Governance foundations and building the right organisational structure

Learn practical tools and frameworks to establish governance structures that enhance transparency, accountability, and sustainable growth for your organisation.

Module Objectives

- **Understand the fundamentals of corporate governance and its relevance for organisations.**
- **Recognise the benefits of good governance practices and the risks of poor governance.**
- **Implement effective governance structures and policies that promote accountability and long-term growth.**
- **Define clear roles and responsibilities for shareholders, management, and board members.**
- **Build and empower a board of directors that actively contributes to organisational success.**
- **Establish effective decision-making boundaries and productive board meeting processes.**

Key Features

- **Actionable Checklists**
- **Customisable Templates**
- **Quiz**



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What is governance?

Governance is the system of rules, processes, and practices directing and controlling an organisation, ensuring accountability. It's effectively your organisation's "operating system."

Why governance matters for your organisation



Better decisions

Clear rules lead to faster, more consistent decision-making.



Problem prevention

Identify and mitigate financial and legal risks early.



Building trust

Transparency fosters confidence among all stakeholders.



Foundation for growth

Solid systems simplify scaling and expansion.



Attracting investment

Strong governance signals a serious, strategic, and successful organisation to investors.



Retaining talent

Fair rules and consistent decisions foster employee respect and loyalty.

Core principles of good governance



Transparency

Clear visibility into operations and decision-making builds trust and prevents misunderstandings.



Stewardship

Prioritising long-term value for all stakeholders ensures future prosperity and resilience.



Accountability

Clear roles and responsibilities improve risk management and ensure efficient operations.



Integrity

Upholding ethical standards and professional conduct protects reputation and establishes trust.

The cost of poor governance

Strong governance isn't just a bureaucratic task; it's a strategic advantage for organisations in today's environment. It builds the foundation for trust, resilience, responsible growth and long-term success.

Financial Losses

Weak controls lead to fraud, waste and missed funding opportunities.

Reputational Damage

Unethical behaviour quickly erodes stakeholder trust and damages your brand.

Legal and Regulatory Risks

Compliance failures can lead to fines or loss of operating licence.

Organisational Failure

Ongoing governance failures can snowball into insolvency.

Governance evolution in organisations

Organisational growth necessitates evolving governance. What works in a start-up may no longer be enough as you scale operations, bring in investors, or manage a larger team. This evolution reflects the journey from early-stage survival to long-term sustainability, with governance structures adapting to your growing organisation needs.

Start-up/early stage

Focus: survival, validation, and control

Characteristics:

- Founder-led, informal set-up
- Limited staff and basic operations
- Minimal compliance requirements

Governance practices:

- Centralised, informal decision-making
- Simple accounting software
- Basic tax registration

Key goal: build financial discipline and validate organisation model

Growth/scaling stage

Focus: expansion and investment readiness

Characteristics:

- Growing team
- Formal incorporation
- Preparing for funding

Governance practices:

- Defined roles and organisation chart
- Accounting software and internal controls
- Written policies and advisory board

Key goal: build systems and become investor-ready

Mature/established stage

Focus: strategic optimisation and sustainability

Characteristics:

- Strong market presence
- Multi-team operations
- Investor visibility

Governance practices:

- Formal board structure
- Strong internal controls
- Risk management and succession Planning

Key goal: institutionalise governance to attract large-scale capital

Setting up the right organisational structure

Your organisational structure should always be:

Fit-for-purpose

Tailored to your current sie and stage of development.

Flexible

Adapts as your organisation changes and grows.

Growth-ready

Scales effectively to support future expansion.

Key elements of strong organisational governance

These elements are fundamentally important, regardless of your organisation's stage:

Leadership roles

Clearly defined responsibilities for owners, managers, and advisers.

Decision framework

Clear process for how major organisation decisions are made.

Internal controls

Basic checks to manage cash, payments, and compliance.

Policies and procedures

Written guidelines for finance, HR, and operations.

Building your organisation structure: A guide for every stage

Stage 1: Start-up / Early Stage

Focus on foundations

- Define key roles and key performance indicators
- Founder-led decisions for speed
- Basic compliance on tax and record-keeping

Stage 2: Growth / Scaling Stage

Formalise for expansion and funding

- Organisational chart and clear reporting lines
- Clear decision authority
- Form advisory board
- Create core policies and procedures
- Basic internal controls

Stage 3: Mature / Established Stage

Optimise and institutionalise for longevity

- Continuously adapt structure
- Form a formal board
- Strengthen internal controls with robust risk management
- Succession planning

Download your detailed step-by-step organisation structure set up guide

How a dedicated finance function empowers your organisation

As your organisation grows, a dedicated finance function or department provides vital control and focus for growth.

Financial Control

Clear visibility of income/expenses prevents cash shortages and disruptions.

Budgeting & Planning

Accurate forecasts enable strategic decisions, preventing uncontrolled spending.

Regulatory Compliance

Accurate reporting ensures tax/legal compliance, avoiding penalties.

Strategic Growth

Data-backed decisions and improved investor access drive growth.

Risk & Fraud Prevention

Controls protect assets, reducing vulnerability to fraud.

Profitability & Cost Control

Performance tracking improves margins, preventing undetected losses.

Debt & Credit Management

Strong lender/supplier relations prevent denied loans and strained relations.

Without proper financial structures, you risk missed opportunities and poor decisions.

What a basic finance function should include



Bookkeeping & Record-keeping

Maintain accurate income/expense records, perform bank reconciliations, and utilise accounting software.

Why: Essential for sound decisions, successful audits, and investor readiness.



Budgeting & Forecasting

Prepare goal-aligned budgets, create cash flow forecasts, and review performance regularly.

Why: Enables planning, spending control, and effective financial risk management.



Financial Reporting & Compliance

Generate Profit and Loss, balance sheets, cash flow statements, ensure timely tax filings, and implement internal controls.

Why: Provides clarity on financial health, profitability, and ensures legal compliance.



Strategic Financial Analysis

Analyse pricing, costs, profit margins, assess Return on Investment for initiatives, and support funding proposals.

Why: Transforms finance into a strategic partner for organisational growth.

Milestones for scaling the finance function

	Startup / Early stage	Growth stage I	Growth stage II	Mature stage
Team & Expertise	A skilled bookkeeper or administrative staff (in-house or outsourced) handles day-to-day transactions.	A dedicated finance professional or small team focuses on financial management, analysis, and internal controls.	A senior finance professional or team leader manages complex financial operations and strategic planning, potentially with a team of specialists in tax and audit.	A CFO leads an integrated finance team with specialised roles, focusing on long-term strategy and investor relations.
Key Processes	Basic record-keeping, cash tracking, tax filing.	Budgeting, monthly reports, internal controls.	Departmental budgets, variance analysis, audit preparation.	Long-term strategy, risk management, investor reporting.
Tools & Systems	Basic accounting software.	Cloud accounting, payroll software.	Advanced software, financial dashboards.	ERP systems, integrated tools.
Outcomes	Visibility, accurate records, compliance.	Cost control, informed decisions, improved planning.	Strategic resource allocation, robust reporting, funding readiness.	Strong governance, institutionalised risk management, investor confidence.

Match your finance team capabilities to your current organisation stage, but always plan for the next level of growth.

Hiring the right people

1

Define a Clear Job Description

- Clearly outline duties and expected results.
- List essential skills, experience, and education.
- Determine a fair salary range.
- Identify hiring type (full-time, part-time, contract).

2

Attract Diverse Candidates

- Use diverse platforms (LinkedIn, agencies, referrals).
- Craft inclusive job advertisements, focusing on skills.
- Highlight company mission and values.

3

Effective Shortlisting

- Develop a standardised interview script.
- Assess skills, experience, and role understanding.
- Evaluate cultural fit for team integration.
- Limit interviews to 2-3 rounds.

4

Secure and Onboard

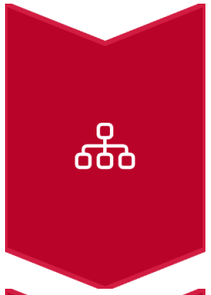
- Extend formal offer promptly.
- Prepare workplace with necessary tools and access.
- Assign mentors for guidance and support.
- Provide regular performance feedback.

Building the right team is crucial for effective governance and sustainable growth.

Download your detailed step-by-step guide to hiring the right people

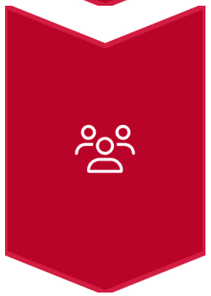
Take action!

Good governance isn't just for large corporations; it's essential for every organisation's sustainable growth and success. Start with these practical steps:



Map your structure

Create an organisational chart defining key roles and reporting lines. Establish clear decision-making authorities aligned with your current organisational stage.



Build your finance function

Start with essential bookkeeping and compliance tasks. Scale your finance team based on your growth milestones, from bookkeeper to a CFO with a dedicated finance department, as needed.

Remember: effective governance is a journey, not a destination. Start with the basics, be consistent, and evolve your financial practices as your organisation grows. The structures you build today will support better decisions, reduce risks, and create sustainable growth opportunities.

Organisation governance guide: roles, responsibilities and board structure



Define clear roles

Establish who does what in your business with defined governance structures that separate board and management responsibilities.



Build effective boards

Learn practical steps to set up and manage boards that provide real strategic value to your growing business.



Choose your path

Discover whether an advisory or statutory board better suits your current business stage and growth objectives.

This practical guide delivers actionable frameworks tailored specifically for organisation owners ready to strengthen their governance foundations.

Governance roles and responsibilities

Shareholders / Owners

Primary function: Provide capital and define strategic direction.

- Appoint directors.
- Approve major changes.
- Hold board accountable.

Board of Directors / Advisory Board

Primary function: Oversight, strategy, and performance monitoring.

- Approve strategy and budgets.
- Monitor executive performance.
- Oversee risk and compliance.

Non-Executive Director

Primary function: Lead board and ensure governance effectiveness.

- Chair meetings.
- Set board agenda.
- Facilitate board-management relations.

Managing Director / Chief Executive Officer

Primary function: Lead day-to-day operations and implement board strategy.

- Execute plans and lead staff.
- Report to the board.
- Ensure compliance.

Function Leads

Primary function: Manage functional departments.

- Supervise teams.
- Manage departmental budgets.
- Implement policies.

Company Secretary

Primary function: Support governance and compliance.

- Organise meetings.
- Keep statutory records.
- Ensure regulatory filings.

Board oversight versus management execution

Area of responsibility	Board of directors (Oversight)	Management (Execution)	Separation control
Strategic direction	Approves vision and strategy.	Develops/implements plans.	Board sets goals; management executes.
Financial oversight	Oversees reporting; approves budgets/audits.	Prepares financials; manages daily accounting.	Independent board oversight via audits.
Risk management	Sets risk appetite; oversees framework.	Identifies, assesses, and manages risks.	Risk owners cannot approve own controls.
Executive pay	Approves Chief Executive Officer/executive pay.	Recommends and implements staff pay.	Independent committee sets executive pay.
Governance policies	Approves major policies.	Implements, trains, monitors compliance.	Board sets policies; management monitors.
Major decisions	Approves investments, Mergers and Acquisitions, capital expenditures.	Conducts due diligence, negotiates, executes.	Clear Delegation of Authority policy.
Performance	Evaluates Chief Executive Officer against objectives.	Chief Executive Officer manages team performance.	Chief Executive Officer evaluated by board; performance cascades.

Choosing the right board for your organisation

As organisations grow, they need sound advice, strategic guidance, and effective oversight. Two board structures can provide these benefits:

Advisory board

What is it: A group of trusted experts offering non-binding strategic advice and connections.

Primary purpose: Acts as a sounding board; offers experienced insights; expands opportunities through networks.

Statutory board

What is it: A legally recognised body elected by shareholders with defined powers under company law.

Primary purpose: Governs the company; sets strategic direction; ensures legal compliance; oversees executive management.

Similarities between an advisory board and a statutory board



Strategic guidance

Both contribute to the business's strategic direction.



External perspective

Offer independent insights and experience beyond the internal team.



Support for management

Founders and executives benefit from their insights and feedback.



Reputation boost

Having experienced advisers or directors improves business credibility with funders and stakeholders.

The key differences between an advisory board and a statutory board

Aspect	Advisory board	Statutory board (Board of Directors)
Legal status	Informal and non-binding	Legally constituted under company law (for example, Companies Act)
Decision-making authority	Offers guidance only, no formal decision-making power	Has authority to make and approve binding decisions
Accountability	Not legally liable for business decisions	Has fiduciary duty and legal accountability
Membership	Flexible; appointed by owners, often includes mentors, professionals, experts	Appointed per company constitution or shareholders' agreement
Documentation	Less formal - minutes are optional	Formal meetings, minutes, and statutory filings required
Usage	For guidance, mentorship, sounding board	For governance, oversight, and formal approval of key matters

Which board is right for your organisation?

Organisation's Stage and needs	Recommended board structure	Why it is recommended
Early-Stage Organisation(Seeking mentorship and informal guidance)	Advisory Board	Offers flexible, low-cost expertise and strategic guidance without legal obligations.
Preparing for Formal Funding(Seeking external investment or grants)	Advisory Board (to start), evolve to a Statutory Board	Advisory board boosts investor credibility; statutory board provides legal accountability for funding.
Scaling & Growing Business(Registered company needing structured oversight)	Statutory Board (with Independent Directors)	Legal necessity for scaling; independent directors provide unbiased oversight and signal maturity.
Sector or Donor Requirements(Mandatory formal governance)	Statutory Board	Mandatory for certain industries or funding (e.g., grants) to ensure legal compliance and impartial oversight.
Mature, Established Organisation(Beyond rapid growth, seeking sustained performance)	Statutory Board with diverse expertise and specialised committees	Benefits from deeper strategic oversight and specialised expertise; independent committees enhance accountability.
Non-Profit Organisation(Focus on mission, public trust, and fundraising)	Statutory Board (Board of Trustees/Governors)	Legally required to ensure mission adherence, public trust, financial stewardship, and compliance with regulations.

Setting up your board charter

A board charter is a document that defines the board's purpose, operations, and responsibilities. It acts as a guide for effective decision-making, accountability, and responsible growth.

Defining clear roles and responsibilities

Clearly defines board and management roles to prevent micromanagement.

Establishing accountability and director protection

Outlines director duties and reduces personal liability risk.

Building stakeholder trust

Sets clear expectations, building trust with funders, staff, and partners.

Ensuring legal and regulatory compliance

Demonstrates legal adherence, helping avoid audit penalties.

Facilitating better decision-making

Structures strategic approvals, leading to faster business decisions.

Board charter scope

Scope area	What it includes	Practical example
Board composition	Number of directors, independence, term limits, and diversity policies.	"Three directors: Founder, independent industry expert."
Duties and powers	What the board approves versus what management handles.	"Approve annual budgets greater than $25,000; no involvement in hiring below C-suite executives."
Meeting protocols	Frequency, quorum, agenda-setting, and minutes.	"Virtual meetings allowed; two-thirds attendance required."
Committees	Role of any sub-committees (e.g., audit, risk)	"Audit committee reviews finances quarterly."
Conflict management	Disclosure of personal interest and voting rules on conflicts.	"Directors must declare shareholdings in competitors."
Evaluation and amendments	How the board is reviewed and how the charter can be changed	"Annual skills assessment; changes need seventy-five percent vote."

Create your board charter: action steps

1 Review resources

Use the board charter scope slide to determine what should be included in your board charter.

2 Use the checklist to draft your board charter

Create a tailored board charter that reflects your business needs, growth stage, and future ambitions, using the 'Is this in your board charter?' checklist, to ensure your document covers all critical governance areas.

Click here to download ‘Is this in your board charter?’ checklist



Choosing the right board member: what to look for

Competency	Why it matters	Good fit	Watch out for
Industry know-how	Ensures compliance, relevance, and competitiveness.	Ran or advised similar businesses in your industry/market.	Lacks sector understanding; only academic/corporate experience.
Financial sense	Guides budgeting, fundraising, and avoids mistakes.	Investor, finance lead, or managed budgets in tough markets.	Never raised funds; cannot explain cash flow; focuses only on large deals.
Governance and risk	Maintains legal compliance and best practices.	Board experience, legal knowledge, crisis handling skills.	Views governance as "just paperwork;" avoids responsibility in crises.
Growth strategy	Offers experience for smart growth in changing environments.	Helped organisations expand, go digital, or enter new markets.	Background is too large/small; avoids technology/innovation.
Stakeholder relations	Builds strong relationships with all stakeholders.	Trusted leader with strong networks or collaboration track record.	Poor people skills; history of conflict with partners/regulators.
Personal attributes	Commitment, open-mindedness, and new perspectives.	Has time; thinks differently; speaks the truth.	Too busy; thinks similarly; avoids hard conversations.

Build a balanced board with diverse skills, not just similar backgrounds. Beyond these competencies, also consider diversity in terms of **gender balance** and **local expertise** for comprehensive insights. Even one strong member can transform your governance.

Ensuring board effectiveness

Transform your organisation's governance with practical strategies that drive results. This guide equips you with actionable tools to document decisions, run productive meetings, and keep your board engaged.

What you will cover:



Importance of documentation

Understanding why proper documentation matters



Creating effective meeting minutes

Essential elements to include for clarity and compliance



Tracking decisions

Methods to ensure follow-through on board actions



Fostering engagement

Strategies to keep your board members active and involved



Avoiding common pitfalls

Practical solutions to challenges organisations typically face

Running effective board meetings: a practical guide

1. **Strategic agenda design:** Focus 80% of meeting time on strategic issues. Use consent agendas for routine approvals, limiting each meeting to one to two major discussion topics.
2. **Effective pre-work and preparation:** Distribute concise board materials five to seven days prior, including essential financial summaries, Key Performance Indicators, and risk assessments.
3. **Disciplined time management:** Keep meetings within 60-90 minutes by assigning specific time allocations for each agenda item and utilising a "parking lot" for off-topic discussions.
4. **Fostering effective participation:** Encourage diverse perspectives through roundtable check-ins and inviting board member input before Chief Executive Officer commentary.
5. **Ensuring clear follow-through:** Summarise all decisions, assign specific actions with clear deadlines and ownership, and distribute comprehensive minutes promptly.

Download your comprehensive guide

Importance of documenting board decisions

For growing organisations, formally recording board decisions is crucial to avoid confusion, missed actions, and legal or financial risks. Here's why proper documentation matters:

Accountability

Tracks commitments with clear ownership and deadlines.

Legal protection

Demonstrates proper fiduciary duty and due process.

Institutional memory

Creates historical records for future members, audits, and due diligence.

Director protection

Shields the company and directors during disputes or legal scrutiny.

Stakeholder confidence

Signals responsible, transparent governance to funders and partners.

What to include in your board meeting minutes

Section	Details	Organisation example
Header	Date, time, attendees, absences	"Directors A, B present; C excused."
Decisions	Motions and voting outcomes	"Approved 2024 budget (3-0)."
Action items	Owner, deadline, expected outcome	"Finance officer to secure $500K loan by 6/30."
Key discussions	Summary (not transcript)	"Debated pricing strategy; consensus to test five per cent increase in Q3."
Next steps	Follow-up topics	"Board to review Mexico expansion feasibility study in July."

What to exclude:

- Subjective opinions ("Director X was angry").
- Off-the-record comments.

Tracking board decisions effectively

Record decisions clearly

Formally log all key decisions immediately after meetings, using a **decision register** with clear numbering and rationale.

Assign ownership and responsibility

Assign clear **Accountable ('A')** and **Responsible ('R')** roles for implementation, noting these directly in minutes or the decision register.

Set realistic deadlines

Establish specific, achievable **deadlines** for each action item, noting them in minutes and using shared calendars for complex items.

Monitor progress regularly

Regularly monitor the status of open items using an **action tracking sheet** and by including a review on meeting agendas.

Address and escalate roadblocks

Define processes for action owners to **flag challenges early** and escalate critical stalled items to the next meeting agenda.

Click here to download your board decision tracker

Fostering board engagement

An engaged board provides valuable guidance, connections, and accountability for organisations. Here's how to maximise board involvement:

Set clear expectations

Provide orientation and outline responsibilities.

Communicate effectively

Share concise updates and maintain ongoing dialogue.

Involve strategically

Include board in planning and leverage expertise.

Structure meetings well

Keep discussions focused and distribute materials in advance.

Support ongoing development

Organise trainings on industry trends and governance.

Build relationships

Acknowledge contributions and encourage peer connections.

Implement feedback systems

Conduct annual evaluations and refresh board composition.

Common board meeting pitfalls organisations face and potential solutions

Problem	Solution
Minutes Lack Clarity Vague minutes hinder clear decisions, making effective follow-up and implementation difficult.	**Implement Formal Resolution Phrasing** Consistently use formal language like "resolved to..." for all decisions to ensure precise and unambiguous documentation.
Lack of Action Follow-Up Absence of a robust system to ensure decisions are implemented and followed up on between meetings.	**Regularly Review Past Decisions** Begin each meeting by reviewing previous decisions to ensure accountability and address any roadblocks promptly.
Decisions Are Forgotten Crucial resolutions can be overlooked or forgotten without systematic documentation, leading to inefficiencies.	**Utilise a Centralised Decision Tracker** Maintain a shared, accessible document that logs all resolutions, ownership, and current status, serving as institutional memory.
Over-reliance on a Few Individuals Administrative tasks disproportionately fall on a small number, leading to burnout and limiting board engagement.	**Rotate Minute-Taking Responsibilities** Distribute administrative duties among board members to lighten the burden and encourage deeper engagement.

Take control: Separation of duties and authority matrix

Is your growing business vulnerable to fraud, errors, or operational bottlenecks?

Discover how organisation owners like you can implement practical governance controls that protect your business while maintaining operational efficiency.

This guide will show you exactly how to balance risk management with growth without the complex bureaucracy of large enterprises.

What is separation of duties?

Separation of duties (SoD) prevents one person from controlling an entire critical process, guarding against errors, fraud, and misuse of authority.



Key principle

Distributes responsibilities across different roles, preventing one person from controlling a full process (e.g., requesting, approving, paying).



Core purpose

Establishes checks and balances, greatly reducing internal fraud and accidental error risks.



Business value

Boosts operational integrity, accountability, and transparency in critical functions like finance and IT.



Implementation

Requires careful process mapping to separate duties effectively without creating bottlenecks.

Why separation of duties (SoD) is crucial

Letting one person "handle everything" creates significant risk. SoD distributes responsibilities to prevent fraud, reduce errors, and strengthen controls. Even for small teams, applying SoD to key processes like payments, procurement, and payroll provides essential protection.

Six critical benefits of implementing separation of duties

Fraud prevention

Prevents internal fraud by splitting critical financial roles, such as requisitioning, approval, and payment, ensuring no single employee has unchecked control.

Error detection

Improves error detection by separating transaction entry from review and reconciliation, minimising undetected mistakes and financial harm.

Regulatory compliance

Ensures regulatory compliance by maintaining accurate records and restricting overlapping system access, helping avoid audit issues.

Operational efficiency

Boosts operational efficiency by distributing responsibilities and clarifying approval limits, preventing workflow confusion and bottlenecks.

Enhanced accountability

Enhances accountability by clearly delineating duties, ensuring individuals are responsible for their specific tasks and reducing ambiguity.

Improved security

Improves security by restricting critical system access and requiring multiple approvals, preventing data breaches or unauthorised access by a single individual.

Examples of segregation of duties in practice

The following table demonstrates how key business processes should be divided among different roles to maintain proper controls and reduce risk.

Approving payments

- Request a payment

Who: Department Head

- Approve the payment

Who: CEO or Finance

- Process the payment

Who: Accountant

Procurement

- Select vendor

Who: Procurement or requesting department

- Approve purchase order

Who: Supervisor or Finance

- Receive goods

Who: Storekeeper

Payroll

- Prepare payroll

Who: HR or Finance

- Approve payroll

Who: CEO or Director

- Disburse payments

Who: Accountant

By distributing these responsibilities across different roles, businesses can establish effective controls that prevent fraud, detect errors, and ensure operational integrity.

The impact of separation of duties: a tale of two companies

Company A (the single point of failure)

Sarah, the sole purchasing manager, handled vendor identification, invoice approval, and payment processing. Without oversight, she began ordering personal items and approving her own payments. An accidental data entry error led to a duplicate payment going unnoticed for months.

Outcome: Significant financial losses due to both fraud and uncorrected errors.

Company B (built on checks and balances)

In Company B, procurement was split: Maria selected vendors, John approved invoices, and Emily processed payments. Each step required independent verification.

Outcome: John flagged an unauthorised item Maria attempted to order. Emily identified a duplicate invoice John accidentally approved. Fraud was deterred, and errors were caught early, protecting company assets and financial integrity.

These examples highlight the risks of single-person control over critical business functions, which can lead to fraud, undetected errors, and inefficiencies. Startups are often tempted to concentrate power and responsibility in the hands of a few trusted individuals, especially in the early days when resources are limited. However, implementing Separation of Duties (SoD) and an effective authority matrix are crucial safeguards to mitigate these risks and ensure proper checks and balances.

What is an authority matrix?

Definition

An authority matrix, also called a delegation of authority matrix, is a simple but powerful tool that helps your business run smoothly and safely. It defines who is allowed to make what decisions, so there's no confusion, delay, or risk of overstepping.

Purpose

For organisations, this helps balance control with speed, delegating where possible, while protecting what matters most.

Benefits

- Clarity: Everyone knows what they can and cannot approve.
- Control: Protects the business from unauthorised spending or risky commitments.
- Speed: Reduces bottlenecks by delegating day-to-day approvals.
- Accountability: Makes it easy to track who is responsible for decisions.

How to implement your authority matrix

1. **List key activities**

   Identify all decisions requiring approval: hiring, spending, contracts, assets.

2. **Group by category or functions**

   Organise into Finance, HR, Procurement, and Legal/Admin sections.

3. **Define approval levels**

   Set thresholds for different roles based on amount or importance.

4. **Assign clear responsibilities**

   Link each decision to the role and not the person (helps with continuity when someone leaves).

5. **Document and share**

   Include the authority in governance manuals and ensure all team members understand it.

6. **Review and update regularly**

   Update the matrix as the business grows or as risk levels change.

Create your authority matrix today!

Ready to strengthen your business governance? Our customisable template makes it quick and easy to implement your authority matrix, no more confusion about who can approve what.

Authority Matrix Using RACI Decision Making Framework

This matrix assigns RACI roles across key organisation functions, assuming a setup with a CEO, Finance Lead, Operations Manage

R (Responsible): The "doer" may be more than one person.
A (Accountable): Always just one person the ultimate decision-maker.
C (Consulted): Needs to be consulted before the action is take
I (Informed): Needs to be updated, usually after the fact.

Decision / Activity	CEO / Founder	Finance Lead	Operations Manager	Department Head	Staff
Strategic Planning	A	C	C	C	I
Budget Preparation	A	R	C	C	I
Budget Approval	A	C	C	I	I
Payroll Processing	C	R / A	C	I	I

Take control of your approval processes in minutes, not months.

Download your authority matrix template

Key governance policies and why they are important to organisations

Effective governance policies are essential for organisations to build trust, ensure compliance, and create a professional work environment. These policies provide clear guidelines for behaviour, decision-making, and financial management that protect your business and support sustainable growth.



Code of conduct

Sets standards for ethical behaviour and professional conduct



Conflict of interest

Prevents situations where personal interests conflict with business duties



Executive compensation

Establishes fair and transparent payment structures for leadership



Financial management

Creates protocols for responsible financial oversight and reporting

We'll examine key components of each policy, explore safeguarding and whistleblower mechanisms, and provide practical tips for implementing these governance policies effectively in your organisation.

Code of conduct (CoC)

Purpose

A code of conduct sets expected behavioural standards for all team members, from directors to employees. A clear, consistently followed CoC builds trust.

Benefits to organisation

It helps by defining acceptable behaviour, promoting professionalism, guiding decisions by company values, and supporting legal compliance.

Examples

- Respect in the workplace: Prohibits discrimination, harassment, and bullying.
- Confidentiality: Guidelines on handling sensitive company information.
- Use of company assets: Rules for using company property.
- Health and safety: Standards for maintaining a safe work environment.
- Conflict resolution: Procedures for addressing disagreements.

Complexity level

CoC complexity varies with organisation sie, industry, and regulations. Smaller businesses may start foundational, while larger entities need detailed policies for compliance.

Key components of a code of conduct policy

1. Purpose and scope

Defines the code's purpose and its scope, applying to all staff, directors, and contractors.

2. Company values and ethics

Reinforces the organisation's mission, vision, and core values (e.g., integrity, respect, fairness).

3. Professional conduct

Outlines expected professional behaviour, including teamwork, punctuality, honesty, and dress code.

4. Respect and anti-harassment

Prohibits discrimination, bullying, and harassment to ensure a safe, inclusive workplace.

5. Conflict of interest

Guidance on identifying and reporting situations where personal interests may conflict with business decisions.

6. Use of company resources

Rules for responsible use of company property, funds, equipment, and digital tools.

7. Confidentiality

Protects sensitive company, client, and employee information, maintaining trust and compliance.

8. Compliance with laws

Adherence to all relevant laws, policies, and industry regulations.

9. Reporting misconduct

Procedures for safely reporting unethical or illegal behaviour, including whistleblower protection.

10. Disciplinary actions

Consequences for code violations (e.g., warnings, suspension, termination).

(This area will be discussed in more detail under Module 7: Financial Compliance, Safety and Security.)

Conflict of interest policy (CoI)

Purpose

A CoI policy guides staff, management, and board members on handling situations where personal interests might influence business decisions.

Benefits to your organisation

This policy protects the business legally, maintains fairness, and builds trust with stakeholders. It ensures decisions serve the business's best interests, not individuals'.

Examples

- **Financial interests:** Owning shares in a supplier or competitor.
- **Gifts:** Accepting significant gifts from a vendor.
- **Outside employment:** Working for a competitor or client.
- **Family relationships:** Hiring family without disclosure.
- **Company assets:** Using company resources for personal gain.

Complexity level

CoI policy complexity varies by organisation sie and nature. Simple entities need basic policies, while larger or regulated businesses require detailed versions for diverse scenarios.

Key components of a conflict of interest policy

Purpose and scope

Explains policy purpose and scope (directors, employees, contractors), ensuring understanding.

Definition of conflict

Defines conflicts (e.g., personal gain, family ties, outside interests) to aid early identification.

Examples of conflicts

Offers real-world scenarios (e.g., contracts to relatives, outside jobs) for practical application.

Disclosure requirements

Details how and when to disclose potential or actual conflicts, promoting honesty.

Review and management

Outlines assessment and resolution steps for conflicts, ensuring fair handling.

Confidentiality

Ensures sensitive and protected handling of disclosures, encouraging fearless reporting.

Responsibilities

Defines roles of staff, management, and board in conflict identification and management, fostering integrity.

Consequences of breach

States disciplinary actions for non-disclosure or mismanagement, reinforcing compliance.

Annual declarations

Requires regular (e.g., yearly) CoI declarations from key staff and board, keeping policy active.

(This area will be discussed in more detail under module seven: Financial compliance, safety and security.)

Executive compensation policy

Purpose

An executive compensation policy sets out how your organisation rewards its senior leadership team in a fair, consistent, and transparent way.

Benefit to your organisation

It helps to:

- Align leadership rewards with business goals and growth.
- Attract and retain strong leaders.
- Ensure transparency and predictability in compensation decisions.
- Promote responsible resource use and protect stakeholder interests.

Examples

- **Base salary:** Fixed payment.
- **Short-term incentives:** Bonuses for performance.
- **Long-term incentives:** Shares/equity over time.
- **Benefits and perks:** Health insurance, retirement, and other perks.
- **Redundancy packages:** Benefits upon termination.

Complexity level

Policy complexity varies by organisation size, structure, industry, and public vs. private status. Smaller, private entities may have simpler policies, while large, publicly listed companies require detailed, intricate policies due to regulatory demands and complex incentive structures.

Key components of an executive compensation policy

1. Base salary

Fixed monthly/annual pay based on role, experience, and market benchmarks.

2. Performance bonuses

Variable pay linked to achieving business goals and measurable KPIs.

3. Non-financial benefits

Perks like health insurance, transport allowance, mobile phone, or housing support.

4. Long-term incentives

Equity, profit-sharing, or milestone-based bonuses for long-term commitment and alignment.

5. Evaluation and review

Annual performance reviews to assess outcomes and determine pay adjustments or bonuses.

6. Approval process

Defines who approves executive pay (e.g., Board of Directors), ensuring oversight.

7. Disclosure and transparency

Clear documentation of how compensation is set, reviewed, and communicated.

8. Alignment with business strategy

Compensation structure reinforces company values, goals, and sustainability.

Financial management policy

A well-structured financial and procurement policy provides crucial rules for how money is handled, ensuring control, wise spending, and building trust with stakeholders. This policy guides key financial tasks like:

Budgeting and expense tracking

Guidelines for budgeting, expense approval, and performance monitoring.

Bank accounts and payroll

Procedures for managing accounts, payments, and employee compensation.

Procurement

Structured approach for purchasing goods and services.

Receivables and payables

Tracking money owed to and by the business, including invoicing.

Asset management

Processes for tracking, maintaining, and protecting business assets.

(This area was discussed in more detail under Module one: Financial Operations.)

Safeguarding and whistleblower mechanisms

Organisations don't just manage money; they manage people too. It's important to have policies that protect anyone connected to your business, especially vulnerable individuals, and to maintain a safe and ethical workplace. That includes:

1. **Safeguarding policies**

   Especially PSEA - protection from sexual exploitation and abuse

2. **Clear reporting channels**

   So, people can speak up about wrongdoing without fear

3. **Confidential whistleblower mechanisms**

   For staff, clients, or partners

4. **Regular training**

   To ensure everyone understands their rights and responsibilities

5. **Zero-tolerance for corruption**

   With strong internal checks

(You'll delve deeper into these topics in module seven: Financial compliance, safety and security).

Easy tips for putting governance policies into action

Prioritise & adapt

Focus on policies addressing biggest risks, tailoring them to your organisation and using simple language.

Lead by example

Ensure leaders visibly support and follow policies to build trust and responsibility.

Train & integrate

Provide regular training and embed policy requirements into daily workflows for easy adherence.

Assign ownership

Designate specific individuals responsible for each policy area to ensure accountability.

Review & access

Regularly review policies for continued relevance and store them in an easily accessible digital location.

Quick wins, policies you can develop first

1

Code of conduct

The code of conduct is crucial for establishing baseline professional and ethical behaviour, defining company values, and promoting a positive work environment.

2

Financial management policy

Startups can prioritise key financial areas:

- **Payment approvals:** For internal control and accountability.
- **Expense claims:** For managing cash flow and preventing misuse.

3

Conflict of interest policy

Essential for trust and transparency, this policy defines conflicts of interest and outlines disclosure and management processes, especially vital in smaller organisations.

Evaluating board and management performance in your organisation

As your business grows, so does the importance of evaluating the performance of both your board and management team. It's not about adding bureaucracy. It's about making sure everyone is aligned, effective, and accountable to your organisation's goals. Even with a small team, clear expectations and regular reviews help improve focus, strengthen leadership, and support long-term success.

You will cover:

Board versus management evaluation

Differences between board and management performance evaluation

Choosing evaluation methods

How to choose the right evaluation method for your needs

Effective evaluation process

Steps to conduct effective performance evaluations

Timeline implementation

Creating a practical timeline and implementation process

Taking action

Actionable steps to begin evaluating your board today

Board versus management performance evaluation

Evaluation area	Board key metrics	Management key metrics
Governance and compliance	Complies with policies and regulations, provides ethical oversight, and sets risk frameworks.	Follows policies and legal requirements, implements ethical practices, and executes risk plans.
Strategic leadership	Guides long-term vision and strategy, oversees mission alignment, and responds to external shifts.	Develops and delivers strategy, aligns execution with vision, and drives innovation and adaptability.
Board–management dynamics and culture	Encourages open dialogue, balances support and challenge, and maintains independence.	Builds board relationships, provides honest reporting and accepts feedback, and respects governance boundaries.
Individual performance	Attends meetings and contributes; demonstrates expertise and judgement.	Leads teams effectively, tracks department performance, and mentors and grows team.
Stakeholder engagement	Engages stakeholders, oversees management leadership, and upholds reputational integrity.	Manages daily relationships (staff, clients), drives internal engagement, and executes communication strategies.
Operational effectiveness	Sets expectations and approves key resources; and reviews efficiency and performance.	Executes plans within budget and timelines, uses data for decisions, and improves operations and staff output.
Succession planning	Plans board/CEO succession and safeguards leadership continuity.	Builds internal leadership pipeline and invests in staff growth.

Choosing the right evaluation method

Self-Assessments

Individuals reflect on their own engagement, contributions, and growth.

Advantages: Encourages self-awareness and ownership of performance.

Peer Reviews

Board members or managers evaluate each other's input, collaboration, and leadership.

Advantages: Builds trust, fosters learning, and promotes teamwork.

External Evaluations

Third-party facilitators assess board structure, culture, and overall management effectiveness.

Advantages: Offers impartial, objective insights.

360-Degree Feedback

Collects input from multiple stakeholders, including staff, peers, and relevant external parties.

Advantages: Gives a comprehensive view of leadership impact and working relationships.

How to conduct effective performance evaluations

1. Prepare properly

Protect anonymity for honest feedback.

Set clear goals and expectations.

Use simple, relevant criteria.

2. Gather meaningful data

Benchmark against industry standards.

Track growth using past evaluations.

Include multiple perspectives.

3. Analyse and communicate

Balance scores with comments for context.

Link feedback to training and mentorship.

Regularly review action items for follow-through.

4. Foster growth culture

Promote open discussions and solutions.

Encourage a growth mindset.

Repeat evaluations consistently as an annual occurrence.

Evaluation timeline and process

Planning phase

- Set clear goals and expectations
- Choose appropriate evaluation methods
- Develop simple, relevant criteria

Data collection

- Protect anonymity for honest feedback
- Gather multiple perspectives
- Benchmark against standards

Analysis

- Balance scores with comments
- Compare with past evaluations
- Identify patterns and areas for improvement

Action planning

- Link feedback to training opportunities
- Set specific improvement goals
- Schedule regular follow-ups

Take action: Start evaluating your board

Track meaningful metrics

Measure what matters with customisable KPIs designed specifically for organisational boards.

Monitor improvement

Visualise progress and identify areas for development over time.

Drive better governance

Transform evaluation insights into actionable improvements for long-term success.

Director Name:

Date of Review :

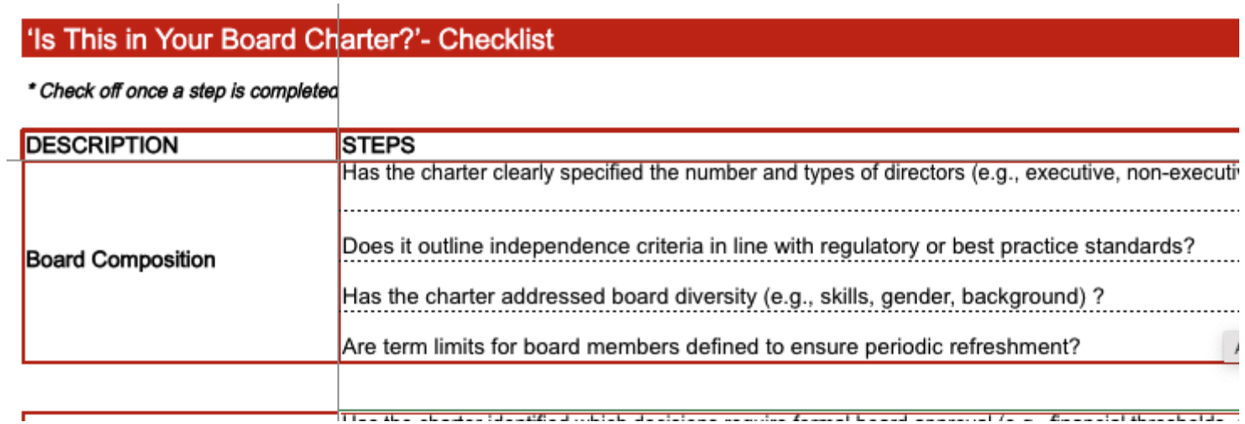
Table1

Category	KPI	Value	Target	Status	Comments
Governance & Compliance	Achieve 100% compliance with board policies and regulatory requirements (tracked via audit or board secretary report)	100%	100%	✅ On Track	Full compliance to date
	Attend at least 2 risk and compliance briefings annually	2	2	✅ On Track	Up to date
	Declare and resolve all conflicts of interest within 7 days of identification	100%	100%	✅ On Track	No unresolved conflicts

Download your customisable Board KPI tracker now and begin your journey towards better governance

Essential governance resources

Take your governance knowledge to the next level with these powerful tools:

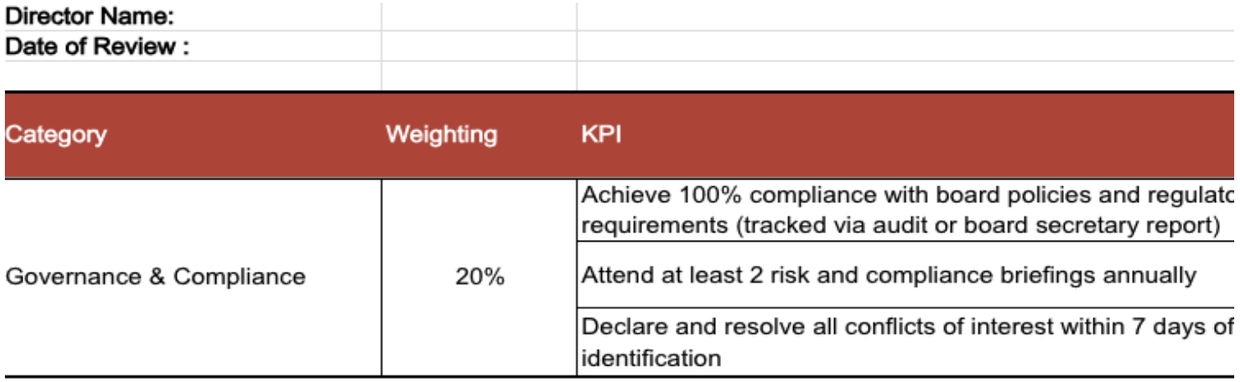


'Is This in Your Board Charter?'- Checklist

** Check off once a step is completed*

DESCRIPTION	STEPS
Board Composition	Has the charter clearly specified the number and types of directors (e.g., executive, non-executi
	Does it outline independence criteria in line with regulatory or best practice standards?
	Has the charter addressed board diversity (e.g., skills, gender, background) ?
	Are term limits for board members defined to ensure periodic refreshment?

'Is This in Your Board Charter?'- Checklist



Director Name:
Date of Review :

Category	Weighting	KPI
Governance & Compliance	20%	Achieve 100% compliance with board policies and regulatc requirements (tracked via audit or board secretary report)
		Attend at least 2 risk and compliance briefings annually
		Declare and resolve all conflicts of interest within 7 days of identification

Board Key Performance Indicators Tracker

Don't wait to improve your governance framework! Download these essential resources now and start implementing best practices today.

Take action now !

We've prepared everything you need to move forward with confidence.

Ref. #	Decision Date	Decision Summary	Rationale	Person Accountable (
Q101	2025-05-02	Approve new marketing bud	Align with Q3 growth tar	CEO (A)
Q102	2025-05-02	Hire additional IT support	Improve system uptime	COO (A)
...	...	...	...	...

Board Decision Tracker

Access these essential resources designed to help you achieve immediate results.



Get started today

Begin your journey toward transformational results with our comprehensive toolkit.



Track your progress

Measure your success and adjust your approach for optimal outcomes.

Strengthen your organisation's governance today

Implement these governance tools to strengthen your business foundation:

Governance assessment tools

Evaluate your current practices with these essential resources:

Decision / Activity	CEO / Founder	Finance Lead	Operations Manager	Department Head
Strategic Planning	A	C	C	C
Budget Preparation	A	R	C	C
Budget Approval	A	C	C	I
Payroll Processing	C	R / A	C	I

Authority Matrix

Implementation resources

Deploy these frameworks to build sustainable governance systems:

Step-by-Step Guide to Building the Right Organisational Structure

Running Effective Board Meetings- A Practical Guide

Start today

Select one governance tool to implement within the next 30 days

Engage your team

Share these resources with key stakeholders in your organisation

Measure progress

Document improvements in transparency, accountability, and decision-making

Your action now creates lasting value for your business and stakeholders.

Strengthen your organisation's governance today

Follow these additional external links to build a robust governance framework for your business:

Start with Organisation governance guides

- Organisation governance guidebook
- Why governance matters for Organisations
- Corporate governance importance

Implement financial management best practices

- Driving Organisation growth through finance
- Separation of duty (SOD)

Develop your code of conduct

- Code of conduct examples
- Code of conduct guidelines
- Best practices for code development

Your next move: Select the resource that addresses your most pressing governance challenge and implement it within the next 30 days.