

A Seminar in Board Governance

A Presentation on behalf of :
The Centre for Organizational Governance in
Agriculture(COGA)

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Your Program Expectations?

* 1.

* 2.

* 3.

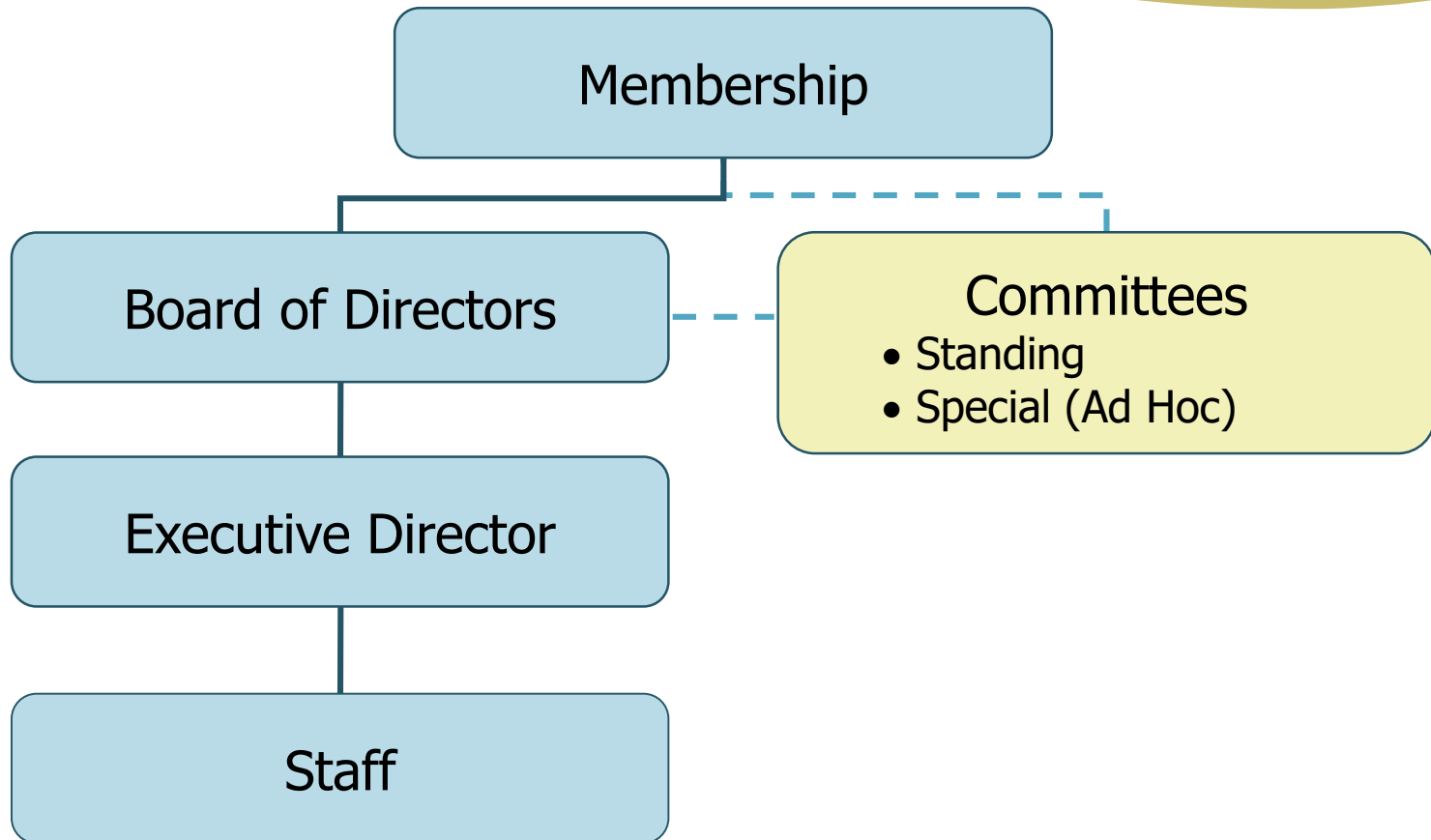
CAUTION!!!!

- * Information presented is General
- * Program mostly about Prevention
- * Not intended to Provide or Replace “Legal Advice”
- * Law is always changing

Ranking of Rules

- * Law of the Land
- * Constitution
- * Bylaws
- * Special Rules
- * Robert's (RONR)

The Delicate Balance



Definition of a Board

- * A Board is an organized group of people with the authority collectively to control and foster an institution that is usually administered by a qualified executive and staff.

Cyril O. Houle

Board of Directors

- * The legal entity responsible as a group for the proper conduct of the Association's affairs.
- * BUCK STOPS !

Purpose of a Board

Represent and Balance Interests of:

- * Those not at board table
- * Members
- * Stakeholders
- * Exists only when meeting

BYLAWS

- * Name
- * Object/purpose
- * Membership
- * Officers
- * Meetings
- * Board of Directors
- * Committees
- * Parliamentary Authority
- * Amendments
 - Proxies
 - Indemnification
 - Conflict of Interest

Board Members Responsibilities

- * Attendance
- * Mission
- * The President & CEO
- * Accounting & Auditing
- * Program Support & Review
- * Additional Considerations

FIDUCIARY

- * From the Latin *fiducia* meaning “trust”
- * A fiduciary is a person (or entity) that has the power and obligation to act for another under circumstances that require
 - Total trust
 - Good faith
 - Honesty

Duties of Boards & Directors

- * Operate the Corporation
- * Perform
 - Diligence
 - Loyalty
 - Obedience

Conflict of Interest

- * Avoid being in Conflict
- * Define
- * Can it be right?

Reporting!

- * The Directors Disclosure Must:
 - * Complete, Full & Honest
 - * Promptly to each Director
 - * Specific
 - * Disclose the Benefit
 - * Remove yourself from the decision

More Director Duties

- * Maintain Confidentiality
- * Speaking with one voice

Legal Responsibilities

- * The Corporation and its membership
- * The Government
- * Other Stakeholders

Legal Liabilities

- * Wages
- * Taxes
- * Workers Safety
- * Environmental Liability
- * Negligence of staff
- * Contracts

Minimize the Risk

- * Insurance

- Cover Assets
- Directors and Officers Liability

Focus of the Board

- * Where do we want the Association to be in five years?

Not on

- * How are we going to get this done?

Your Turn !

- * Questions

- * Comments

- * Input

- * Concerns

A Great Board

- * Appreciates the Difference
 - * Running an Organization
 - * Seeing its run well
 - * Management is the former
 - * Governance is the latter

Conclusion!

There is no substitute for knowledgeable governance and thoughtful risk management, and the organization that manages its affairs in a conscientious and responsible manner will reduce its directors' liability risks considerably.