

### **3.11 Board of Directors**

The Companies Act 2014 (Revised November 2019) and all the previous statutes relating to same are the legal precedents and obligations that ICD Business School Limited must follow.

#### **3.11.1 Functions of the Board of Directors**

The key purpose of a board of directors is to ensure an organisation's prosperity by collectively directing the organisation's affairs while meeting the appropriate interests of its shareholders and other relevant stakeholders, and complying with all necessary legislation and regulation. High standards of governance, transparency and accountability are expected of all organisations (*Institute of Directors in Ireland*).

Members of the ICD Board of Directors are required to:

1. Act in good faith and in the best interests of the company as a whole (Companies Act 2014)
2. Act honestly and responsibly in relation to the company's affairs (Companies Act 2014)
3. Act in accordance with the company's constitution & exercise powers only for lawful purposes (Companies Act 2014)
4. Not to use company's property for their own or others personal gain unless approved by company's members or agreed in constitution (Companies Act 2014)
5. Not to fetter discretion unless permitted by the Company's constitution or entered into in the Company's interests (Companies Act 2014)
6. Avoid conflict of interest (Companies Act 2014)
7. Exercise due care, skill and diligence (Companies Act 2014)
8. Have regard to the interest of all the company' members (Companies Act 2014)
9. Act in good faith on a fully informed and ethical basis, with due diligence and care and in the best interest of the company, having due regard to its legal responsibilities and its strategic objectives.
10. Ensure ICD Business School, as a provider of tertiary education leading to awards of Quality and Qualifications Ireland (QQI), complies with the policies and procedures set down by QQI and the Qualifications and Quality Assurance (Education & Training) Act 2012.
11. Lead and direct the company's activities, delegating responsibility to the Management Team, Academic Council and the Governing Body as appropriate, but taking ultimate responsibility for the overall key functions at ICD Business School. These include, strategic planning, risk

management, annual budgets (financial, output, sales), performance management and allocation of finance to capital as well as revenue costs.

12. Ensure compliance with the Companies Act and the various tax acts.

### **3.11.2 Meetings**

The Board shall meet a minimum of 3 times annually, with ad-hoc meetings as required, to discharge properly their duties.

**Attendance requirements:** 100% attendance is required. Only extenuating circumstances (Bereavement, Illness) would be viewed as acceptable in relation to Non Attendance at a Board meeting.

### **3.11.3 Matters for Decision of the Board of Directors**

#### **Expenditure and Performance**

The Board is responsible for approving the annual budgets and annual expenditure. These costs are split between Revenue and Capital Expenditure. Both of these expenditures should be clearly mapped to the 5 Year Strategic Plan and any 'one off' issues should be fully explained and agreed before being signed off.

#### **Monitor and Manage Conflict of Interest**

The board will ensure it has systems in place to monitor and manage conflicts of interest. ICD Business School has identified four tiers of conflict that a Board member may encounter:

**Tier-I conflict** is an actual or potential conflict between a board member and the company.

**Tier-II conflicts** arise when a board member's duty of loyalty to stakeholders or the company is compromised.

**Tier-III conflict** emerges when the interests of stakeholder groups are not appropriately balanced or harmonised.

**Tier-IV conflicts** are those between a company and society and arise when a company acts in its own interests at the expense of society.

### **Monitoring Risk**

ICD Business School, as part of its Quality Assurance Policy has developed a Risk Register that identifies risks to the company and stakeholders. It is the duty of the Board to ensure that the Board is fully conversant with the risks associated with the company, the educational field and the internal control systems of ICD Business School and to monitor the effectiveness of these systems. It is the function of the Board to recommend any changes deemed necessary to these systems as they arise or are identified.

### **Appointment of External Service Providers**

The Board will decide on the appointment of external service providers, including:

1. Auditors to the Company: ICD Business School will have its accounts audited annually.
2. Legal Service Providers to the Company

#### **3.11.4 Membership**

ICD Business School's Board of Directors will numbers five persons, from 2020 onwards:

- a. Two executive directors (including the Managing Director)

- b. Three Independent Non Executive Directors (two of these appointees having expertise and experience outside of the field of education)

#### **Appointment to the Board:**

Executive and Non Executive Board appointments will be made with respect to the requirements of the company and with the following experience and skills requirements:

- 1. Independence of Non-Executive Board Members:** All Non-Executive Directors should be independent in terms of objectivity and in judgement in relation to the matters that they will be deciding on. These will include strategy, performance, key appointments and other issues that the Board may deal with.
- 2. Strategic decision-making skills and experience:** All Board members (Executive and Non-Executive Directors) should possess the appropriate skills and knowledge that will allow them to perform and discharge their duties in full, as a Board member. Board members should be qualified to make important and strategic decisions and be effective in relation to the delivery of ICD's educational courses and programmes

#### **Letter of Appointment**

A formal letter of appointment will be sent to all Board members upon appointment. This will include the standard information for a newly elected member listed below;

- Role of the Board member (Executive/ Non Executive)
- Terms of Reference
- Appointment terms
- Remuneration
- Conflict of Interest Statement
- Confidentiality

### **New Board Member Orientation Pack**

- A welcome letter
- Mission and vision statements
- Board by-laws/TOR
- Financial data
- Organizational strategic framework
- Committee job descriptions, chairs and secretaries
- Board documents
- Board member duties and responsibilities

### **Appointment Terms of Office**

**Non-executive directors** are appointed for a period of three years, with the possibility for reappointment up to a maximum total duration of nine years.

In exceptional circumstances a Board member may be asked to serve longer than the elected term so as to ensure that there is continuity on the Board and that all members do not resign simultaneously.

#### **3.11.5 The Roles and duties of the Board Members:**

Board members must:

1. Ensure that the company secretary is suitably qualified.
2. Acknowledge the existence of their duties by signing a declaration to that effect.
3. Take into account the interests of the members of the company and have regard to the interests of the employees.
4. Follow restrictions on loans, quasi loans, credit transactions and guarantees and security and approval procedures for same
5. Disclose any interests in contracts made by the company.
6. Notify the company of any interests in shares in the company, its parent or subsidiary but no obligation arises if the shares held represent less than 1% of the share capital of the company or the shares do not have voting rights.

### **Secretary to the Board:**

The Secretary:

1. Ensures the smooth and effective functioning of the Board and its Committees;
2. Ensures timely information flows between the Management Team and Board,
3. Facilitates, with other board members, the development, management and review of governance policies and procedures
4. Acts as a sounding board and advisor to the Chairperson, Board and Senior Management Team and Governing Body on governance matters. (Institute of Public Administration)
5. Ensures effective administration of the board and recording of its activities
6. Setting the agenda for meetings, in conjunction with the Chair, and the distributing same
7. Recording the contribution of individual directors
8. Must follow all statutory duties
9. Has a duty of disclosure
10. Has a duty to exercise due care, skill and diligence in performance of their role

### **Chairperson of the Board of Directors:**

The role of the Chairperson is primarily to guide the board in its task of setting and helping to implement the company's strategic policies.

The Chairperson is appointed from his/her fellow board members. The roles of Chair of the Board and Managing Director will not be exercised by the same person.

The Chairperson will work closely with the Managing Director in a 'bridge' role between the board and the Management Team.

At ICD Business School the role of Chairperson of the Board encompasses the following duties;

1. To act as the company's leading representative which will involve the presentation of the company's aims and policies to the outside world.
2. To chair board meetings.
3. The setting of meeting agendas in conjunction with the secretary;

4. Ensuring that the board receives accurate, timely and clear information
5. Ensuring all members of the board are involved in discussions and decision-making
6. At all meetings the chair should direct discussions towards the emergence of a consensus view and sum up discussions so that everyone understands what has been agreed.
7. To take a leading role in determining the composition and structure of the board, including reviewing the size of the board, its membership, and the balance between executive and non-executive directors
8. To ensure effective communication with shareholders and, where appropriate, other stakeholders.

#### **3.11.6 Self-Evaluation and Review**

The Board is charged with ensuring that corporate governance relating to the financial and business planning of the company is monitored and reviewed. Evaluation of the effectiveness of the internal controls operating within the organisation is an essential part of the duties of the Board. Members should be objective and willing to suggest and implement change where it is required, especially regarding governance practices. Part of the Boards remit is to implement a carry out Self-Assessment Report (SAR). This SAR will include;

- Overall Position
- Role of the Board
- Oversight Agreement
- Division of Responsibilities
- Board Effectiveness
- Codes of Conduct and Conflicts of Interest
- Business & Financial Reporting
- Risk Management Oversight
- Performance Oversight
- The Board's Relationship with Management

### **3.11.7 Annual Report**

The AGM is held annually in Q4 of the Financial Year (January-December). The Annual Report is presented at the AGM, having been circulated 30 business days before.

### **3.11.8 Board Relationship with Shareholders**

The Board of Directors will engage in a positive manner maintaining a satisfactory dialogue with all shareholders to achieve and maintain a mutual understanding of objectives. The Board will ensure that there is optimum communication with shareholders and will encourage their participation.

The Chair of the Board will ensure the Board of Directors are aware of shareholder views, issues, and concerns.