

Governance, Policies and By-laws
Indigenous Housing Provider Forum
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Objectives

- ▶ 10 Principles of Good Governance: Rolande
- ▶ Responsibilities of the Board and how Directors handle those responsibilities
- ▶ Relationship of the Board to: Executive Director
- ▶ Governance vs Management
- ▶ Understanding Policies
- ▶ Review of current situation
- ▶ How to create effective by-laws and policies

10 Principles of Good Governance

1. Board acts on behalf of the owners of the organization
2. Board is accountable to the owners for everything that happens in the organization and can't give that accountability away.
3. Board has authority as a collective.
4. Board speaks through its policies and actions taken through approved motions.
5. Board speaks with one voice.

10 Principles cont'd

6. Board delegates its authority for the operations of the organization to the Executive Director.
7. Board can best work with the ED by giving direction through policy and approved motions.
8. No individual board member has the authority to direct the work of the ED or any other staff member.
9. Board evaluates the Executive Director against compliance with the policies and progress on the strategic plan.
10. The relationship between the Board and the ED is one of partnership and collaboration.

Key Responsibilities of the Board

1. Establish the organization's mission, vision, direction and purpose, and develop policies and actions to ensure they are attained:
 - ▶ Board creates a strategic plan that outlines:
Organizational values, Mission, Vision, and Priorities and strategies that serve the mission
 - ▶ Asks the ED to report on progress on the strategic plan, not on operational matters

Things you need to know:

1. Evidence that the organization is true to its values
2. Who is responsible for the priorities in the strategic plan
3. The timeline for achieving the priorities in the strategic plan
4. What the success indicators are for the priorities (how will we know we have achieved the priorities?)

Key responsibilities cont'd.

2. Select, support, guide and evaluate the Executive Director:

- ▶ Establishes a Personnel Committee to select and support the ED
- ▶ Develops policies that outline how the ED must manage the organization
- ▶ Appraises the ED's performance against identified measures

Things you need to know:

- ▶ How do we delegate our authority to the ED?
What policies are in place?
- ▶ How is the organization faring in the accomplishment of its strategic priorities?
- ▶ How will the ED's performance be appraised and measured?
- ▶ What is the difference between curiosity and need to know? How do we define what reports are actually needed for the Board's work

Key responsibilities cont'd.

3. Ensure the financial health of the organization and manage risk by ensuring there are adequate resources to carry out its work and by monitoring the budget and expenditures:
 - ▶ Review and approve regularly provided financial statements
 - ▶ With the ED establishes the budget, approves it and regularly reviews it for variances
 - ▶ Spearhead fundraising efforts
 - ▶ Assess areas of risk and develop plans to mitigate or eliminate the risk

Things you need to know

- ▶ Are we projected to have a deficit or surplus? Why?
- ▶ If a deficit, have we sufficient unfettered reserves to cover it? If not, how will it be covered?
- ▶ If we achieve a surplus, what will happen with it? Do we have a policy specifying how surpluses will be handled?
- ▶ How realistic are the projections to year-end? What are the assumptions that underpin those projections?
- ▶ Is there a need for action now related to operations to deal with the variances and/or projections to year-end?

Key responsibilities cont'd.

4. Oversee the Board's operations by: determining its role; developing policy to govern its behaviour; evaluating its progress and effectiveness; and recruiting, training and evaluating individual board members
 - ▶ Develops policies that direct how the Board will govern itself, usually kept in a Board Governance Manual
 - ▶ Creates intentional documentation about how it will delegate its responsibilities to the Executive Director
 - ▶ Defines how the success of the organization will be measured and how the ED will report on its success

Things you need to know

- ▶ What traits and skills would be helpful for new Board members to exhibit? How do we ensure those characteristics are sought out in new board members?
- ▶ What is the role of Board Committees? What are the terms of reference for the committees? Do they act in the interests of good governance? How do they report/connect to the Board?
- ▶ What policies are in the Governance Manual? Are there others that are missing or need to be developed? How do we review the policies? How do we change them?
- ▶ What policies do we have to delegate the board's authority to the ED? What additional policies do we need?
- ▶ How do we measure our own success/challenges as a Board?

Relationship to the ED

- ▶ It is the Board's job to:
 - ▶ Ensure that the ED is protected from doing work that belongs to the Board (eg. orienting new board members, managing board succession, developing board policies etc)
 - ▶ Avoid making more work for the ED than is absolutely necessary; eg. reporting
 - ▶ Watch over the operations from a strategic standpoint. 'Eyes on, hands off'
 - ▶ Appraise the ED's management of the organization on pre-determined criteria and measurements; unfair to 'change the goalposts'

Governance vs Management

Type of decision	Governance Role (Board)	Management Role (ED)
Development of mission/vision/values	Creates or modifies	Relates decisions to the statements
Strategic plan	Co-creates	Co-creates
Board policies	Creates	Advisory role
Operational policies	Ensures they are in place	Creates and uses to guide
Communication	With membership and ED	With Board, staff, committees and community
Oversight	Board oversees ED	ED oversees all staff
Budget	Approves	Develops