

Appendix 1

Roles and Responsibilities of Management Board Directors

Literature Wales Directors are also the charity's Trustees and Members. There is some distinction between when Directors are acting as Members or as Directors/Trustees, as detailed below. This will be recorded appropriately in the minutes of Board meetings and any resolutions.

i. **Charity Member**

The areas of the Management Board's work conducted by the Directors as the charity's Members are as follows:

➔ **Management Board appointments**

These include:

- New Director appointments
- Director Service Term extensions
- Director removals
- Director retirements

Information concerning appointments, extensions, removals and retirements will be provided a minimum of 4 weeks before Management Board meetings. Appointments, extensions, removals and retirements will be subject to a majority vote by the Members at the Management Board meeting.

➔ **Amendments and revisions to governing documents**

Changes and revisions to the Literature Wales Articles of Association require a special resolution by the charity's Members. Approval of a special resolution requires agreement by 75% of the entire membership. As the Literature Wales Directors act as the charity's Members the approval of a special resolution requires agreement by 75% of the entire Management Board membership.

➔ **Transactions and Agreements between Literature Wales and its Management Board Directors, Employees, and Connected Persons**

Literature Wales may enter into agreements with Directors, Employees, and connected persons, for the provision of services and/or goods. Agreements of this kind must be assessed and approved by the charity's Members.

➔ **Disbursement of assets if Literature Wales was wound up.**

In the event of the charity's dissolution, the Members must ensure that all net assets are applied:

- directly for Literature Wales' Charitable Objects; or
- by transfer to any charity or charities for purposes similar to the Literature Wales Charitable Objects; or

- by transfer to any charity or charities for use for particular purposes that fall within the Literature Wales Charitable Objects.

ii. **Charity Directors or Trustees**

Management Board Directors are also the charity's Trustees, and are the group of individuals who have independent control over, and legal responsibility for, the charitable company's management and administration.

The Charity Commission guidance ([The Essential Trustee](#)) lists Trustee duties as follows:

- Ensure your charity is carrying out its purposes for the public benefit
- Comply with your charity's governing document and the law
- Act in your charity's best interests
- Manage your charity's resources responsibly
- Act with reasonable care and skill
- Ensure your charity is accountable

Directors must also fulfil the general duties of Directors as detailed in the Companies Act 2006 (section 170-177):

- The duty to act within their powers (in accordance with the company's constitution)
- The duty to promote the success of the company
- The duty to exercise independent judgement
- The duty to exercise reasonable care, skill and diligence
- The duty to avoid conflicts of interest
- The duty not to accept benefits from third parties
- The duty to declare interest in proposed transaction or arrangement

Specific responsibilities are as follows:

➤ **Legal & Financial**

Management Board Directors must:

- Ensure Literature Wales operates in accordance with Company and Charity law - this includes filing annual returns and financial statements with Companies House and the Charity Commission and the maintenance of Company Registers.
- Ensure Literature Wales complies with relevant Charity Commission and Companies House regulations and the Charity Governance Code.
- Exercise financial overview and control; scrutinise quarterly financial statements; discuss and agree annual budgets and, if appropriate, assist with funding applications.
- Ensure Literature Wales keeps proper financial records and produces annual, audited accounts.
- Ensure payment of all due taxes to HMRC.

- Ensure Literature Wales’ assets are safeguarded and well managed.

➔ **Employment and HR**

The Literature Wales Management Board is responsible for the organisation’s employment and HR. This responsibility includes:

- Development and management of employment policies - including equal opportunities, recruitment, salary, grievance and disciplinary, appraisal, short- and long- term absence, expenses and training.
- Oversight of senior staff recruitment, staff contracts, and any decisions relating to dismissal or non-renewal of employment contracts.
- Line management of the Chief Executive.

➔ **Advocacy and Communication**

Management Board Directors act as champions and ambassadors for Literature Wales. This includes:

- Promotion of Literature Wales within the public, private and third sectors to enhance the organisation’s profile and fund-raising activity.
- Act as an enthusiastic champion and ambassador for Literature Wales at all times.
- Attend Literature Wales and partner events as champion and ambassador.
- Provide information and expertise that may be of assistance to Literature Wales.

All Directors are advised to read the following documents on the role and responsibilities of a Trustee:

- ➔ Literature Wales’ **Matters reserved for the Board and Responsibilities of the Chief Executive** and **Management Board Schedule of Delegations** gives more detail on the specific responsibilities of the Board.
- ➔ The Charity Commission’s *Essential Trustee* provides an excellent overview of the responsibilities and duties of charity trustees. It can be viewed [here](#).
- ➔ The *Charity Governance Code* sets out best practice and recommended principles for governance. It can be viewed [here](#).
- ➔ The guidance document, *Charity Governance, Finance and Resilience: 15 questions trustees should ask* (available [here](#)), provides useful advice on the role of Directors.
- ➔ For comprehensive details of the roles, responsibilities and powers, Directors should refer to the [Charities Act 2011](#), the [Trustee Act 2000](#) and the [Companies Act 2006](#).