

DRAFT - Group Company Directors and Nominees - Guidelines

No	Action	Frequency	Risk Ref	Risk	Compliance Records
1	Nominated directors and board observers to undertake training fitting with their role and obligations. As a minimum each nominee will attend council provided training on the role of a director.	At least annually plus as reqd.	G-01	Nominated Directors do not have sufficient skills to fulfil their roles within a third party whilst also representing the Council's interests.	Register of training to be maintained by the individual appointee and by officers supporting the Group Company Governance Committee where such training is provided by the council. Directors and nominees to update central register on any company or privately provided/undertaken relevant training.
2	Directors will maintain a record of board meetings invited to and attended. Where appropriate, if a deputy attendee is nominated they will also maintain a record of attendance.	At least annually – depending on materiality (size, performance, risk)	G-02	Council nominated Directors fail to attend meetings	Record of attendance will be reported at least annually to the Group Company Governance Committee who will recommend continuation or replacement of nominee.
3	Board observers should not be part of the running of a company but should attend to view activity and answer/ask questions if invited to do so. Observers will undertake training including instruction on how the role of observer differs to that of director. Observers will maintain a record of board meetings invited to and attended. Where appropriate, if a deputy attendee is nominated they	At least annually – depending on materiality (size, performance, risk)	G-04	Observers at meetings act inappropriately	Training records will be maintained. Observers will be required to confirm that they have not taken on shadow-director roles during their appointment. A record of meeting attendance will be maintained.

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4	Directors and observers will report to the council (Legal Services) should they become aware of or concerned that the company is not operating within its Articles of Association.	As required	G-05	A company fails to operate within the terms of its Articles of Association	Training to directors and observers will include the powers that a company has to undertake certain activities and any constraints on those activities. Advice on these matters will be given by the council to directors and observers as requested. Shareholder actions will be recorded.
5	Directors and observers will report to the council (Legal Services) should they become aware of or concerned that the company does not have adequate controls to minimise the opportunity for fraud in place or should any fraud be reported to the board.	As required	G-06	The potential of a fraud taking place within a company	Larger companies will return a statement to the council on their approach to risk management and fraud. These returns will be made available to directors and observers. Training to directors and observers will include their role in reporting such matters. Advice on these matters will be given by the council to directors and observers as requested. Shareholder actions will be recorded.
6	Directors and Observers will inform the council (GCGC) of any changes to the senior management of group companies so that any potential implications can be assessed.	As required	G-13	Senior Managers within a company leave	A record of notices will be maintained and reported to GCGC as part of the regular update on group companies.
7	Directors and Observers are required to provide regular reports to the council (GCGC) should they become concerned or consider that	Bi-annual plus as required.	F-01	A company requires support from the Council to remain a going concern	Training for directors will provide knowledge of their responsibilities and the actions that they can take to gain assurance that performance is being

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	the position of the company may give rise to financial difficulty and/or insolvency. This will include identification of any fall off in trading performance and the ability to challenge reports and performance at an appropriate level.				<p>delivered to the necessary level to remain solvent or the recognition that mitigating actions should be put in place where there is a drop in performance.</p> <p>Regular monitoring reports will be requested from directors/observers (dependent upon materiality and frequency of board meetings)</p>
8	Company Directors should ensure that the ethos of the company includes the adherence to the 'Nolan' principles of public service. Any concerns over this should be reported to the council (GCGC)	As required	R-01	Company does not follow the principles of public service	<p>The 7 principles of public service were laid down in the report by Lord Nolan. Company directors and observers will be made aware through training that the companies that they support as directors should operate to the same level of integrity.</p> <p>Reports of non-adherence will be received by the GCGC who will consider actions taken by the director and whether any further shareholder response is appropriate.</p>
9	Council nominated directors and observers may be requested to attend GCGC alongside either programmed or requested attendance by the company.	As required	-	General risk management. Opportunity to meet with and question the directors/observers will contribute to overall risk assessment and oversight of the group companies.	Attendance at Committee.

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