

Governance Basics

Making Your Work as a Board Member Easier

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Welcome



In this session we will discuss

- Ethical Responsibilities
- Performance Expectations of Board Members
- Information Needed to be an Informed, Effective Board Member

ETHICAL AND LEGAL RESPONSIBILITIES FOR BOARD MEMBERS

What would you do?

The new Chair of the Left Overshoe Public Library recently gave an interview to the media in which he highlighted the library's record for:

- High staff morale
- Meeting the public's needs
- Effective use of resources
- A balanced budget by the end of the year

Based on this report, you applied to become a board member and were appointed by council. You have just attended your first board meeting and have discovered that:

- Yearly staff turnover is over 75%
- Acquisitions appear to be based on the needs of the board and Library Manager
- No storytelling program exists in a community with a high proportion of preschoolers
- The board appears to have a revolving door when it comes to board members
- A financial statement was not given out at the meeting

Ethical Responsibilities

- Want to serve on a board
- Believe in the value of the organization
- Endorse the mission

Legal Implications of Board Membership

- *Personal liability is minimized when board members are acting prudently, within their authority, and are not negligent.*

Legal Implications of Board Membership (cont'd.)

- *Incorporation as a society provides a way to limit the individual board member's liability - it does not eliminate liability entirely.*

Canadian Association of
Widget Entrepreneurs



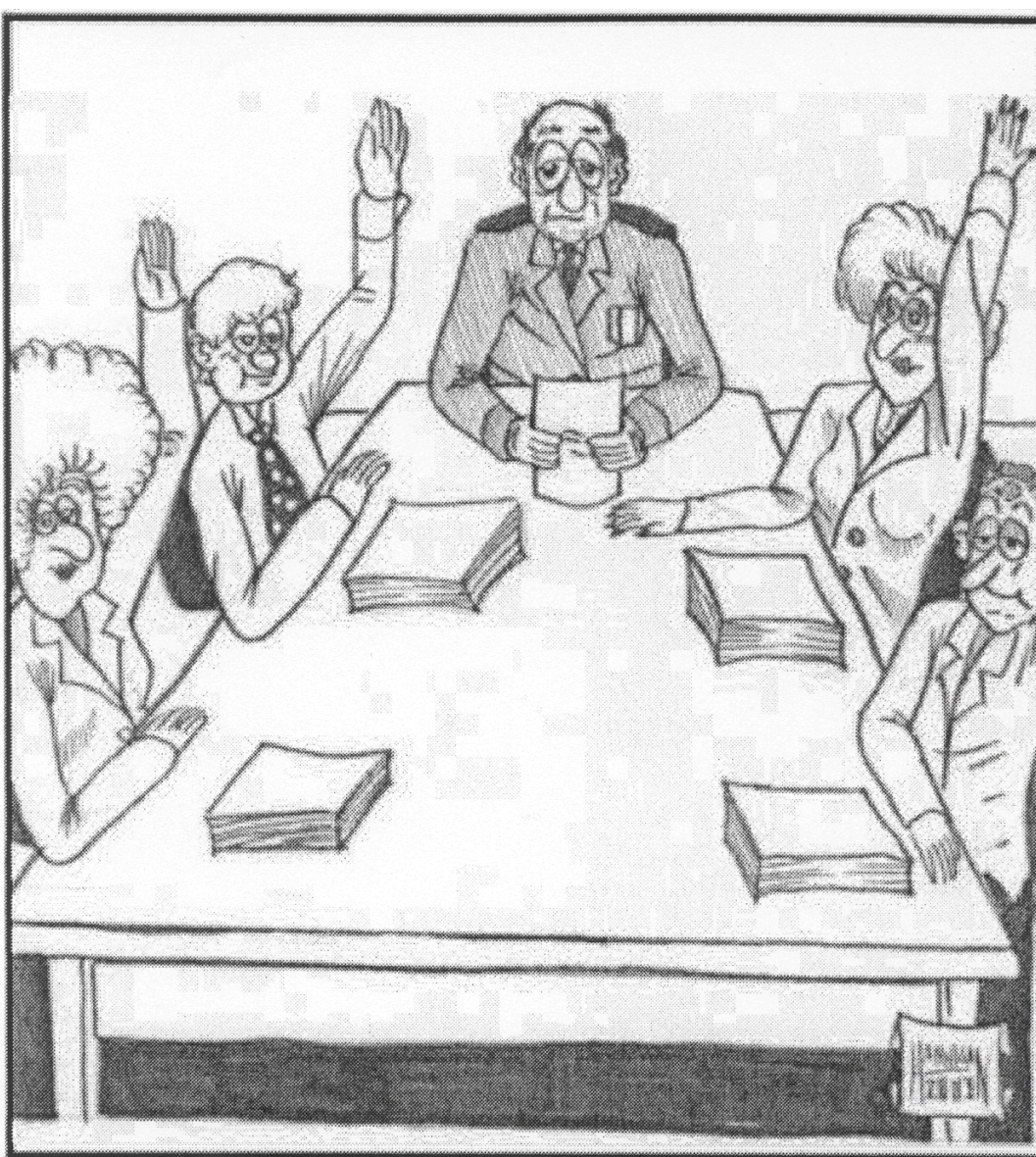
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As usual, the directors had not read their
board package prior to the meeting!

BOARD
DEVELOPMENT
PROGRAM

Areas of Individual Liability

- Non-Management
- Negligence or Willful Mismanagement
- Conflict of Interest and Self-Dealing



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"The next item of new business is Frank's performance appraisal. I move that we table it for another year...all in favour?"

BOARD
DEVELOPMENT
PROGRAM

Legal Duties & Responsibilities

- Trustee or Fiduciary
- Duty of Care
- Skills and Diligence
- No Conflict of Interest
- No Contract Voting

Areas of Risk

- **People**
- **Financial**
- **Reputation and goodwill**
- **Technology and intellectual property matters**
- **Regulatory matters**

Risk Management Process

- **Identify potential risks**
- **Assess level of impact and likelihood of each risk**
- **Generate strategies to address each risk**
- **Choose most appropriate strategies**
- **Develop risk management plan**
- **Monitor and review plan regularly**

Assessing Risks

Level Of Impact	High				
	Low				
		Low		High	

Likelihood of Occurrence

Strategies for Managing Risk

- **Avoid**
- **Reduce**
- **Transfer**
- **Accept**

Performance Expectations

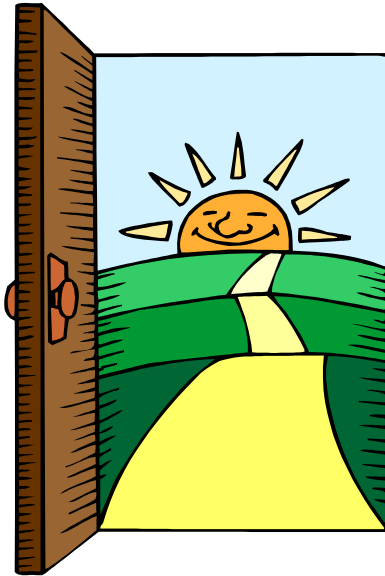
- Loyalty
- No Conflict of Interest
- Individual Authority
- Conduct

Performance Expectations

(cont'd)

- Meeting Preparation
- Active Participation
- Board and Staff Relations
- Confidentiality
- Image

Why are Performance Expectations Important?



Now what would you do?

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Information You Will Need

Ask about:

- Orientation
- Meetings
- Job Description

Information You Will Need

(cont'd)

- Strategic Plan
- Code of Conduct
- Time and Financial Requirements
- Training Events

Session Review

Today we discussed:

- Shared values and community responsibilities
- Performance expectations
- Information you will need

Your Questions



Issue Identification

“Based on my experience, the most significant issue that is raised by our discussion is...”

Taking Action

“Knowing what I know now about becoming an effective board member, over the next few months I want to...”

Board Development Program

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