The Role of the CEO and the CFO

Executive directors have the same duties as non-executive members of the board. These duties extend to the whole of the business, and not just that part of it covered by their individual executive roles. Nor should executive directors see themselves only as members of the CEO's or the Executive Chair's executive team when engaged in board business. Taking the wider view can help achieve the advantage for the entire board regarding greater knowledge, involvement and commitment at the point of decision. The Deputy Chair should make certain that executives are aware of their wider responsibilities when joining the board, and ensure they receive appropriate induction and training to enable them to fulfil the role.

The CEO is responsible for proposing strategy to the board, and for delivering the strategy as agreed by the board. The CEO's relationships with the Executive Chair and the Deputy Chair are key relationships that can help the Board be more effective.

The CEO has, with the support of the executive team, primary responsibility for setting an example to the company's employees, and communicating to them the expectations of the board in relation to the company's culture, values and behaviours. The CEO is responsible for supporting the Executive Chair and the Deputy Chair to make certain that appropriate standards of governance permeate through all parts of the organisation. The CEO will make certain that the board is made aware, when appropriate, of the views of employees on issues of relevance to the business.

The CEO will ensure the board knows the executive directors' views on business issues in order to improve the standard of discussion in the boardroom and, prior to final decision on an issue, explain in a balanced way any divergence of view in the executive team.

The CFO has a particular responsibility to deliver high-quality information to the board on the financial position of the company.

Executive directors have the most intimate knowledge of the company and its capabilities when developing and presenting proposals, and when exercising judgement, particularly on matters of strategy. Constructive challenge from non-executive directors is an essential aspect of good governance, and should be encouraged to test the executives' proposals in the light of the non-executives' experience outside the company. The Executive Chair, the Deputy Chair and the CEO should ensure that such an approach is properly followed.