Approval of the appointment of Institute nominated trustees to the Chartered Secretaries Charitable Trust (Nomination and Remuneration Committee recommendation)
- e. Initiation or settlement of formal litigation or an alternative dispute resolution mechanism which may give rise to fees of more than £30,000.
- f. Any decision likely to have a material impact on the CGIUKI Group from any perspective, including, but not limited to, strategic, reputational, financial or operational.

Matters which the board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the CGIUKI Board will receive reports and recommendations from time to time on any matter which it considers significant to CGIUKI.

SCHEME OF DELEGATION

1. Definitions

Approved Business Plan means the business plan which sets out the budget, and strategic aims and objectives of the Institute for each year ahead which has been approved by the CGIUKI Board.

Approved Budget Holder means any person delegated by the Chief Executive to manage a budget.

Byelaws means the byelaws of The Chartered Governance Institute.

Bank means Lloyds Bank plc.

Contingent Payment means any payment which depends upon specified criteria being met, such as bonuses and commission paid in part or in full to employees.

Chief Executive means the Chief Executive of CGIUKI appointed by the CGIUKI Board.

Executive Director means any one of: the Chief Executive, Finance Director, Commercial Director, and the Policy & Research Director.

Institute means The Chartered Governance Institute.

Regulation means those regulations made by the CGIUKI Board and approved by the Council and the members of CGIUKI at a general meeting.

CGIUKI means the UK, Republic of Ireland and Associated Territories, Channel Islands and Isle of Man as defined in the byelaws.

CGIUKI Board as defined in CGIUKI regulation 1.1 is the Divisional Committee set up by the Council to run the Institute's affairs within CGIUKI and with responsibility for the assets, liabilities, income and expenditure of the Institute within CGIUKI.

2. Management and Reporting

- (a) The operational management of CGIUKI is vested in the Chief Executive.
- (b) The Chief Executive must present annually for approval by the CGIUKI Board, a business plan, which sets out the budget, and strategic aims and objectives for the year ahead.
- (c) Each Executive Director must, at least annually, provide to the Finance Director a list of Approved Budget Holders, and their delegated signatories if any, for their respective departments.
- (d) Proposed changes to delegated signatories must be authorised by the Finance Director.

3. Delegated Authorities

- (a) The CGIUKI Chief Executive is hereby nominated to act as a special director of any company in which the Institute has a beneficial interest (whether direct or indirect) and whose Articles of Association provide for it. If the Articles do not authorise the Institute to appoint a special director but do authorise the Institute to appoint a director, the CGIUKI Chief Executive is hereby nominated to act as a director of that company.
- (b) Where the Articles of Association of a company confer power upon the Institute, the CGIUKI Chief Executive may, at his/her sole discretion, exercise all such powers unless those powers conflict with those contained in the Schedule of Matters Reserved.
- (c) All expenditure must be made and approved in accordance with the Approved Business Plan and with this Scheme of Delegation.

4. Restrictions

Irrespective of whether the cost is budgeted, no litigation is to be commenced without the express consent, in writing, of the Chief Executive who will report as necessary in the first instance to the CGIUKI President in accordance with clause 10 in the Schedule of Matters Reserved.

5. Approval Limits

(a) Budgeted revenue and capital expenditure

The following approval limits apply to the individuals listed below for each item of **budgeted** expenditure wholly included within the Approved Business Plan in any single financial year:

Budgeted Expenditure Limits	
Approval Limit	Approval Required From
Any amount above £25,000	One of: Chief Executive Finance Director
£25,000	One Executive Director
£5,000	Approved Budget Holder

- The approval limits in this clause apply to expenditure that does not require the execution of a contract or other document.
- If the execution of a contract or other document is required, the approval limits set out in clause 7 apply.

(b) Unbudgeted revenue and capital expenditure

The following approval limits apply to the individuals listed below for each item of **unbudgeted** expenditure in any single financial year. This excludes planned expenditure necessary to be incurred/contracted before approval of the budget for the year in which the expenditure will be recognised. Such planned expenditure requires the approval of both the CEO and Finance Director and would include venue costs for conferences and similar significant events.

Unbudgeted Expenditure Limits	
Approval Limit / Annual Contract Value	Approval Required From
Over £75,000	CGIUKI Board
£75,000	Chief Executive + Finance Director
£10,000	Chief Executive or Finance Director

- No person or persons other than those authorised pursuant to clauses 5a) or 5b) may approve expenditure on behalf of the Institute.
- Authorities relating to the signing of contracts are set out in clause 7 below.

6. Staff Appointments, Remuneration and Expenses

- The Chief Executive, or in his/her absence the Finance Director, must approve in advance and in writing, any decision to recruit new permanent or fixed contract employees.
- The Executive Director responsible for the relevant department(s) must approve in advance, any expenditure on temporary staff. Unbudgeted expenditure on temporary staff must be approved in accordance with clause 5.
- The following individuals are authorised to approve the salary excluding bonus payments, of all employees including those on fixed term contracts, within the limits set out below:

Salary, Approval Limits	
Approval Limit at full time equivalent	Approval Required From
Over £100,000	Remuneration Committee
£100,000	Chief Executive

- Any contingent payment must be authorised in writing by the Chief Executive.

7. Commercial Contracts/Unbudgeted or Multi-Year Contracts

- A signed original copy of all contracts must be lodged with the Secretariat and should follow the process approved.
- The following individuals are authorised to sign budgeted contractual commitments falling wholly within the approved budget plan up to the limits set out below:

Budgeted Contract Approval Authorities	
Approval Limit	Approval Required From
Any amount above £25,000	One of: Chief Executive Finance Director
£25,000	One Executive Director
£5,000	Approved Budget Holder

(c) Any unbudgeted, or multi-year contractual commitments (extending past the present approved budget plan) are subject to the limits set out in clause 5(b).

8. Bank Mandates

Cheque Signing, BACS Payments and intercompany cash transfers operate in accordance with the approved bank mandates. Each bank mandates must be approved by the CGIUKI Board.

9. Review and amendment

(a) The CGIUKI Board will review the terms of this Scheme of Delegation with the Chief Executive and amend it as required.

(b) This Scheme of Delegation may be amended from time to time by ordinary resolution of the CGIUKI Board.

Signed Victoria Penrice

Date 17 November 2020

CGIUKI President