The Effective Public Purpose Board

A Presentation to PAFSO
January 17, 2020

(for PAFSO use only)

Institute on Governance
LEADING EXPERTISE

Institut sur la gouvernance
EXPERTISE DE POINTE

Welcome and Introduction

Agenda

- Introduction
- Part 1 – Introduction to Governance, Principles of Good Governance, Good Governance Challenges, Fiduciary and legal obligations
- Part 2 - Roles and Responsibilities, Oversight, Strategy
- Part 3 – Leadership, Ensuring Sound Governance, Making Sure the Work Gets Done
- Part 4 – Board Meetings
- Wrap Up and Next Steps

Introduction

Institute on Governance
LEADING EXPERTISE
Institut sur la gouvernance
EXPERTISE DE POINTE

Defining Governance

- A process whereby societies or organizations make their important decisions, determine whom they involve and how they demonstrate accountability
- Put even more simply, it is the art of setting the course of an organization

Purpose of a Board of Directors

- Collectively charged with overseeing and supporting the organization to achieve its mandate, consistent with all legal obligations.
- Individual Directors, when acting alone, have almost no power.
- A Board of Directors is accountable to the organization's members.
- The Board is typically responsible to appoint (whether directly or indirectly) board committees, officers, employees and agents of the corporation

Governance Glitches

- Board members who don't understand their individual responsibilities
- Conflicts of interest of board members
- Rubber-stamping by board
- Board micromanagement
- Committees with vague or conflicting mandates
- No sense of direction
- Disregard of bylaws or policies

More Governance Glitches

- Interpersonal rivalries, distrust, factionalism
- Board members with paramount loyalty to their own constituency
- Boring meetings
- Board disengagement
- Difficulty recruiting board members
- Board members who lack necessary skills or experience
- Differing ideas among board members regarding the Board's role

IOG's Principles of Good Governance

- Legitimacy & voice
- Direction & purpose
- Effective performance
- Accountability & transparency
- Fairness & ethical behaviour

Characteristics of High Performing Boards

1. They develop & maintain a longer term vision and clear sense of direction [Direction]
2. They ensure the prevalence of high ethical standards [Fairness, Accountability, Performance, Legitimacy]
3. They ensure effective performance through sound information [Performance]

Characteristics of High Performing Boards

4. They ensure the financial & organizational health [Performance, Direction]
5. They recruit, set objectives, and review the performance of the Executive Director [Performance, Accountability]
6. They ensure sound relationships with their key external bodies and other stakeholders [Legitimacy, Accountability, Performance]

Characteristics of High Performing Boards

7. They ensure sound relationships with members/shareholders, clients [Legitimacy, Performance, Accountability]
8. They manage risk effectively [Performance]
9. They are accountable [Accountability]
10. They ensure the soundness of the governance system [Legitimacy, Accountability, Performance, Fairness]

A few words about Board culture:

- What is it? How board members communicate with each other, work as a team, and make decisions in the best interests of the corporation
- Indicators of a strong board culture:
  - A healthy and respectful relationship between the Board and Executive Director / senior team
  - Trust and candor among board members
  - Thoughtful and effective resolution of disagreements
  - A willingness to address poor behavior that is negatively impacting the Board
  - Consensus-focused and participatory decision making
  - Shared commitment to organizational mandate and role of the Board
- Tools: effective orientation, agreed upon ground rules, retreats, leadership by President and all board members, policies/TORs

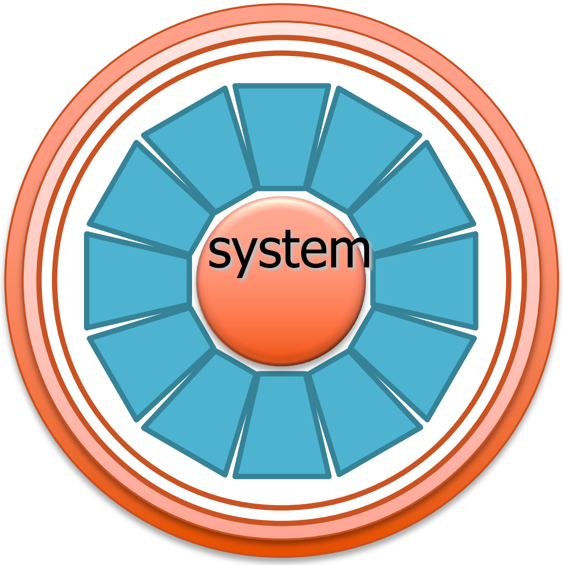
The Results of Good Governance

- trust
- credibility
- legitimacy
- results that matter
- the ability to weather a crisis
- a positive climate & relationship with stakeholders

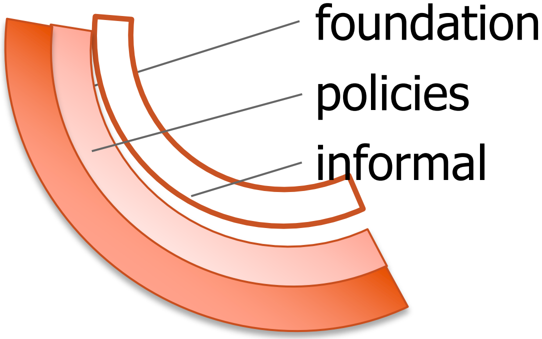
Individual & Pair Exercise

Your assessment of your Board

1. Take a few minutes to complete the questionnaire Characteristics of High Performing Boards
2. In addition, think about what the strengths and challenges of your Board's culture?
3. In pairs, share what you believe are your Board's greatest strength and greatest challenge, both in terms of roles and responsibilities, and culture



Elements of a Governance System



1. Foundational / core documents
2. Governance policies and systems
3. Informal governance

Fiduciary Obligations

- There are a number of terms used to explain the fiduciary duties of Directors (diligence, care, skill & prudence, knowledge, ‘manage’ etc.), but at its core the fiduciary obligation means that Directors must comply with the following:
  – Act honestly and in good faith with a view to the best interests of the corporation; and,
  – Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances

The Duties of Directors

- Directors of corporations owe a fiduciary relationship to the corporation = hold a position of trust
- Main duty of Directors is to oversee the affairs of the corporation, including:
  – Ensuring the organization adhere to and carries out the goals of the corporation;
  – Setting long term objectives in accordance with these goals;
  – Ensuring financial stability and organizational health;
  – Assessing the corporation’s performance;
  – Establishing policies; and,
  – Being the public face of the corporation.

Directors

- Primary Director responsibility is to contribute consistently and meaningfully to the effective performance of the Board:
  - Bring skills, experience and perspectives, and come prepared
  - Understand the role of the Board and of management
  - Demonstrate the organization's values
  - Apply skills, knowledge and creativity
  - Work candidly, collaboratively, respectfully and efficiently with colleagues
  - Maintain confidentiality
  - Support decisions once they are made
  - Respect fiduciary obligations

Indemnification

- To indemnify someone is to absorb the losses caused by that party, rather than seeking compensation from that party, or to compensate that party if something you do (or fail to do) causes them to experience loss, damages, or a lawsuit from a third party.
- The bylaws of a corporation will normally indicate that the corporation indemnifies directors and officers for their work as directors and officers

Directors & Officers Liability Insurance

- Liabilities of directors and officers can arise in many ways, including allegations of breach of common law duties, and statutory liabilities imposed by federal or provincial laws.
- Directors and officers liability provides coverage for defence costs and damages arising out of wrongful act allegations and lawsuits brought against an organization's board of directors and/or officers.
- Appropriate level of coverage, cost etc. will vary by organization – seek professional guidance

President Responsibilities

- Leads overall Board in fulfilling its responsibilities
- Voice of Board with the Executive Director; ensures independence
- External spokesperson for the Board
- Sets meetings and agenda, approves materials
- Chairs meetings, managing discussion and decision making
- Builds desired Board culture
- May appoint committee chairs
- Advise and counsel directors
- No specific authorities unless delegated by members or the Board

Part 2: Board Roles and Responsibilities – Oversight & Strategy

Institute on Governance
LEADING EXPERTISE
Institut sur la gouvernance
EXPERTISE DE POINTE

The Roles of a Board

- For all Boards:
  - Role 1: Compliance & oversight
  - Role 2: Strategy
  - Role 3: Leadership
  - Role 4: Ensuring the work gets done

Compliance & Oversight Responsibilities

A Board must:

- Understand and uphold their legal obligations (duty of diligence, duty of loyalty, duty of obedience to laws, regulations and bylaws)
- Set governance policies
- Ensure financial and organizational health
  - Operational standards and controls
  - Operational performance
  - Risk anticipation and contingencies

Strategy Responsibilities

- A Board must:
  - Develop & maintain vision and mission
  - Determine strategy and ensure effective results-oriented performance
    - Direction setting
    - Business model suitability
    - Competition
    - Growth, maintenance or more collaboration

Leadership Responsibilities

- A Board must:
  - Understand and uphold ethical integrity, organizational identity, core values
  - Ensure sound relationships with members, clients and other stakeholders, respond to uncertainty
  - Ensure sound governance
  - Demonstrate accountability
  - Ensure continued mission relevance

Critical Governance Policies

- Board will also set and regularly review governance policies, and be made aware of or approve management policies. Critical governance policies include:
  - Roles and Responsibilities of the Board
  - Code of Conduct and Conflict of Interest Policy
  - Terms of Reference for Chair of the Board
  - Terms of Reference for Individual Directors
  - Terms of Reference for all committees

Other Important Governance Policies

- Terms of Reference for the Vice Chair
- Communication / Information to the Board Policy
- Chief Staff Officer Performance Assessment Policy
- Board Assessment policy
- Board Succession Planning Policy & competency matrix
- Board Attendance Policy
- Board – Stakeholder Relations Policy

CONFLICT OF INTEREST AND CODES OF CONDUCT

Discussion Question

- What is a conflict of interest? Provide examples

Defining conflict of interest

- a situation where an individual with a fiduciary duty has a personal or professional interest sufficient to appear to influence their objective exercise of that duty

Examples of conflict of interest

- Self-dealing
- Influence peddling
- Gifts and benefits
- Use of confidential information
- Nepotism
- Competing fiduciary obligations

Ways to deal with conflict of interest

- Disclosure
- Recusal
- Removal/Resignation
- Independent Evaluation
- Codes of Ethics/Conduct

Scenario 1

- A PAFSO Regional Director is Chair of his/her Regional Council. That particular region has a region-specific issue with a PAFSO policy. What are the conflicts (if any) and how can they be managed?

Institute on Governance
LEADING EXPERTISE
Institut sur la gouvernance
EXPERTISE DE POINTE

Scenario 1 – Key Points

- Share perspective but duty of loyalty to PAFSO
- Conflict of interest (dual loyalties) if taking decision
- Declaration, recusal
- Support decision once made

Scenario 2

- A PAFSO member approaches an individual director with a complaint about how PAFSO is handling their grievance. What should the director do? What, if anything, should the Board do?

Scenario 2 – Key Points

- Individual directors have no authority
- Directors owe duty of loyalty to PAFSO (not individual members)
- PAFSO process for dealing with complaints
- Importance of fairness in resolving complaints

Code of Conduct

- A set of principles to guide a not for profit organization's decision making and activities, as well as the behavior of its employees, volunteers, and board members.
- The purpose of formally adopting a code of conduct is to provide employees, volunteers, and board directors with guidelines for making ethical choices and to ensure that there is accountability for those choices.
- A code of conduct is an express of each individuals commitment to ethical behavior, and supports public trust.
- Good practice is to have the code of conduct signed by all staff, board members and volunteers on an annual basis
- Some organizations have separate codes of conduct and conflict of interest policies, while others combine the two

Discussion Question

The Executive Committee is committed to teamwork and effective decision-making in the best interests of PAFSO. Towards this end executive committee members will…???

- Tasks:
  - Create a list of expectations specific to conflict of interest
  - Create a list of other expectations and/or principles to guide the actions and behaviours of individual directors
    - With each other
    - With staff
    - externally

COMPLIANCE AND OVERSIGHT

Financial Oversight

– Audit and Finance Committee
– Review regular financial reports, approval and monitoring of the annual budget
– Ensure that proper annual audit is conducted
– Know who is authorized to sign cheques and their limits
– Ensure that contracts receive proper oversight

HR Oversight

- Review of HR / compensation policies
- Oversight of Executive Director (regular meetings, reporting)
- Attention to organizational culture, significant HR trends (high turnover rates etc.)

Risk Oversight

- Board's role:
  - Assisting in strategic risk identification
  - Risk oversight
  - Fostering a culture of risk-adjusted decision-making throughout the organization
- Tools:
  - Dedicated Committee and/or dedicated time on risk in board meetings
  - Development of a risk management plan, and regular reports against the plan by management
  - Business continuity plan

Risk

- Risk has two main components:
  - The likelihood or chance of potential consequences
  - The potential severity of the consequences
- If risk is:

Intolerable	• Avoid/prevent
Tolerable	• Reduce/mitigate
Acceptable	• Ignore/ 'live with'

STRATEGY

Board Choices in Strategic Planning

- The Board should decide the parameters around the strategy process and the role it wants to play
- Strategic Plan
  - Good planning processes identify measures, targets and milestones up-front
  - Monitoring should emphasize outcomes, but can include interim measures
  - Risks & mitigation strategies should be considered

Leading Practices in Strategic Planning

- Set a clear cycle for strategic planning:
  - Full strategic plan – every 3-5 years
  - Review and refresh the strategic plan – annually
  - Monitoring – quarterly
  - Strategic thinking – always
- Make the links
  - Update dashboards and other reports to reflect new priorities
  - Plan should drive the business / operational plan
  - Plan should drive budget work of Audit & Finance Committee
  - Plan should drive Executive Director evaluation

Strategic vs. Operational Planning

- Strategic plan is:
  - Multi-year plan
  - Focused on what the organization wants to achieve over that timeframe
  - Includes risks, key multi-year initiatives to support their achievement
- Operational / business plan is:
  - One-year plan
  - Focused primarily on how progress against the strategic priorities will be achieved in that given year.
  - Should be driven by the strategic plan

Reporting on Progress

- The Board needs to be clear on its expectations regarding reports on implementation of the strategic plan and how progress will be tracked
- Normal reporting includes:
  - Key efforts / activities over last period of time (not laundry list!)
  - Progress on goals using interim measures (as agreed with the Board as part of strategic planning process)
- Consider dashboards or other reporting frameworks

Part 3 – Board Roles & Responsibilities – Leadership and Ensuring the Work Gets Done

Institute on Governance
LEADING EXPERTISE

Institut sur la gouvernance
EXPERTISE DE POINTE

LEADERSHIP

Leadership

- In addition to compliance and strategy roles, board's must be the 'leaders' for their organizations. They may do this by:
  - Setting and demonstrating the values of the organization
  - Practicing generative thinking / problem solving on the 'big' issues facing the organization
  - Demonstrating accountability and transparency to the organization's membership / shareholders
  - In some cases the Board President acts as the public spokesperson for the organization
  - Ensuring the organization's governance is sound
  - Establishing and ongoing maintenance of key stakeholder relationships

Member/Shareholder & Stakeholder Relations

- The organization must maintain constructive relations its members/shareholders. The Board must be satisfied that these interests are being managed well.
- In some cases, Directors may be directly engaged with stakeholders as ambassadors or spokespeople.
- Boards should:
  - Set a member/shareholder and stakeholder philosophy or approach for the organization
  - Know its role for each stakeholder group
  - Have a process to handle member and stakeholder complaints
  - Watch member engagement indicators closely

Modes of Engagement/Interaction

	NATURE OF INTERACTION	
Partner	↕	Partnership Mode
Engage		Consensus Mode
Discuss		Dialogue Mode
Gather		Listening Mode
Inform		Briefing Mode
		Control Mode

Typical AGM Agenda

- A typical agenda will include:
  - A report from the Chair of the Board
  - A report from the Manager
  - Approval of the minutes from the last AGM/AGA
  - Approval of the Audited Financial Statements
  - Appointment of the Auditors for the Coming Fiscal Year
  - Nominations / Election to the Board of Directors
  - Approval of any changes to the organization’s bylaws (if/as needed)
  - Other Motions (if/as brought forward by members through process consistent with the organization’s bylaws)
- *Note: many organizations use the opportunity of bringing members together to provide education opportunities or to consult with members on issues. These ‘sessions’ are held before or after the official AGM/AGA*

Accountability to Government/Stakeholders

- Meetings or other forms of engagement
- Reports or other information out
- Requirements may be specified in agreements etc.

Institute on Governance
LEADING EXPERTISE
Institut sur la gouvernance
EXPERTISE DE POINTE

Challenges to Sound Accountability

- Multiple accountability relationships / competing expectations
- Accountability can conflict with other desirable outcomes – e.g. efficiency
- Lack of consensus or clarity on the desired result
- Effectiveness of some programs can be difficult to demonstrate
- Developing clear and appropriate roles for the board and other stakeholders
- Whether and how to involve ‘outside’ expertise

Ensuring Soundness of the Governance System

- A Board should ensure that the necessary governance structures and practices are in place to allow the organization to achieve its objectives, including:
  - Director recruitment, nominations
  - Terms, term limits
  - Director orientation and ongoing learning
  - Board profile / skills matrix
  - Board succession planning
  - Bylaws – periodic review and updating
  - Policies and policy review practices
  - Record keeping

Board Assessment

- Board self-assessment is recognized as a best practice in good governance in all sectors
- A clear majority of publicly traded company boards and substantial minority of NFP boards conduct some form of self-assessment
- Self-evaluation is a requirement of Imagine Canada's new standards for board practices
- Increasingly a requirement placed on crown and agencies across Canada

Approaches

- A wide variety of approaches are used

Individual self-reflection → Collective self-assessment (survey driven) → Collective self-assessment (interview driven) → Peer assessment (survey driven) → External review/ benchmarking

Individual self-reflection

- Personal reflection on performance against a structured set of questions
- Personal Action Plan

Collective self-assessment (survey driven)

- Standardized survey on board (and possibly committee) performance
- Collective Action Plan

Collective self-assessment (interview driven)

- Additional insights from interviews
- Collective Action Plan

Peer assessment (survey driven)

- Review of individual contribution against set questions by fellow directors
- Personal feedback report from President

External review/ benchmarking

- 3rd party review and external standards
- Consultant recommen-dations

Group discussion

- What, if any, form of board assessment you currently undertake, and what you have learned from it?
- If you haven't undertaken some form of board assessment, where might you start?

BOARD RECRUITMENT

Board Recruitment

- Objectives
  - Identify required skills and experience of candidates
  - Identify / secure qualified individuals who are free from conflicts of interest and committed to serving and overseeing the organization effectively
  - Achieve diversity of board members appropriately reflective of the community and constituencies served by the organization
  - Achieve continuity through a smooth succession of board members (including board and committee leaders) that balances new ideas and energy with experience and “institutional memory”

Process

- Consistent with bylaws
- Clear, fair, transparent
- Respectful of role of members / shareholder(s)
- Driven by skills and other attributes required on the board
- Open call vs. targeted recruitment, member vs non members on Board, appointment by shareholder
- If recruiting, conduct interviews and reference checks
- Orientation binder and meeting(s)

A Word about Recruiting the Next Gen…

- Many Boards struggling to attract the next generation of (young) leaders to serve in a governing capacity
- Approach to issues and volunteerism has changed:
  - More issue/cause focused, less focused on organizations
  - Often more interest in time limited / focused volunteering that builds skill sets
  - Often balancing multiple commitments, looking for new ways to engage (not just attending meetings)
  - Use of technology increasingly important

Best Practices for Successful Recruitment

- Invest in making your organization – and its purpose / cause – as well as the board more visible in the community
  - Consider options to build leadership through participation on committees etc.
- Have a written board director job description
- Be clear about the role of the board, the role of staff, and responsibilities of directors
- Know what you are looking for in new board members (board profile)
- Be honest, frank, and positive about the organization's challenges
- Prepare new board members to participate, providing regular opportunities for learning
- Board portals and other online tools expected by next gen
- Focus on recruitment regularly, and look beyond 'the usual suspects"

Group Work

- Whether actively recruiting board members, or securing board members through election or appointment processes, communicating your Board's needs is important.
- Question: What would you want to communicate to those that elect or appoint board members about:
  - What your Board does and does not do / its role
  - What the expectations of individual Board members are
  - What particular skills, expertise and/or other attributes are needed at this time, and why
  - Why someone would want to serve on your Board / serve your organization

Ensuring the Work Gets Done

COMMITTEES OF THE BOARD

Committee Roles

- Committees typically exist to do more detailed work on behalf of the Board
- They are a sub group of the board tasked to conduct a particular piece(s) of the board's work
- As a result, Boards control Terms of Reference, mandate, who gets appointed and the work plan
- Most committees have no decision power – must recommend to the Board
- BUT Boards should not re-do the work of the committees

Typical Board Committees

- Typical Board Committees focused on governance issues include:
  - Finance and Audit
  - Governance
  - Human Resources & Compensation (if large organization)
- Others are more program or relationship focused (research, stakeholder relations, policy or advocacy, fundraising etc.)
- Trend is away from Executive Committees, and toward increased use of task forces, advisory committees etc.

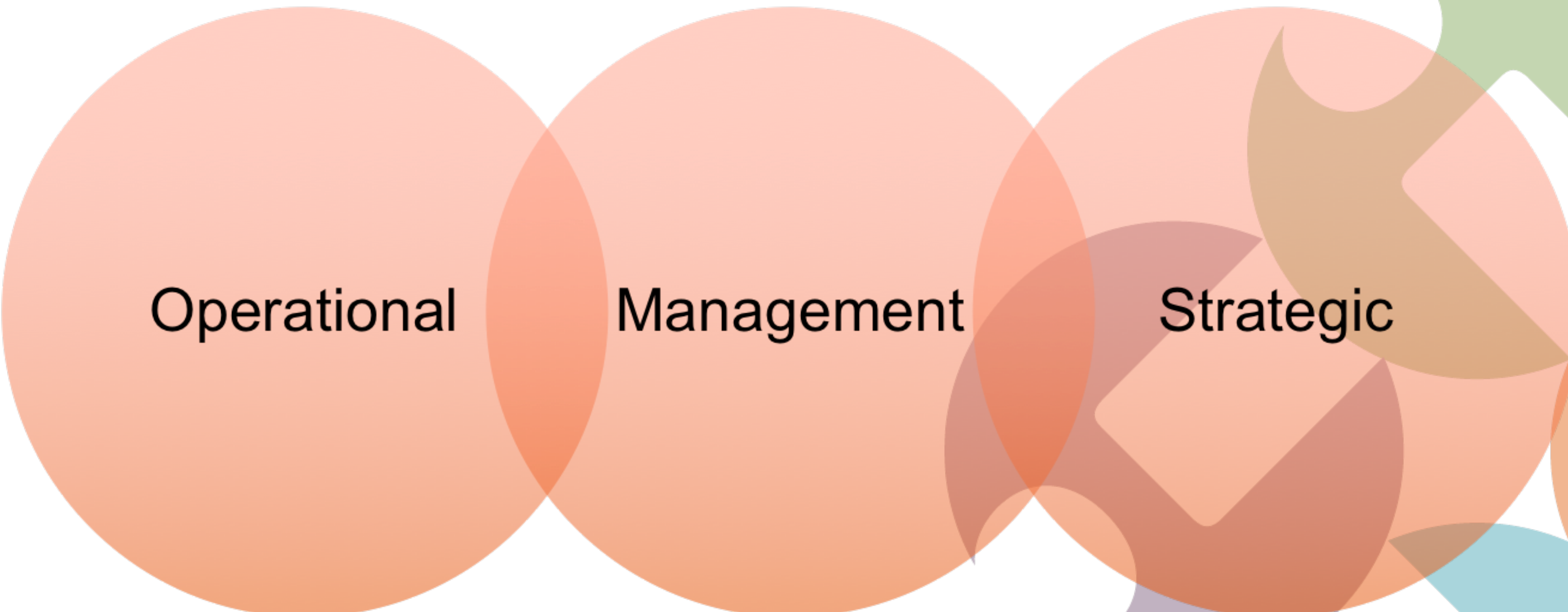
Committee reports to the Board

- How:
  - Written briefing note to Board in advance of meeting, with short oral report at meeting
  - Briefing note should include:
    - Issue and context, options explored, any independent advice received, recommendation with rationale
- Role of Board:
  - Don't - re-do work of committee
  - Do – ask questions of clarification and/or questions that link a particular recommendation to broader organizational legal obligations, objectives, risks, etc.

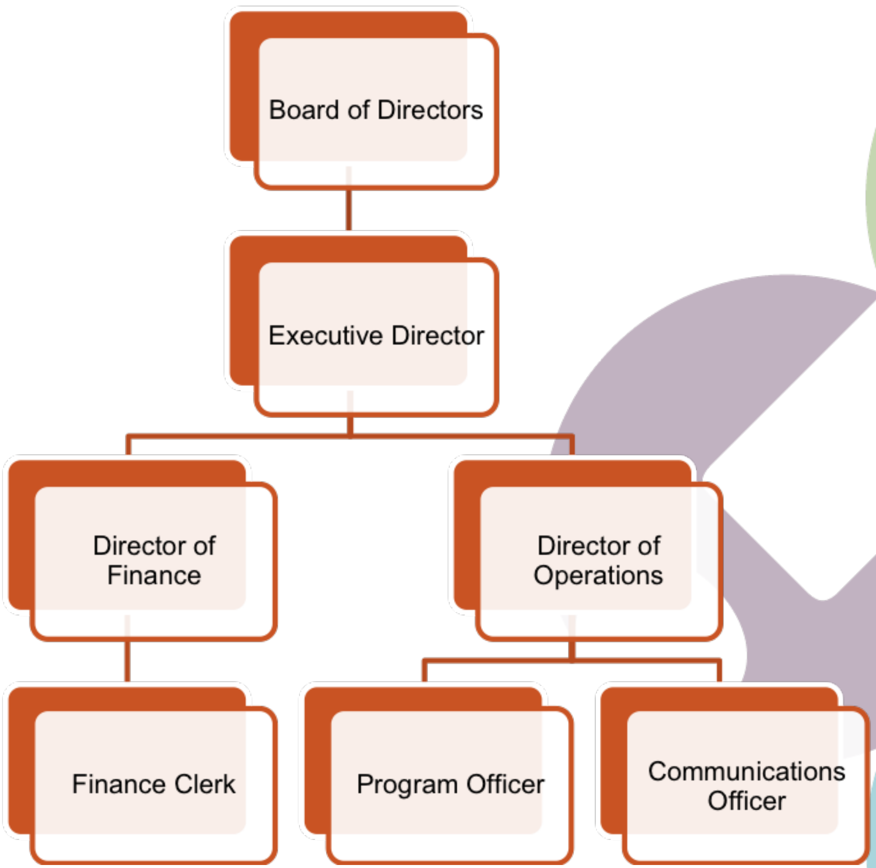
Ensuring the Work Gets Done

THE BOARD – STAFF INTERFACE

Ensuring the Work Gets done Responsibilities



Example 1 – Organization with Executive Director



Who does what?

- Oversight
- Direction

Governance functions

- Implementation

Management tasks

Institute on Governance
LEADING EXPERTISE
Institut sur la gouvernance
EXPERTISE DE POINTE

Board Roles: Compliance, Oversight, Strategy and Leadership

Board

Determine purpose, scope of services, constitutional issues

Recommend bylaws, governance policies, new programs, ratify budget

Make implementing decision, oversee administration

Suggest management changes, review organizational performance

Mission

Policy

Program Administration

Internal Management

Management

Advise, analyze conditions and trends

Make recommendations on all decisions, formulate budget, determine service formulas

Establish management and administrative policies, practices and procedures, make decisions for implementing policy

Control human, material and information resources

Example 2 – with Paid President

Board

Strategy, oversight, leadership, accountability to membership

President

Leadership on strategy implementation, oversight of Executive Director, accountable to Board

Executive Director

Responsible for all operations, management of staff, advice to President and Board, accountable to President and the full Board

Where Boards Often Fall Short

- Board orientation on roles and responsibilities for Board members and Board officers
- The urge to micro-manage staff
- Policy compliance
- Neglecting performance management
- Employing the wrong senior staff

Tools to Assist the Board

- The use of policies and codes, including clearly articulated delegations of authority
- Nurturing the relationship through orientation, training and retreats (e.g. build on time at AGM)
- Well run Human Resources & Compensation Committee with a clear mandate
- Employment agreements and annual reviews linked to strategic directions

Overseeing the Work of the Executive Director

- Regular check-ins / meetings with the President of the Board and Executive Committee (if in place)
- Written and oral reports to the full board at every board meeting. Reports should focus on outcomes and challenges related to business and strategic plans

Evaluating & Setting Objectives for the Executive Director

- Have a policy in place
- Restrict the Board to evaluating only the Executive Director
- Appoint a two or three person committee to lead the evaluation process, including President
- Include both quantifiable and open-ended questions
- Decide whether staff and/or stakeholder input is required
- Agree on performance criteria for following year (link to strategic and operational plans)
- Document it all!

Succession Planning

- The Board is responsible for ensuring succession planning (emergency and/or planned) for the organization's Executive Director
- Succession plans for senior staff roles should be developed by staff and updated annually. These plans are normally developed by the Executive Director, but the Board is responsible for ensuring this process takes place.

Keys to Board-Staff Collaboration

- Governance decisions are NOT made outside the Board room
- Board needs to drive governance decisions
- Respecting each others roles and responsibilities
- Clearly defined information needs (Board)
- Formal direction to staff must go through the Executive Director
- Ensuring effective and appropriate reporting (staff)

Part 4 - Board Meetings

Institute on Governance
LEADING EXPERTISE

Institut sur la gouvernance
EXPERTISE DE POINTE

Elements of Effective Meetings

- Before the meeting - thorough preparation, including a clear purpose and desired outcomes, inviting the right people, anticipating contentious issues
- During the meeting - agreed upon procedures and decision-making processes
- Accurate minutes
- Effective follow-up
- Evaluation

Meeting Steps

- Notice of meeting
  - with agenda and support materials
- Call to order
  - once there is quorum
- Approval of agenda
- Declarations of conflict of interest
- Consent agenda (optional)
- Approval of minutes
- Items for information (reports)
- Items for decision
- Items for discussion
- In camera
- Adjournment
- Evaluation

During the Meeting

- People know each other and their roles
- Respect for the President / Chair
- Meetings belong to the Board, not staff
- Everyone agrees on what the meeting is about (outcomes)
- People feel free to voice their views. Participation is balanced.
- Adequate time allowed for discussion.
- Respect for ending on time.
- Decisions are summarized, action items agreed.
- People leave with a sense of time well-spent.

Meeting Habits to Avoid

- Side meetings
- Wasted seconds
- Repetitious debate
- Holding back
- Not considering the whole organization
- Ruts

Sample Meeting Ground Rules

- Begin and end on time
- Everyone participates, no one dominates
- Be brief and meaningful when voicing your opinion
- Success depends on participation – share ideas, ask questions, draw others out
- One person speaks at a time
- Listen to understand
- Articulate hidden assumptions, challenge cherished beliefs
- Be positive, non-judgmental and open to new ideas
- Critique ideas, not people
- Stay at the strategic level (out of the operational)
- Whatever is said in the room, stays in the room
- Seek common ground and understanding
- Silence is agreement

Roberts Rules – the Basics

- Motions - Pieces of business brought before the group by its members
- There are many types:
  - Main (a motion related to the group's purpose)
  - Subsidiary (a motion related to dealing with main motion)
  - Privileged (a motion not related to the main motion but of special and immediate importance)
  - Incidental (motions related to how the other motions are being dealt with)
- Here in basics we'll deal with Main Motions

The Main Motion

- A proposal for the group to take a decision on matter related to the mission of the group
- Main Motions are introduced, debated and resolved according to a standard process:
  - Moved, seconded, debated, voted
- Usually voting is done by voice vote or show of hands
- Abstentions can be made by not voting for or against the motion but should not be used because of controversy or indifference of the motion

Abstentions

- = not participating in the vote
- Why abstain?
  - Insufficient information to make decision
  - Did not participate in the debate leading up to the vote
  - Conflict of interest
  - ‘Mild’ disagreement with the motion, but do not want to formally record disagreement / stand in the way
- Should be used rarely

Typical Attendees at Board Meetings

- President / Chair of the Board (a Director)
- Directors
- Executive Director
- Other Senior Staff
- Observers
- Minute–taker / Secretary

President / Chair

- Normally elected by their peers, sometimes by membership, sometimes appointed
- Engaged in setting agenda, with Executive Director
- Leader and mediator/facilitator of meeting processes
- Must be seen as fair, and have the trust of the board as well as the senior management team.
- A good Chair will be seen as open minded, and will encourage Directors to voice their views.
- Has a responsibility to manage discussion and ensure the effective running of the meeting and that the Board stays on track (goal is to start on time, end on time)
- Has responsibility for reviewing the meeting minutes, and signing off on them once the Board has approved them.

Directors

- Come prepared
- Participate, focus on meeting
- Listen
- Respect the role of the President/Chair
- Bring personal perspectives but participate and discussion, and make decisions, in the best interests of the organization
- Self monitor level of engagement and contributions (stay out of the weeds!)
- Support decisions once made
- Respect confidentiality

Executive Director

- Active participant in board meetings, in a non-voting capacity
- Works with the President to set board agendas
- Often fulfills the role of Corporate Secretary, ensuring appropriate and timely board package
- Typically provides a ‘Report to the Board’ at every meeting
- May invite other senior staff to present on particular issues

Staff Roles in Board & Committee Meetings

- Other senior staff act as a resource at Board/committee meetings
  - Reports / presentations
  - Responding to questions
  - Raising points for consideration

- Must maintain confidentiality of meeting discussions
- Typically responsible for minute-taking

CHAIRING MEETINGS

Before the Meeting

- Plan the agenda
- Identify which items are for information, discussion or decision, and anticipate the amount of time required for each item (including potentially controversial items)
- Understand the context of each item, why it is on the agenda, actions taken since the last meeting
- Ensure all necessary background documents are sent out beforehand
- Ensure logistics arranged
- Arrive in good time before meeting starts

During the Meeting

- Start - welcome, introductions (if needed), attendance/quorum check, check for COIs, minutes, set context & meeting goals
- Manage
  - Maintain control, set out time limits (if needed), but also allow flexibility and freedom of expression
  - Keep to the agenda, ensure time used effectively
  - Assist the Board in keeping its strategic focus
- Coax
  - Ensure full participation
  - Draw out quieter members and discourage those who might monopolize conversation
  - Be prepared to highlight issues that no-one else will (e.g. Ask the awkward questions)
- Compare
  - Weigh up contributions impartially, summarize

During the Meeting

- Clarify
  - Ensure everyone understands what is being discussed
- Decision-making
  - Ensure decisions taken in context of the organization’s mandate and strategy
  - Encourage, through summarizing and finding common elements, the process of working toward consensus
  - Ensure decisions are recorded, along with who will be implementing them
- Guide
  - Key point is that the Chair is there to guide the meeting
  - Work with board members to have a focused, purposeful, collaborative and efficient team, draw people back in if they lose focus

At the End of the Meeting

- Summarize decisions taken and action points
- Set or confirm date for next meeting
- Identify, if needed, any issues that need to be on the next agenda
- Ensure that minutes are written up, checked by the Chair, and sent out in good time

Meetings: Good Practices

- Quorum requirements
- Consent agenda
- Compliance reporting / certificate
- Presentation vs. Discussion
- Ex-officio vs. non-voting
- Minute taking
- In camera discussions
- Preparedness & Participation
- Conflict of interest
- Confidentiality
- Supporting decisions

Tools to Ensure the Board Receives the Information it Needs:

- Clear compliance policies & practices
- Thoughtful and well-planned board agendas with appropriate supporting materials
- Strategic plan with identified outcomes, measures
- Risk register
- Board development opportunities
- Stakeholder and community engagement
- Effective reporting from the Executive Director
  - Compliance reporting
  - Key strategic initiatives
  - Progress on desired outcomes
  - Real or emerging risks

- *Note: some organizations used a dashboard or equivalent to track key indicators*

Frequency of generation and reporting

- Compliance & Oversight
  - Finance, risk – quarterly
  - HR – 2x a year or more if significant change
  - Compliance certificate – every board meeting
  - Performance reporting – typically quarterly
- Strategic plan with identified outcomes, measures (reviewed & refreshed at least annually)
- Board development opportunities (at least 2x a year)
- Stakeholder and community engagement (at least annually or if significant change)
- Report from the Executive Director (at every meeting)

Next Steps – Work Planning

Institute on Governance
LEADING EXPERTISE

Institut sur la gouvernance
EXPERTISE DE POINTE

Building a Work Plan

- Please create an individual work plan for the coming year. To do this please identify:
  - Your top 1-2 priorities for continued development as an individual Board Director or Executive Director and how you will make it happen
  - Your top 1-2 ideas for governance renewal or improvement for your Board, and what next steps you can undertake to encourage your Board to undertake them
- Share your plan with someone else at your table

www.iog.ca

Thank you!