



Fundamentals of Good Governance

GOVERNANCE AND LEADERSHIP IN OLDER ADULT CENTRES

Workshop Overview

- ▶ Types of governing boards
- ▶ Issues facing boards
- ▶ Framework for Good Governance
- ▶ Role of the Board
- ▶ Size of the Board
- ▶ Role of Individual Board Members
- ▶ Board/Staff Relationship
- ▶ Board Orientation and Evaluation
- ▶ Risk Management

Types of Governing Boards



Board of Directors

Advisory Committee

Members Council

Types of Governing Boards

| Board of Directors | Advisory Committee | Members Council |
|---|---|---|
| <ul style="list-style-type: none">• Ultimate legal authority and responsibility for organization• Elected by membership of organization (not centre)• Main governing document: By Laws (constitution)• Establishes Mission/vision• Financial accountability (audit) | <ul style="list-style-type: none">• Act in an advisory capacity• Appointed by legal entity (i.e. Municipality)• Main governing document: Job description• Main function is to provide recommendations and advice | <ul style="list-style-type: none">• Responsible for certain components of Senior Centre (limited responsibilities and authority)• Elected by Membership• Main governing document: By Laws (constitution)• Usually accountable to main board/municipality• Combination of Board and Advisory |

What are the issues facing Boards

1. What are the biggest issues facing your Board of Directors
2. What are the unique issues associated with Advisory Committees

You might have a Board challenge if . . .

- ▶ You might have a board challenge if . . . You spend time at a board meeting discussing the colour of table clothes for an upcoming event
- ▶ You might have a board challenge if . . . Having the ability to produce fog on a mirror is the only criteria for being recruited to the Board
- ▶ You might have a board challenge if . . . Your main strategy for risk management involves getting better toilet paper for the centre
- ▶ You might have a board challenge if . . . Any of your Directors think that D and O is a medical procedure
- ▶ You might have a board challenge if . . . You have cancelled a Board of Directors meeting because of a bingo game or bus trip

What is Governance?

What is Board Governance

- ▶ Establishing and implementing the organization's purpose or mission
- ▶ Setting overall goals for achieving its purpose or mission
- ▶ Providing continuity for governance and management
- ▶ Confirming the organization's identity within the community
- ▶ Strategic Planning

Governance is not . . .

- ▶ Running the programs within the centre
- ▶ Working as a program or event volunteer
- ▶ Supervising staff on a daily basis
- ▶ Working as a volunteer in the Centre

There needs to be a clear distinction
between the role of volunteers and the
role of the Board of Directors

Definition: Board of Directors

The board of directors of an incorporated, non-profit organization is **legally responsible** for the governance of the organization.

Within that mandate is the expectation that the board will **develop, implement and monitor policies** that will **allow the organization to carry out its work**.

A board is **elected by, and accountable to, its membership**. While a board may appoint staff and/or committees to carry out specific work related to its policies, programs and services, the board is **ultimately responsible for meeting organizational outcomes**.

Framework for Good Governance



Board Role

Board Quality

Board Structure
and Process

Framework for Good Governance

Board Role

- Board role and functions
- Duty of directors
- Board/management relationship

Board Quality

- Size
- Composition
- Recruitment
- Orientation
- Term and Renewal

Board Structure and Process

- Board leadership
- Executive roles
- Committees
- Meeting processes

Three Different Activities of Governance

Cyril Houle, a governance expert and author often cited in board governance resources, defines the board's role and responsibilities based on three different activities of organizations:

- ▶ 1. **Governance:** The board develops policies that give overall direction to the agency.
- ▶ 2. **Management:** The board takes actions and makes decisions to ensure that there are sufficient and appropriate human and financial resources for the organization to accomplish its work.
- ▶ 3. **Operations:** These are the activities related to the delivery of services or programs of the organization. (The degree to which this occurs depends on the board governance structure.)

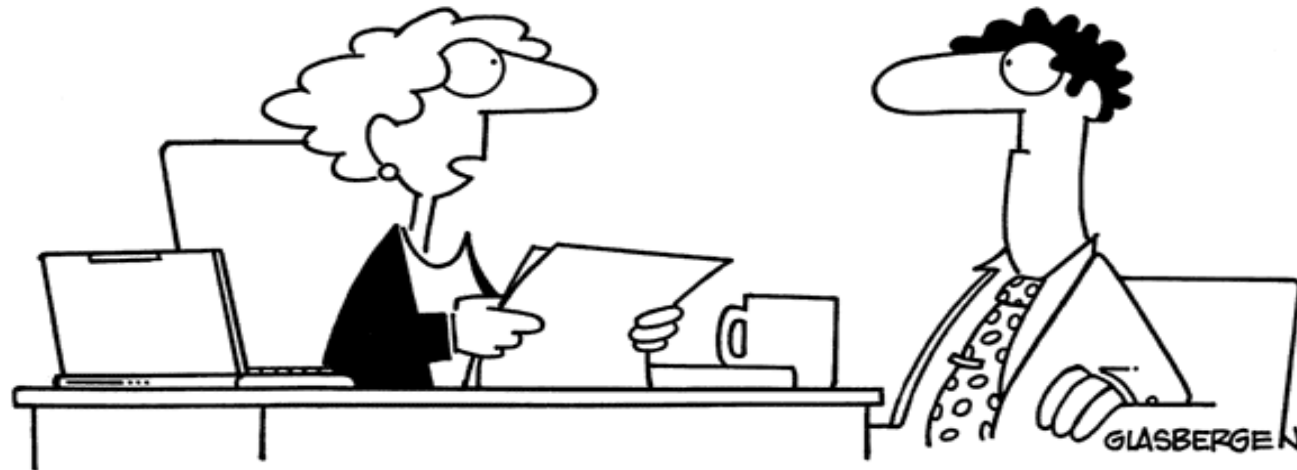
Key Outcomes for the Board

- ▶ Determine a governance model and ensure that appropriate organizational policies and structures are in place
- ▶ Participate in the development of a mission and strategic plan for the organization
- ▶ Hire and ensure that an effective senior management team is in place
- ▶ Maintain effective partnerships and communication with the community, the organization's members and its stakeholders
- ▶ Maintain fiscal responsibility, including raising income, managing income, and approving and monitoring annual budgets
- ▶ Evaluate the organization's work in relation to a strategic plan
- ▶ Evaluate the work of the board of directors, ensuring continuous renewal of the board, and plan for the succession and diversity of the board

Top Ten List: Role of the Board of Directors

1. Appointing the Executive Director.
2. Supporting the Executive Director.
3. Monitoring the Executive Director's performance.

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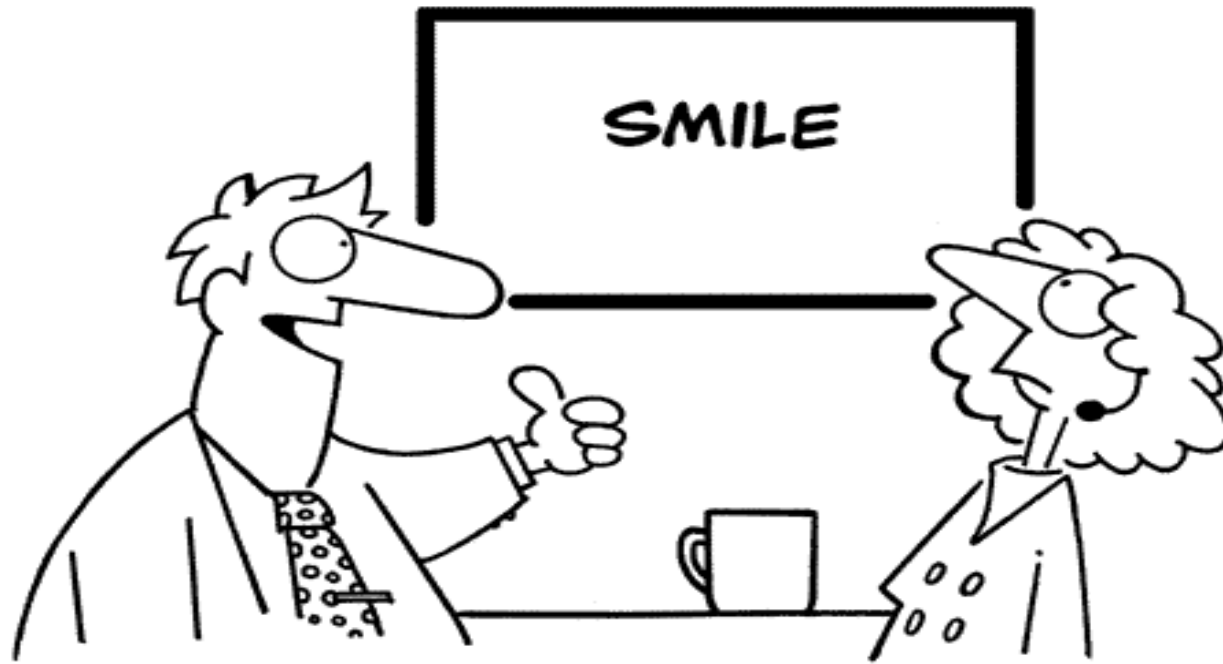


"Your résumé is bloated with half-truths, false praise, exaggeration and unsubstantiated accomplishments. I'd like to hire you to write our Annual Report."

Role of the Board of Directors

4. Clarifying the organization's mission.

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“That’s our mission statement. If people follow that, everything else seems to fall into place.”

Role of the Board of Directors

5. Approving annual and long range plans.
6. Ensuring financial solvency.
7. Policy Development
8. Enhancing the public image.

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"I won't be needing you to deliver our quarterly financial report. I've hired a blues band."

Role of the Board of Directors

9. Interpreting the community to the organization.

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**“Diversity is very important to this company.
We’d like you to shave your head, cover your body
with tattoos, and change your name to ‘Snake’.”**

Role of the Board of Directors

10. Assessing board performance.

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**“We have to get rid of some dead wood.
They’re threatening to cancel our fire insurance.”**

Board Composition

Board Composition: Board Size

- ▶ The number of board members required to be in place on an organization's board is specified in the organization's constitution and bylaws.
- ▶ This number can be changed with the approval of the board and the membership. A general rule of thumb for non-profit organization board composition is a minimum of five board members and ideally no more than 11. It is also recommended that a board have an odd number of members so that ties when voting may always be broken.

Does Size Matter

Small Board

- ▶ Easier consensus on difficult or challenging issues
- ▶ Less or no need for committees
- ▶ Less or no need for executive members
- ▶ Requires board to function together in all decisions

Large Board

- ▶ Increases chances for greater diversity on the board
- ▶ Increases opportunities for greater representation of the community or specific target groups of the community
- ▶ Easier to establish quorum at board meetings
- ▶ Opportunity for committees and for board members to specialize or hone skills

Roles and Responsibilities

Individual Board Member Responsibilities

- ▶ Act in the best interests of the organization
- ▶ Understand the roles and responsibilities of being a board member
- ▶ Be familiar with the organization's bylaws, policies and procedures, strategic plan, mission, etc.
- ▶ Ensure he/she avoids conflicts of interest including operating in the best interest of the organization not in self-interest or the interest of a stakeholder group
- ▶ Respect confidentiality policies that pertain to membership and board discussions
- ▶ Keep informed about the organization's financial activity and legal obligations
- ▶ Bring his/her own skills, experience and knowledge to the organization
- ▶ Attend board meetings regularly and arrive prepared for meetings
- ▶ Support board decisions once they have been voted on

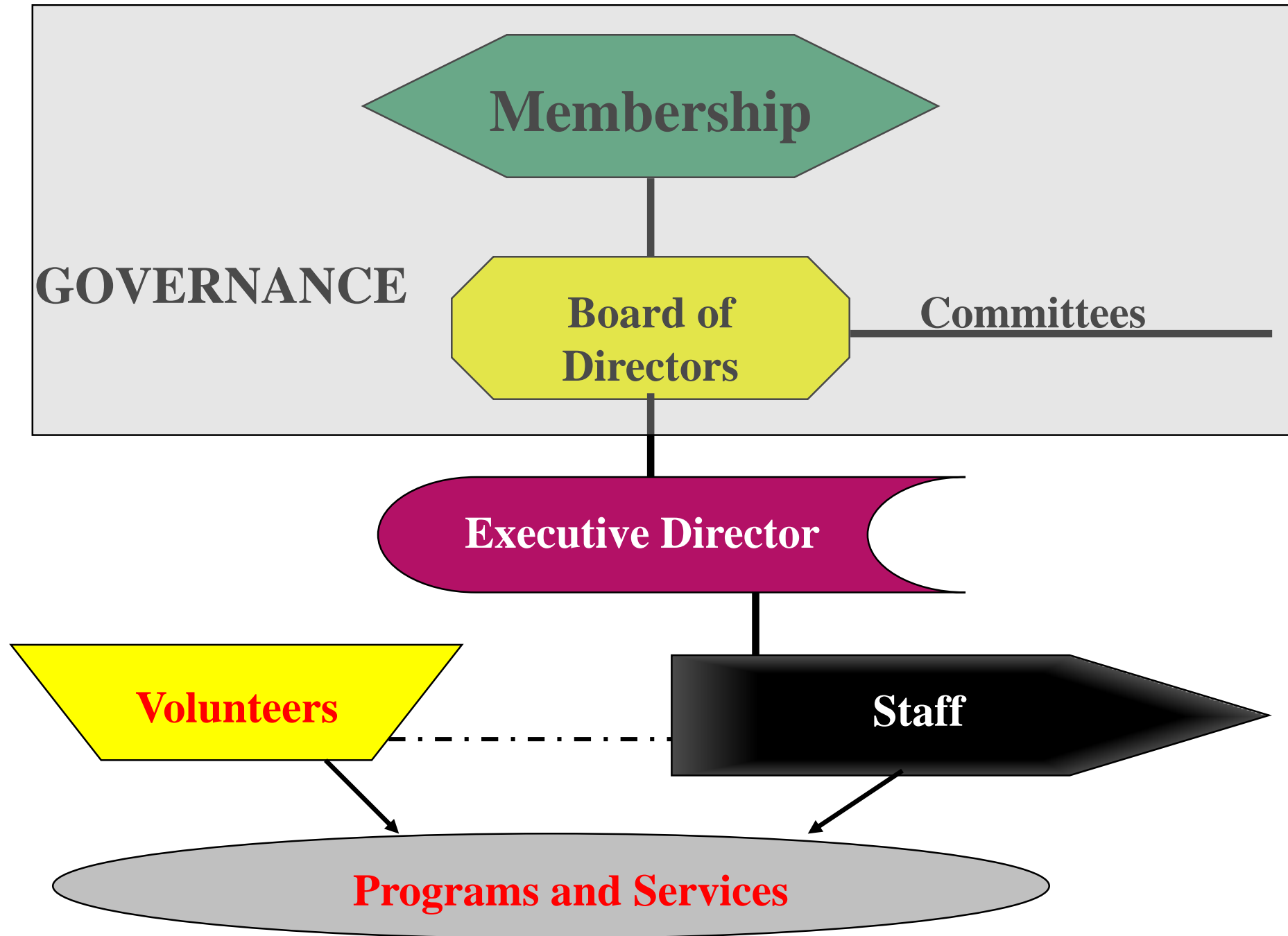
Board Member Issues

- ▶ What are some of the issues that you have encountered with individual board members?
- ▶ What strategies can you suggest to deal with these issues?

Board/Staff Relationship

Board vs. Staff Roles

- | | |
|--|--|
| <ul style="list-style-type: none">▶ Board members are volunteers▶ Board members are elected/appointed▶ Board members set policy▶ Board members assign authority▶ Board members are oriented towards the future▶ Board members are political lobbyists | <ul style="list-style-type: none">▶ Staff members are usually paid▶ Staff members are usually hired▶ Staff members operate within policy▶ Staff members receive authority to operate▶ Staff focus on day-to-day work and daily administration▶ Staff members provide support for lobbying |
|--|--|



Board/Staff Relationship Issues

- ▶ What are some of the issues that you have encountered with the board/staff relationship?
- ▶ What strategies can you suggest to deal with these issues?

Board Orientation

Board Orientation

- ▶ Important to get board members off to a good start
- ▶ Knowledge of the history of the organization and current environment
- ▶ Knowledge of policies and governing documents

Board Orientation

1. Sitting on any non-profit board requires a basic understanding of Directors' responsibilities in their jurisdiction, including compliance with relevant legislation.
2. Sitting on this board requires understanding the context and history of the organization, as well as the governance model it has chosen.
3. Sitting on this board now requires clarity as to the needs and goals of the board during this particular season or cycle. What are its current strategic priorities?
4. Me sitting on this board now requires the Director understanding why s/he has been asked to sit on this board at this time. What skills, experience, networks etc. does s/he need to bring to the board table?



Board Evaluation

Board Evaluation

- ▶ 2 types of Evaluation
 - ▶ Individual Board Member
Evaluation/Assessment
 - ▶ Overall Board Performance Evaluation

Board Evaluation

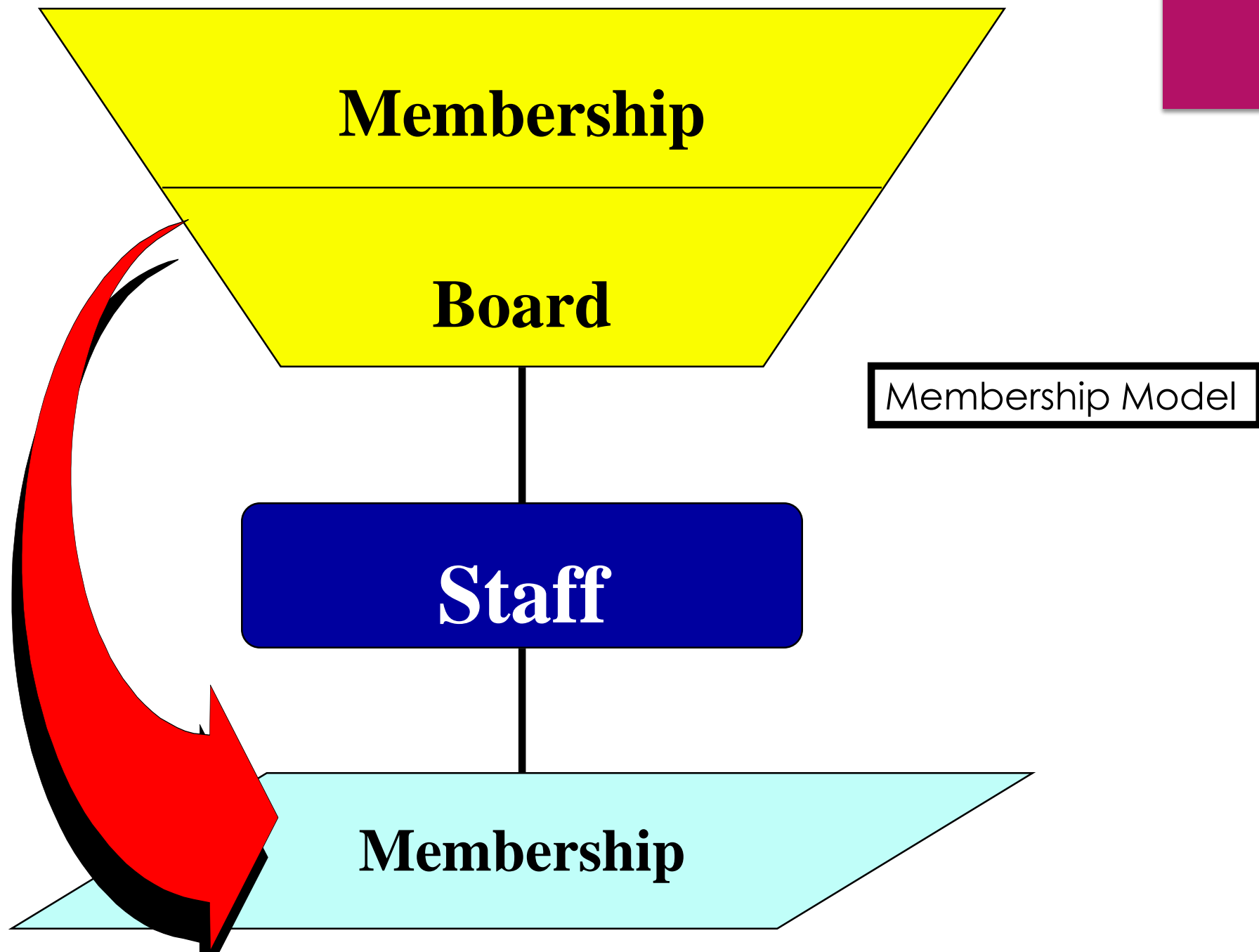
► Individual Director

Self Assessment Tool

Challenges Facing Boards

Governance Challenge #1

The Nature of Membership Boards
or Advisory Committees

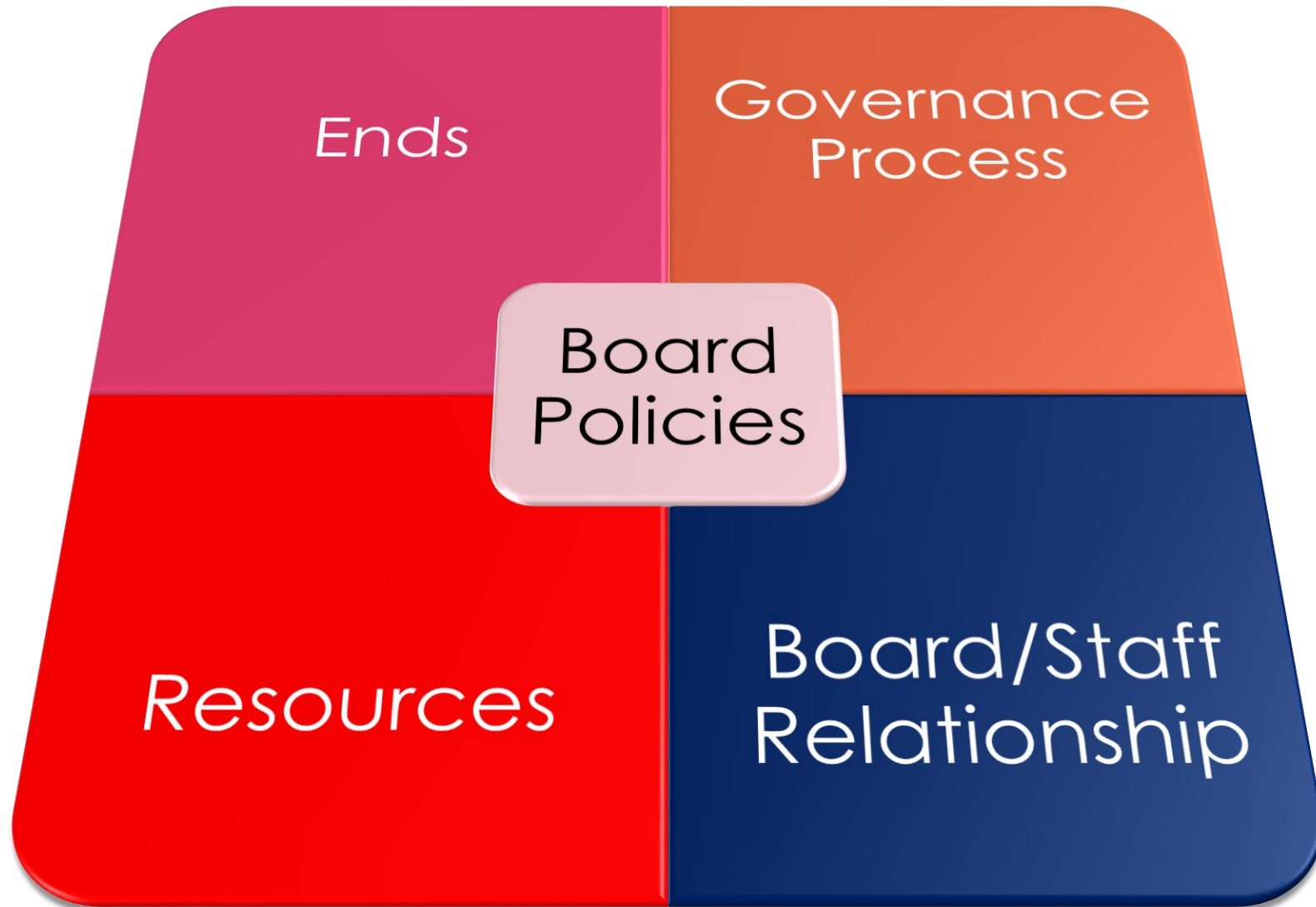


Solutions

- ▶ Move to more of a governance model
- ▶ Improve Board Policies
- ▶ Define Board Roles
- ▶ Move to a community board
- ▶ Training for Board Members
- ▶ Board Evaluation

Challenge #2

Board policies



| Ends | Governance Process | Resources | Board/Staff Relationship |
|---------------------------------------|--|---|--|
| Vision | Governing Style | Employment Equity | Executive Limitations |
| Mission | Board Role | Workplace Harassment and Discrimination | Communication with the Board |
| Values | Board Member Qualifications | Reasonable Accommodation | Responsibilities to Clients |
| Membership | Board Composition and Terms of Office | Freedom of Information and Protection of Privacy | Responsibilities for Volunteers and Employees |
| Multi-cultural and Anti-racism | Quorum and Voting | Financial Management | Asset Management |
| | Termination of Position as Board Member | Annual Budgeting | Delegation to Executive Director |
| | Expectations of Board Members | Approval of Non-Budgeted Expenditures | Monitoring Executive Director Performance |
| | Executive Officers | Investment Policy | |
| | Committee Structure | Centre Membership | |
| | Board of Directors Conduct | | |
| | In-camera Session | | |
| | Open Board Meetings | | |

Challenge #3

Board Evaluation

Board Evaluation



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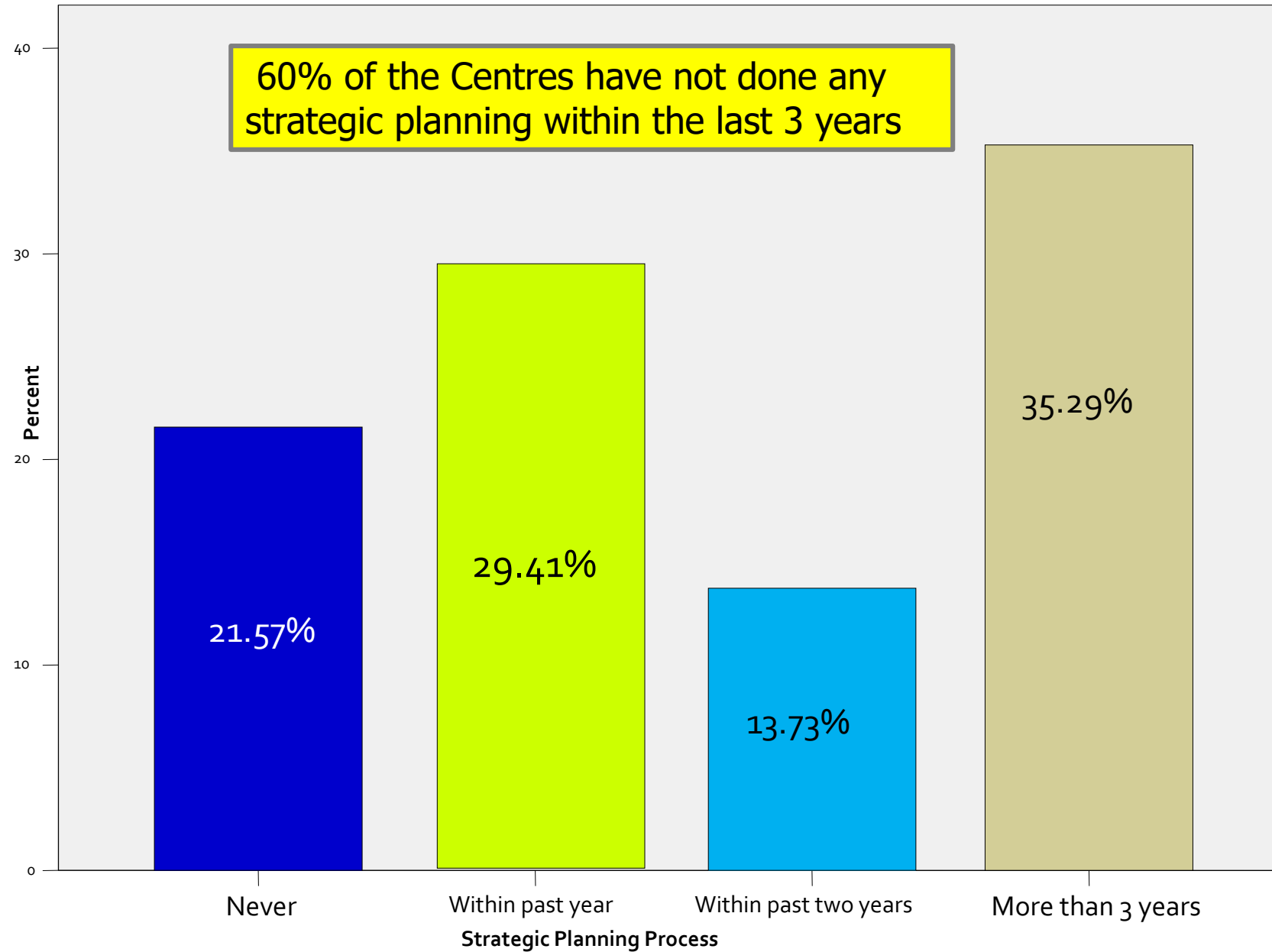
Challenge #4

Strategic Planning



"Enough with all the strategic planning.
Get out there and kill something."

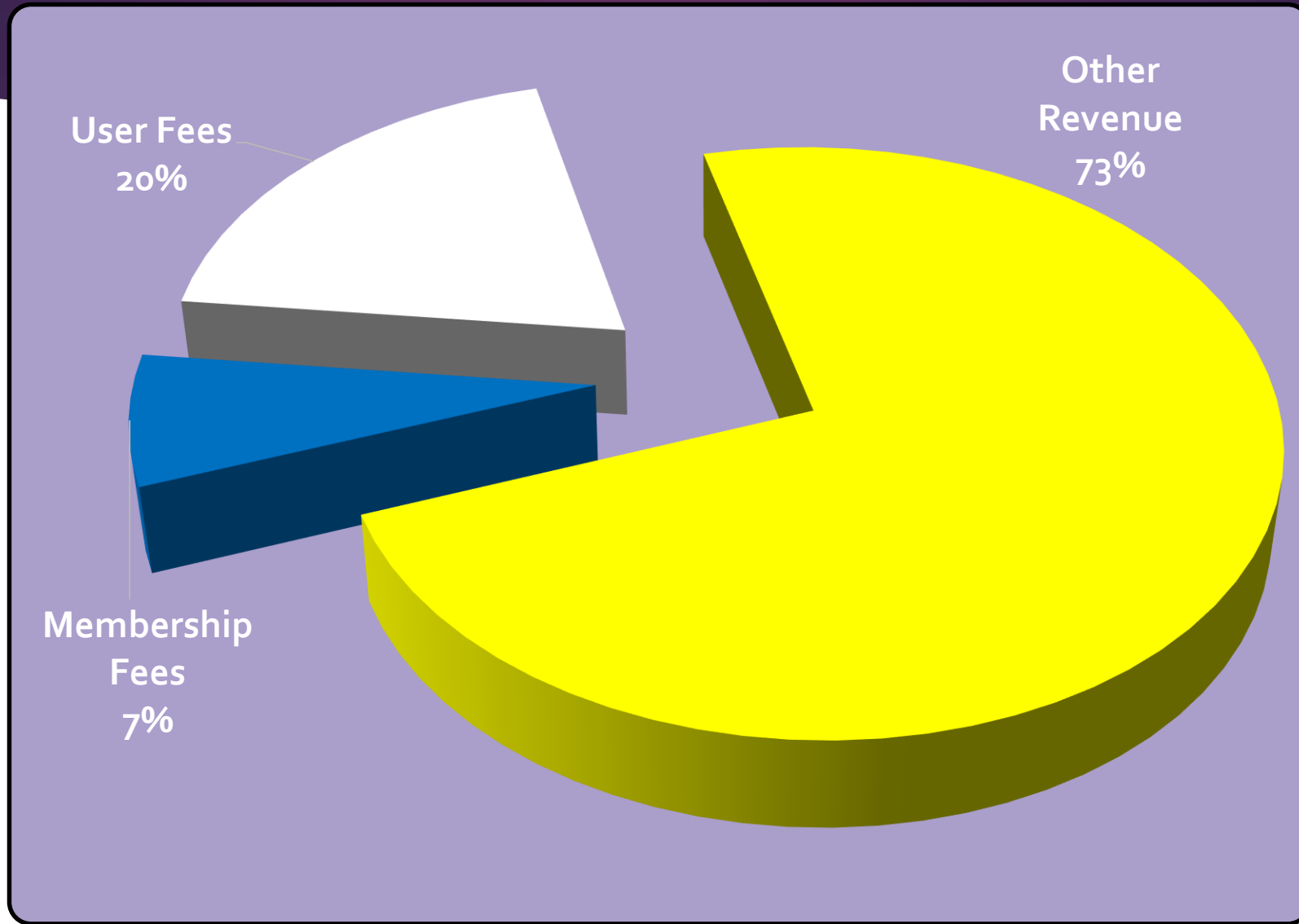
Strategic Planning Process



Challenge #5

Fund Raising

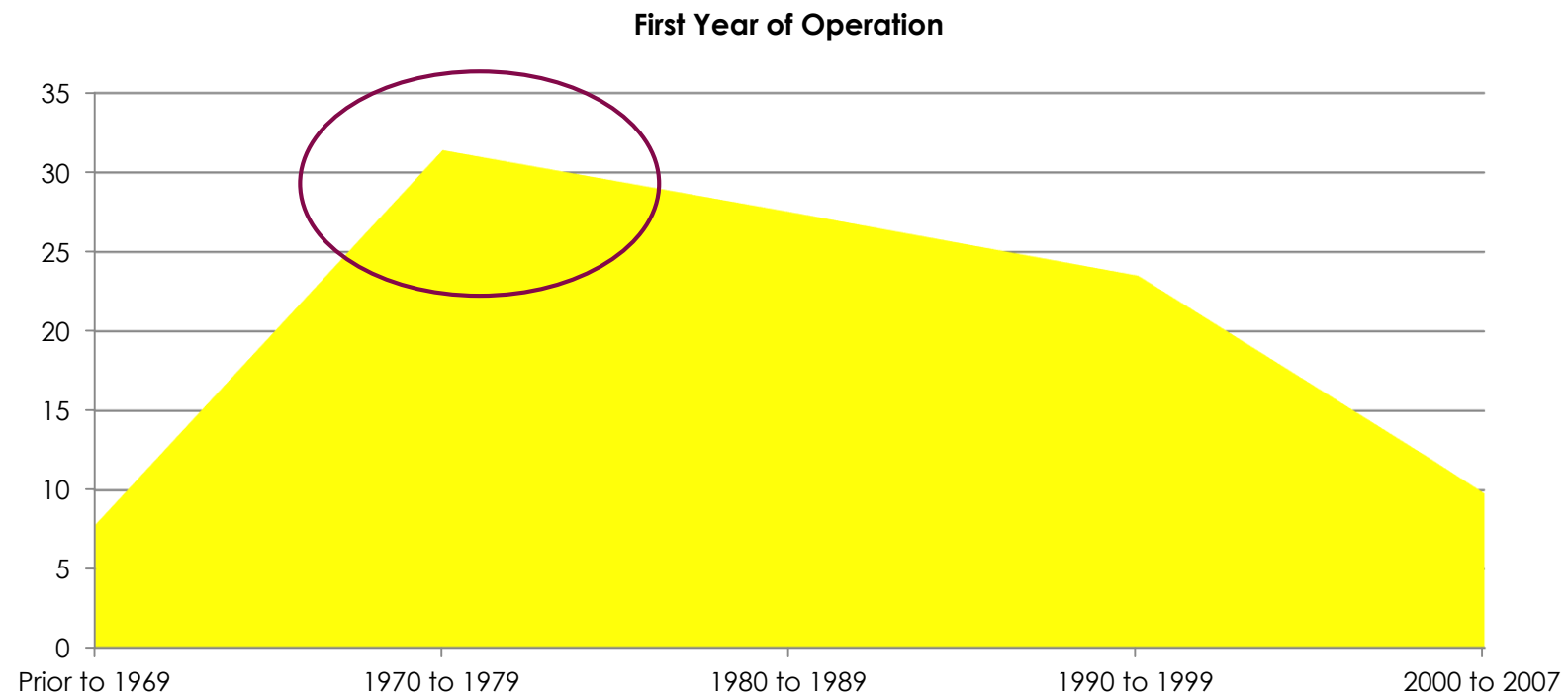
Funding for Centres



Challenge #6

Renewal of Capital Resources

Age of Facility



Challenge #7

Recruiting board members
or volunteers

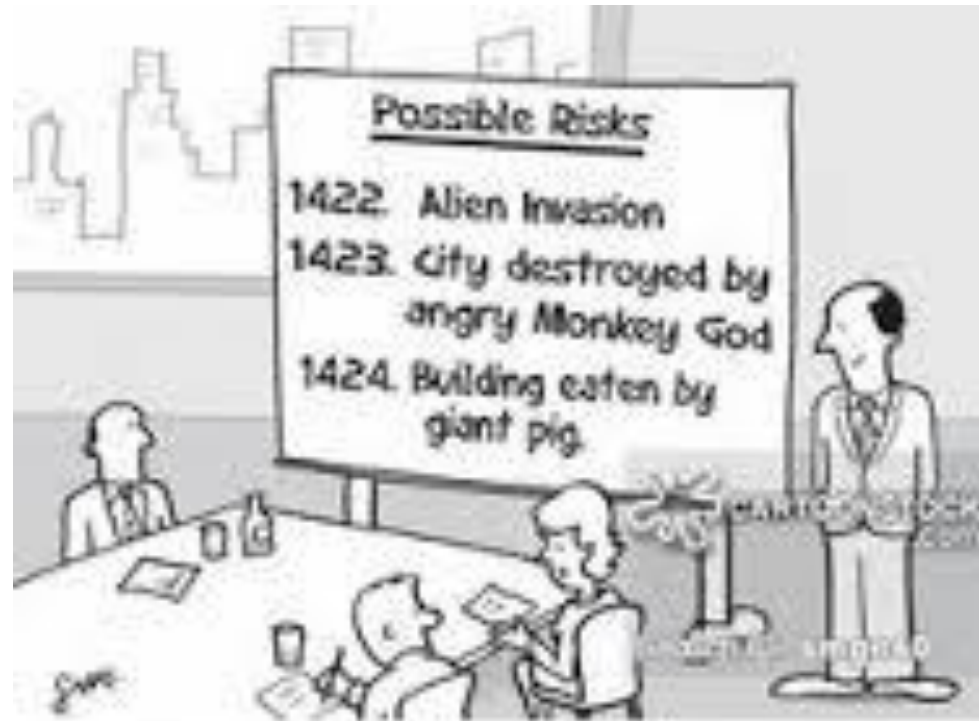
Challenge #8

Monitoring Executive Director

Performance

Challenge #9

Evaluating Risk in
your Centre



"Well he certainly does a very thorough risk analysis."

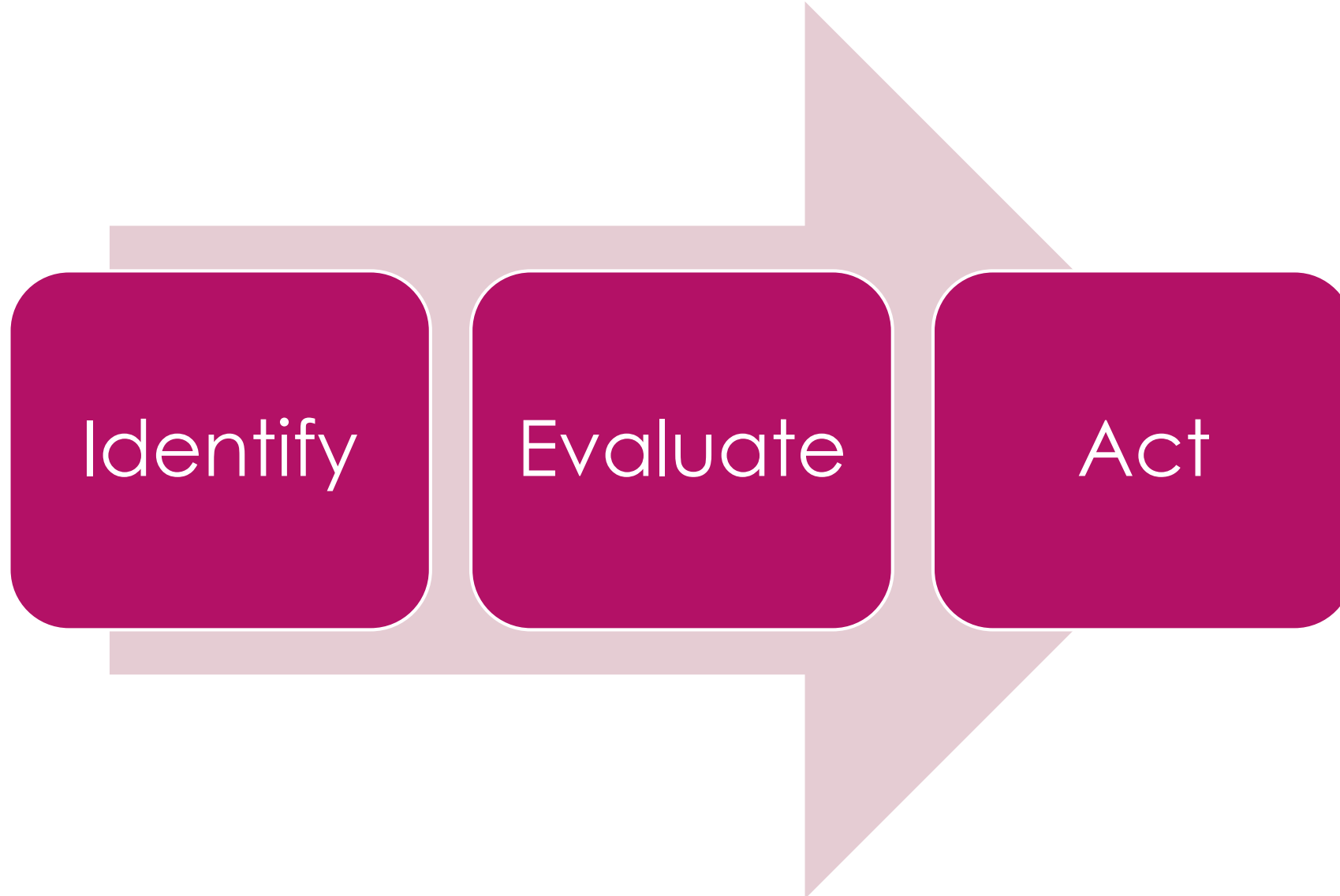
The Greatest Risk

- ▶ What is Risk?
 - ▶ People
 - ▶ Property
 - ▶ Income
 - ▶ Goodwill (reputation)

What is risk management?

- ▶ Risk management is an ongoing process of:
 - ▶ Identifying risks
 - ▶ Prioritizing risks
 - ▶ Responding with a written action plan
 - ▶ Communicating the plan
 - ▶ Monitoring its success and making changes

Risk Management Model



Simplified Risk Management Review

1. Brainstorming for realistic risks (IDENTIFY)
 - ▶ How could an individual be injured, harmed or upset?
 - ▶ Do you have waivers when going on trips?
 - ▶ Do you provide proper emergency staff for major events?
 - ▶ Is there any harassment going on by staff, volunteers or participants?
 - ▶ Think about processes used in activities
 - ▶ Think about equipment used in activities
 - ▶ Think about slips and falls
 - ▶ Think about your organization's physical assets (i.e. computers)
 - ▶ Think about contracts and legal agreements
 - ▶ Think about third party liability
 - ▶ Think about qualifications for program leaders

Simplified Risk Management Review

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Simplified Risk Management Review

2. Narrow down list of risks to most significant (EVALUATE)

Frequency

- ▶ Almost nil
- ▶ Slight
- ▶ Moderate
- ▶ Definite

Severity

- Slight
- Significant
- Severe

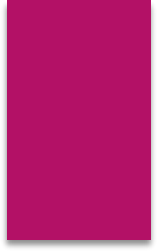
Simplified Risk Management Review

3. Determine what to do with each of these priority risks (ACT)

Examples

- ▶ Loss of membership database
 - ▶ Increase backups
 - ▶ Use web portal
- ▶ Loss of income from golf fundraiser due to bad weather
 - ▶ Event cancellation insurance
 - ▶ Tighten up contract with golf course

Simplified Risk Management Review



Other examples

- ▶ Risk of injury to program participants
- ▶ Risk of embezzlement by volunteers
- ▶ Injury on bus trip
- ▶ Drunken behaviour by participant
- ▶ Major funding discontinued
- ▶ Major pandemic

Group Exercise



1. Identify 3 risks within your centre
2. Evaluate the magnitude of risk
 - ▶ Frequency/severity
3. Determine what to do with each of these risks (Act)