

**Statement of how the functions of the Board, Chair and CEO relate to each other and the boundaries between their respective roles and responsibilities**

1. The responsibilities and functions of the board of directors and the CEO respectively are set out in separate statements agreed by this credit union. These include reference to the boundaries of each role, but not explicitly how they operate together, which is the purpose of this statement.
2. **The strategic plan** (“the plan”) is the critical point of engagement between the directors and the CEO. Director communication with the CEO will be directly or indirectly related to the achievement of the plan.
  - a. The activities of the CEO are all directly or indirectly related to the delivery of the plan, including mitigation of risk.
  - b. The CEO has direct responsibility for implementation of the plan and all resources deployed to that end, within the budgetary and non-financial frameworks provided by the plan and board policy (e.g. delegated authorities).
  - c. Directors will not be involved in personnel matters unless relating to CEO performance management or succession. Alternatively, there may be a requirement for a director to hear a complaint, grievance or appeal that has gone beyond the CEO’s remit to address, in accordance with internal procedures (this reinforces the need for directors to maintain a distance from operational staffing matters).
  - d. Directors will restrict their oversight of credit union performance in relation to the plan through the CEO, unless the board and CEO have agreed alternatives in specific instances, e.g. through an Audit Committee. The CEO may subsequently advise or request that other members of staff respond to directors, but all contact regarding performance starts with the CEO. Similarly, directors will share first of all with the CEO, and not other staff or volunteers, any ideas or decisions that are appropriate to board discussion.
3. Directors may develop and maintain working relationships and friendships with staff and volunteers in the credit union other than the CEO, but business conversations will respect the role of the CEO as the prime point of responsibility and board contact for performance among the staff and volunteers.
4. **The chair** is the director with prime responsibility for liaison with the CEO outside board meetings.
  - a. The chair will always act as the voice of the board when providing counsel to the CEO outside board meetings.
  - b. The chair does not have authority to take decisions except insofar as consistent with board agreement or where explicitly directed.
  - c. The chair will be available to support and guide the CEO through advice and discussion at mutually agreed times between board meetings, including at least one substantive meeting opportunity each month (whether face-to-face or by phone).

## SAMPLE ROLES AND RESPONSIBILITIES STATEMENT

- d. A short record of discussion and action points will be agreed by the chair and CEO following these meetings, and circulated to other directors for transparency.
  - e. If the chair is not able to discharge the responsibility to support the CEO, she will ensure that an alternative, nominated and suitably informed board member is able to step in temporarily. If the chair is unable to perform this role on an enduring basis, the board will consider and implement alternative, sustainable arrangements. This could include the replacement of the chair, as the board recognises the need for the CEO to have access to the board in this way between meetings.
5. **The board meeting** is the forum where board, director and CEO roles and responsibilities intersect, where changes to the strategic plan and board policy can be made and decisions taken. There is no other authority than the board meeting for these actions, unless authorised by the board.
- a. Only decisions of the board acting as a body are binding on the CEO. Decisions or instructions from individual directors or committees are not binding, except in those cases where the board has given its specific delegation.
6. The directors of the board and the CEO, acting collaboratively and in the interests of the members, will **aim for excellence** in the application of this statement.
- a. The board will allow no individual director or the CEO to hinder the fulfilment of the requirements of this statement.
  - b. The board and CEO will review this statement and its effectiveness on a regular basis as defined by its governance policies.

This statement may be amended or rescinded at any time by action of the board at its sole discretion.