

Governance

Setting up for success



November 2024



INTRODUCTIONS

- Please tell us your name.
- How long have you been part of your organization?
- What is your role with the organization?
- What are you hoping to get out of this session?



HOUSE KEEPING

- **Washrooms**
- **Breaks**
- **Participation**

Fundamentals of Board Governance



Workshop Overview

1. What Governs an Organization?
2. What is Governance?
3. Board Roles and Responsibilities
4. Committees
5. Principles of Good Governance



What Governs an Organization?

Acts/Legislation

- An Act is the legal document under which you achieve your status of being incorporated. (All Societies received their incorporation status thru an Act)
- In the case of any unclear matter the Act is considered to have final authority
- Nothing in the Societies bylaws can contravene the Act
- Acts are passed by members of the legislative assembly (MLAs) or Parliament (MPs)
- Many acts have additional laws that are done through regulations to the Act.

What Governs an Organization?

Bylaws

- The basic rules of the organization.
- The bylaws provide clear statements that all members should understand
- Well-written bylaws will help organizations settle disagreements by clarifying what should and will happen

What Governs an Organization?

Policies

- Answer “What?” the organization will be doing
- Describe a consistent course of action followed in the organization
- Must fall within the parameters established in the bylaws and Act
- Are approved by the board of an organization and can be changed by the board



What Governs an Organization?

Procedures

- “How” to carry out the policies you create
- The details that take policies to action
- The development and approval of procedures can be delegated to staff or committees of the organization who can change them as needed.

What is Governance?



- How the Board exercises its authority, control and direction over the organization on behalf of the membership.
- On behalf of the ownership, to ensure the organization achieves what it should and avoids what is unacceptable.
- The exercise of authority, direction and control of an organization in order to ensure that its purpose is achieved.

Common Governance Issues

- Lack of role clarity
- Lack of strategic focus
- Communication flow
- Accountability and transparency issues
- Strategic vs. operational
- Group dynamics
- Breach of ethics and policies
- Lack of written policies



Common Governance Issues

➤ Lack of Role Clarity

- The Board's role is to DIRECT and PROTECT
- Direct link to the OWNERS (not the customers)
- Act in the best interest of the WHOLE (not of individuals)
- Board is the WHAT...Staff, volunteers and committees are the HOW
- Focus on Strategic thinking/planning
- Which hat to wear & when
 - Oversight
 - Implementation
 - Volunteer



Board and Staff/Committee Roles

- The Board deals with the **WHAT**.
 - Staff & Committees deal with the **HOW**.
- The Board primarily talks with the **OWNERS**.
 - Staff & Committees primarily talk with the **CUSTOMERS**.
- The **BOARD** gives direction to the Senior Staff Person or the Assigned Designate.
 - The **SENIOR STAFF PERSON** gives direction to staff.
- OR
- The **ASSIGNED DESIGNATE** gives direction to committee members and/or volunteers



Board, Committee, and Senior Staff Person Roles

Board

- Acts as a group
- Continuous
- Part time
- If they have senior staff, they will only have access to 1 employee
- Have ultimate responsibility
- Typically, not an expert in the work of the organization
- Gives volunteer time

Committee

- Acts as a group
- Continuous or Adhoc
- Part time
- Limited & Identified Responsibilities
- Responsible to the Board or Senior Staff (if a senior staff person exists in the organization)
- Typically have experience in, or are interested in the work of that committee
- Gives volunteer time

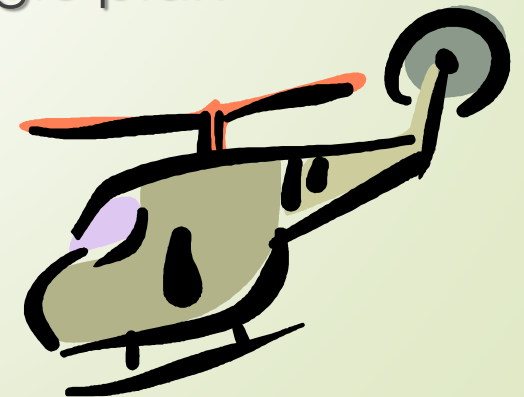
Senior Staff Person (if applicable)

- Is an individual
- Full-time or Permanent Part Time
- Has access to all staff
- Has limited, immediate responsibility (Responsible to the Board)
- Typically, a professional and an expert in the work of the organization
- Earns a salary

Common Governance Issues

► Lack of Strategic Focus

- Oversight...50,000 ft view
- Future focused...anticipating change/opportunities/challenges – trends
- Develops the organization's strategic plan – vision, mission, mandate, values





What are the Board's core responsibilities?

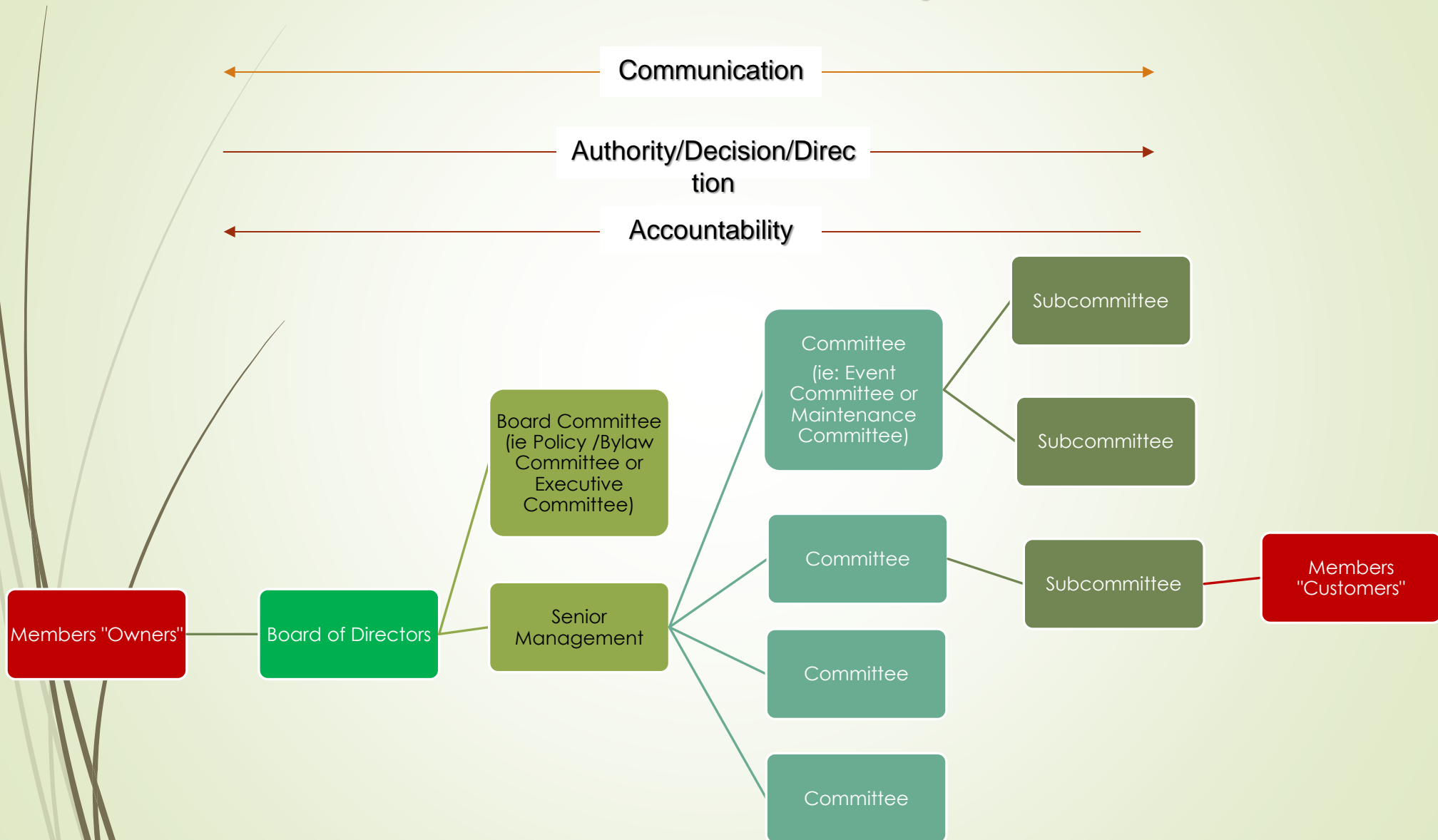
- Determine the organization's mission and purpose
- Select the senior staff person (if applicable)
- Create Committees (as required)
- Provide proper financial oversight
- Ensure adequate resources
- Ensure legal and ethical integrity and maintain accountability
- Ensure effective organizational planning
- Recruit and orient new board members

Legal Duties of a Board member



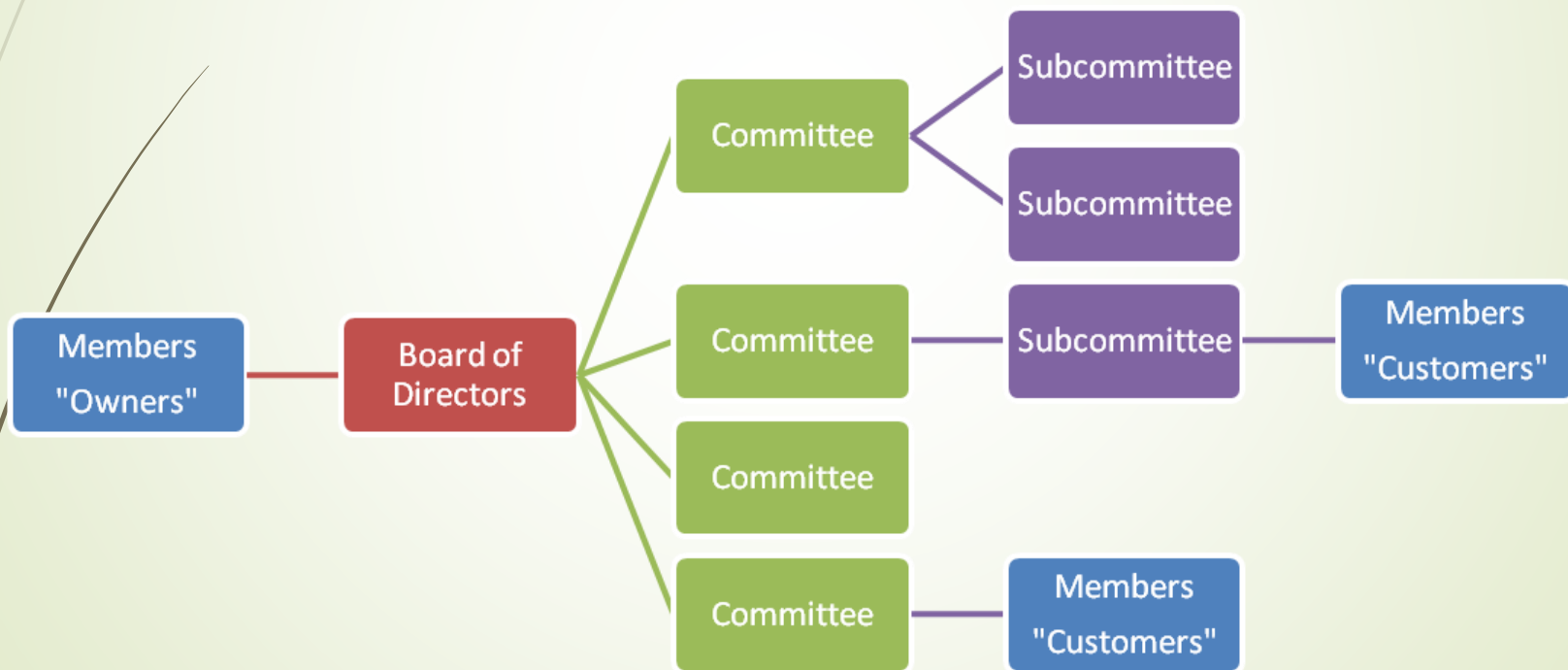
- Duty of care – actively participate in decision making and exercising best judgment
- Duty of loyalty – set aside personal and professional interests – the organization's needs come first
- Duty of obedience – full compliance with provincial and federal laws

Effective Organizations have a clear structure, clear lines of communication, authority, direction and accountability.



Common Governance Issues

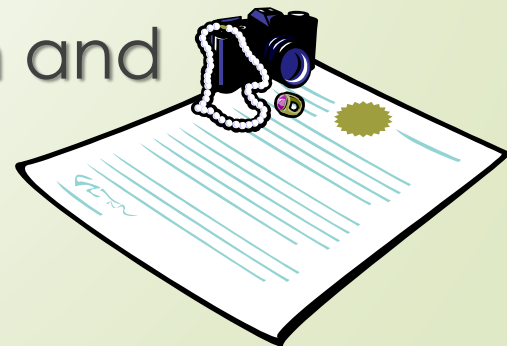
► Clear Communication Flow



Common Governance Issues

➤ Lack of written Board policies

- A consistent course of action.
- Policies are adopted by the Board and give direction to the organization.
- Policies should be written down and reviewed regularly.



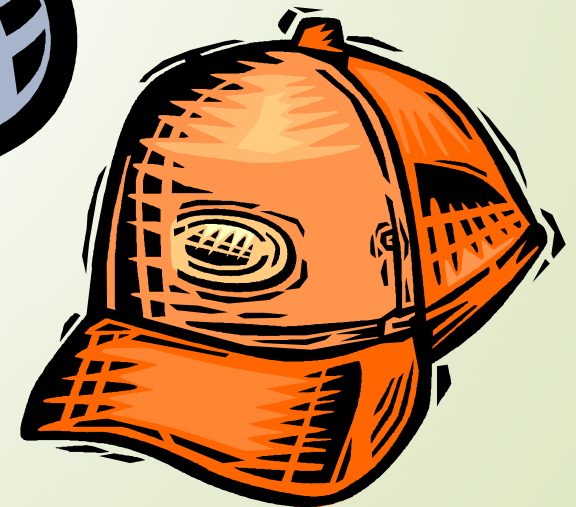
Attributes of a High-Performing Board



Attributes of a High-Performing Board

➤ Board members have three 'hats' –
and only one can be worn at a time

- Oversight hat
- Implementation hat
- Volunteer hat



Oversight Hat



- Worn when the full Board meets to make high-level decisions related to the organization's mission.
- The Board works as a unified group to set direction and then uses its authority to steer the organization on the appropriate course.

Implementation Hat



- ▶ Worn when individual Board members have been granted specific authority to act on the full board's behalf.
- ▶ Board delegates a task to one of its members (i.e. directing the search process for a new CEO, or Board nominations)

Volunteer Hat



- Worn when Board members serve as organizational volunteers – when they assist with operational tasks (staff tasks).
- When wearing this hat, they report to the senior staff person (if applicable), or committee chair, or Board designate.



Attributes of a High-Performing Board

- ▶ The Board is clear about its owners and customers
 - ▶ **Owners** – individuals who support or belong to the organization...also referred to as membership or shareholders
 - ▶ **Customers** – those who utilize (or benefit from) the services provided by the organization

Whole vs. Individual

“Problems arise when Board members talk as customers and expect to be heard as owners”



Attributes of a High-Performing Board

➤ The Board provides clear direction

- What should the Board be providing direction about?
 - Vision
 - Mission
 - Values
 - Goals and targets
- Once the Board determines the direction, it delegates responsibility to the Senior Staff Person (if applicable), a Board Designate, or Committees to decide how the direction will be implemented and achieved.



Attributes of a High-Performing Board

➤ The Board “Speaks with One Voice”

- All board directors publically support the decision of the Board even if there was not unanimous support by all board directors regarding the decision of the Board.
- What happens when this principle is not followed?



Board Member Roles





Expectations of Board Members

- Deal with outside entities or individuals, with clients and staff, and with each other, in a manner reflecting fair play, ethics, and straightforward communication
- Be informed about current issues and be prepared to discuss these issues



Expectations of Board Members

- ▶ Attend all board and committee meetings; develop a working knowledge of meeting procedures. Notify in advance if unable to attend board meeting. Provide written reports in advance of the meeting. Read minutes before meetings
- ▶ Speak positively of the organization to the public

Expectations of Board Members

- Represent un-conflicted loyalty to the interests of the organization and its membership.
- Avoid conflict of interest
- Must not exercise individual authority over staff or the society, except as described in policy
- Keep confidential board business and matters of a delicate nature

Key Points

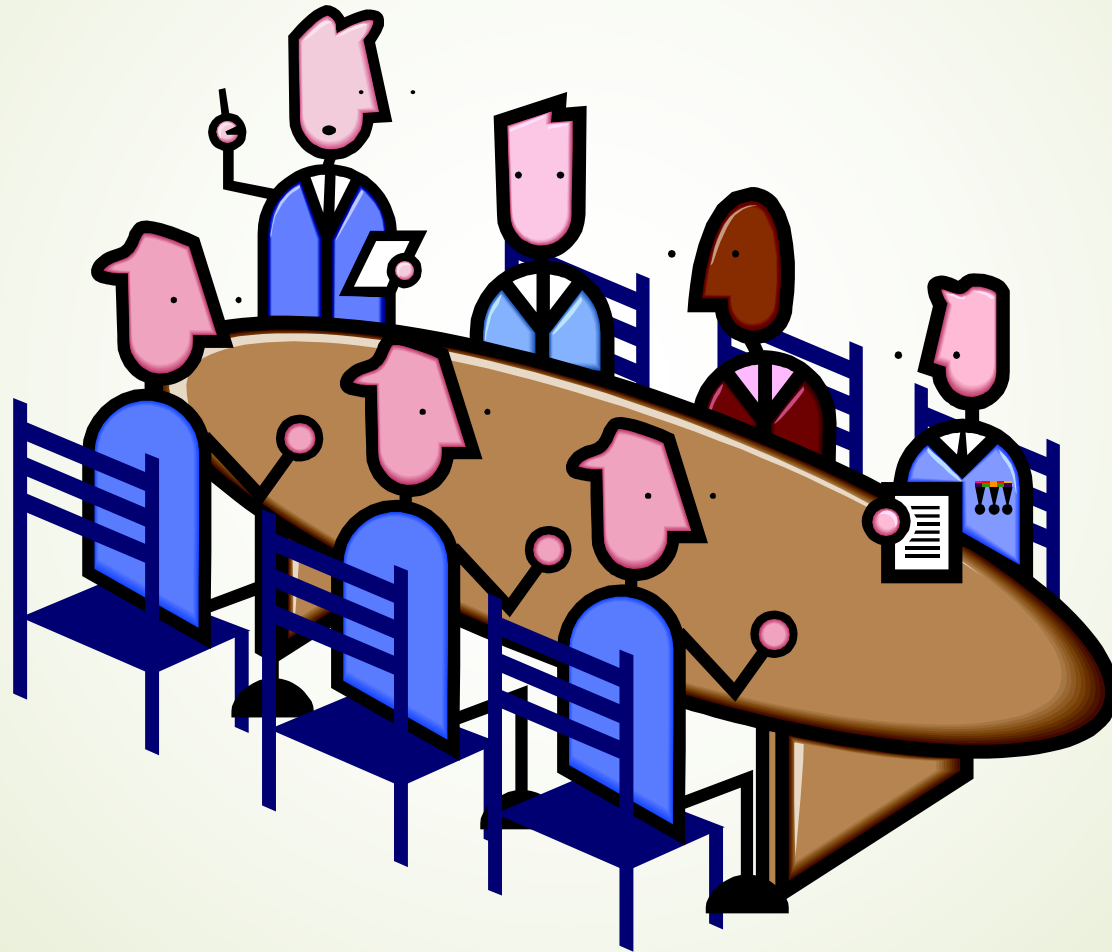
- Board members are ultimately responsible for governance and internal controls of the organization
- If you don't understand: ASK! Questions and clarifications will help everyone
- Do the best to discover & minimize issues
- Consider what internal controls are needed, how they're monitored and by whom



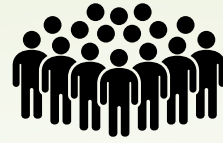
Decision-making Principles

- Once elected, every Board member should think and act for the good of the whole.
- Different points of view should be encouraged at the time an issue is being discussed.
- When everyone feels that the discussion process has been fair and complete, the Board chair calls for a vote.
- The majority determines the Board's decision, and everyone is obligated to support the decision.
- ***“Hard on issues...soft on people”***

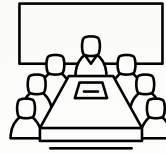
Committees



AG SOCIETY ORGANIZATIONAL CHART



MEMBERS



BOARD OF DIRECTORS



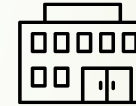
RODEO
COMMITTEE



FAIR
COMMITTEE



EVENT
COMMITTEE



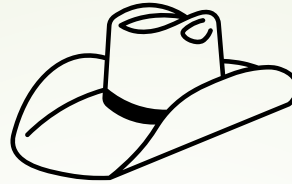
FACILITIES
MANAGER



REPAIRS &
MAINTENANCE



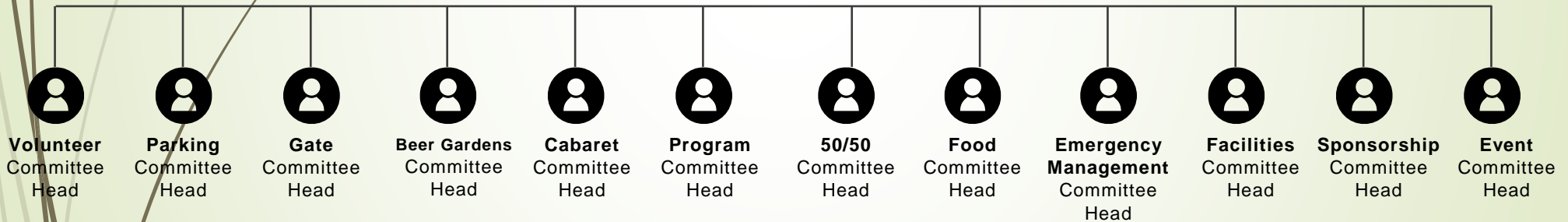
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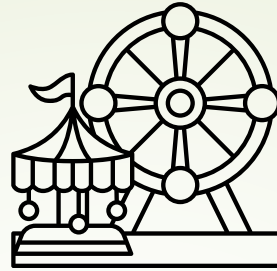
RODEO COMMITTEE

Chair Person

SUB-COMMITTEES



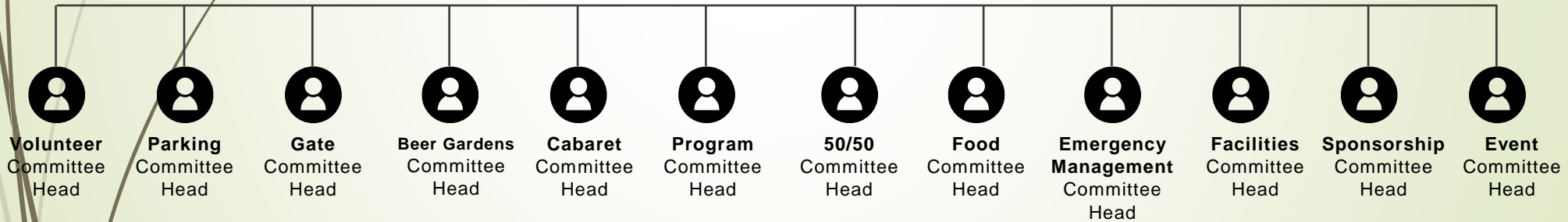
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**FAIR
COMMITTEE**

Chair Person

SUB-COMMITTEES



Board Committees vs. Operational Committees



- ▶ **Board Committees** - serve the Board's needs & reports back to the Board
- ▶ **Operational Committees**– implement activities and operations as directed by the Board
 - ▶ Board members wear a different hat when on a committee or acting as a volunteer
 - ▶ If the organization has a senior staff person, the committees are responsible and report to the senior staff person – not the Board



Reminders about Committees

- ▶ The Committee does not take the place of the Board.
- ▶ Recommendations are decisions in disguise – bring options instead.
- ▶ When reporting back to the Board, remember who reports based on the type of committee (Board vs. operational)



Executive & Committee Responsibilities

- Any authority must be given by the Board of Directors



Committee Terms of Reference

- General Purpose
- Length of Term
- Committee Composition
 - Director Liaison
 - Senior Staff (ex-officio)
 - Committee member eligibility
- Roles & Responsibilities
 - Board
 - Committee
 - Director Liaison
 - Committee Chair
- Levels of Authority
- Remuneration
- Meetings
- Reporting requirements
 - Budget Approval
- Other Matters (as deemed necessary by the Board)



Principles of good governance

➤ Principle #1 – Clarity of Mandate

The presence of a clearly established mandate set in legislation and local bylaws

➤ Principle #2 – Clarity of Authority

The degree of authority must be made clear for the Board and senior staff



Principles of good governance

- **Principle #3 – Public Accountability and Responsiveness**

The mandate must be reliant on the endorsement of the public

- **Principle #4 – Clear Sense of Purpose**

An organization requires a clear sense of its purpose to be stated in its mandate, goals, objectives, and strategies



Principles of good governance

➤ Principle #5 – Full Disclosure

The governing body must have access to the information necessary to make decisions

➤ Principle #6 – Sense of Integration

The Board and its associated entities must all be seen to be operating from the same page

Principles of good governance

► Principle #7 Sound Relationship between the Governing Body and a Senior Staff Person

The relationship of the Board and its committees to the Senior Staff Person is critical to how well the overall system is run.

► Principle #8 – Independence of the Governing Body

While the governing body may receive advice from several sources, the act of governing must remain solely its responsibility



Principles of good governance

➤ Principle #9 – Orientation and Succession Planning

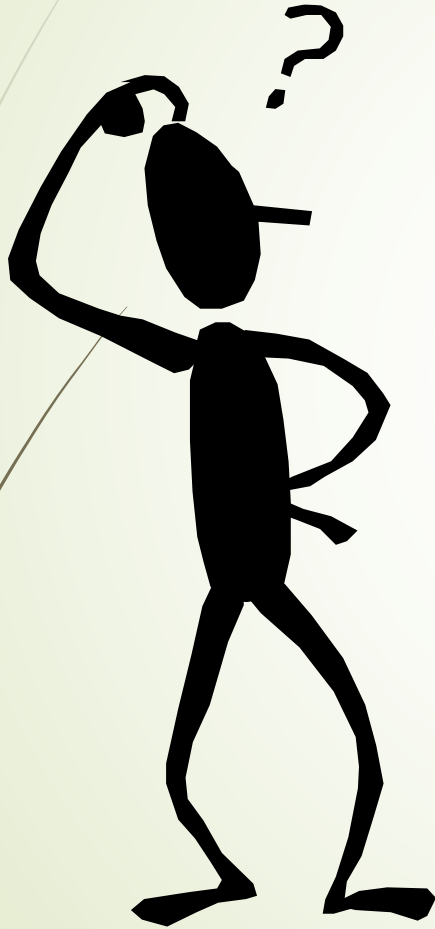
The Board should ensure that new and returning members receive an orientation briefing at the beginning of each term and that a succession plan is up-to-date

➤ Principle #10 – Ongoing Performance Assessment

Any model of governance must include a system with steps to ensure that it is performing as expected



Questions/Thoughts






THANK YOU



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