

Centre for Organizational Governance in Agriculture (COGA)



November 1, 2017— Presented by Terry J. Clark, CAE





Introduction Conflict of Interest (COI) and Ethics

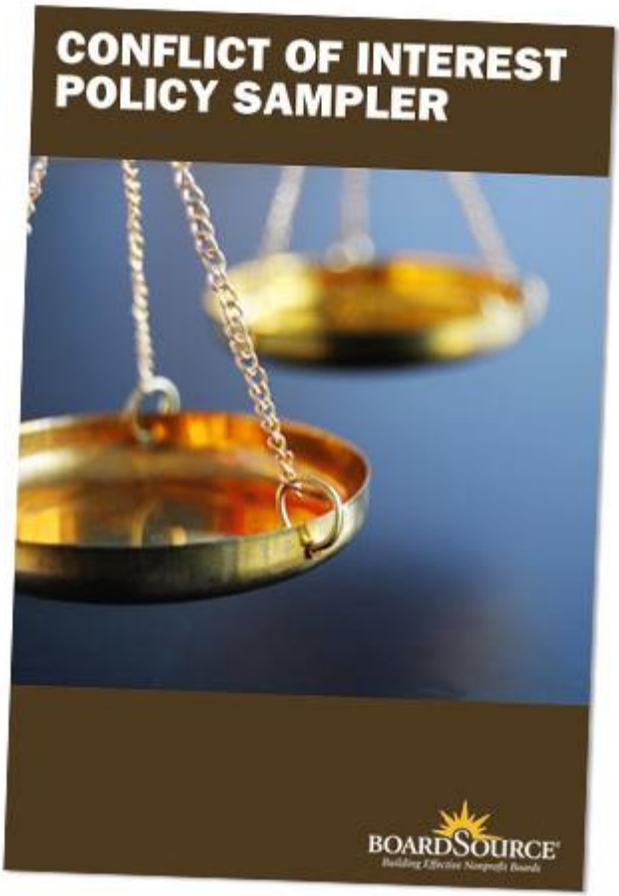
Disclaimer

- This is not legal advice
- I am not a lawyer
- It's practical advice is based on not-for-profit 'Best Practices'

governance
best toolkit
practices

Best Practices

- Where do I find them?



What is Governance?

The exercise of authority, direction and control of an organization in order to ensure that its purpose is achieved.

Good Governance

- Vision, Values & Vigilance
- Participation
- Destination, Directions & Decisions
- Transparency
- Resources
- Monitoring Performance
- Accountability

Is it a Bylaw or a Board Policy?





What is a COI?

A **conflict of interest** is when a person's duty and loyalty for one thing (a person, client, his or her position), is disregarded for another thing.

Ramifications of Unresolved COI and/or Ethical Issues

- Frustration
- Valuable time being wasted
- Projects not being completed
- Micro-managing
- Excess staff and/or Board turnover
- Devalued member satisfaction
- Loss of revenue
- Loss of relevance



A COI-Ready Culture

- Openness
- Ethics on the table
- COI on the table
- Foresee it, handle it, learn from it

For organizations, the three keys are:

- Have a good, clear, up-to-date COI policy in place.
- Make sure all Board members understand COI policy and its significance.
- Foster a culture that is ready to recognize COI and deal with it in a non-accusatory way.

Verbal Conflict of Interest Declaration

- At each Board meeting
- First item on agenda
- Presiding officer sets tone

**For individuals,
dealing with
conflict of
interest is:**

- Recognize it.
- Disclose it.
- Remove yourself from the decision-making discussion.

COFI and Board Quorum Question



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**"I didn't say anything during the meeting,
but I don't agree with the rest of the Board
on this issue."**

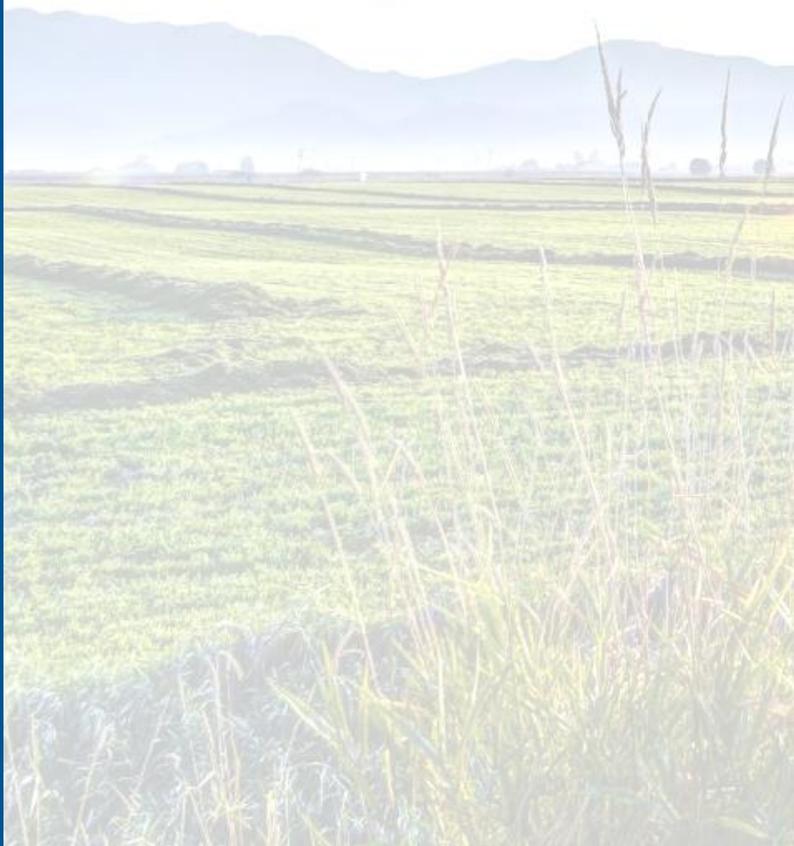
Once the Board Has Made a Decision

- It is not constructive or helpful to the Board if you inappropriately continue to attempt to raise or discuss the matter at other times during the meeting or continue to bring it up at every meeting
- This is the decision of the Board

Ethical Culture

- Culture is the social glue that helps hold the organization together
- What is your organizations culture?









Disappointment Road

Code of Conduct Document

- Can be combined with a COI Document
- Must have very clear expectations
- Breach = resignation!

(Logo Here)

(Not For Profit Name Here)

As a member of (Not For Profit Name Here) I will:

- Perform my duties so as to honour the trust of the membership that elected me.
- Comply with all applicable statutes and regulations applying to not for profit associations and the terms of the constitution, the bylaws and the board policies.
- Protect the interests of the association, including its mission and by prudent business practice.
- Refrain from using my position on the Board for my own personal advantage or to the detriment of the interests of the (Not For Profit Name Here)
- Protect the confidentiality of private information to which I become a party as a member of the Board, e.g. member lists, financial information and public policy goals.

I accept my personal responsibility to strive to:

- Attend the meetings of the Board, Executive and committees to which I have accepted appointment.
- Review all information and materials sent to me in connection with Board business and to provide to the Board my best attention and judgment.
- Respect the integrity and abilities of my fellow Board members.
- Advance the unity of the (Not For Profit Name Here), recognizing that Board decisions lawfully reached are the voice of the (Not For Profit Name Here).
- Respect diversity of opinions and the right of those members to express opinions which may not accord with the views of others, with a view to encouraging healthy debate.

I confirm that I am:

- At least 18 years of age.
- Not been found by any court to be incapable of managing my own affairs.
- Not an undischarged bankrupt.
- Not been convicted in or outside of British Columbia of an offence in connection with the promotion, formation or management of an association or of an offence involving fraud.

Signed _____ Date _____

Name _____
(please print)

(Logo Here)

Board Manual Policies and Procedures

(Date Here)

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While the Board's aggressive downsizing had produced more efficient governance, Jeffrey wondered if they had gone too far!

Governance Review

- Are you thriving or just surviving?
- When is the last time you conducted one?
- What Board model do you use?

What Are the Indicators of Success?

- Organizational Success
- Board Success



Board Self-Evaluation Questionnaire

A Tool for Improving the Governance Practices
of Non-Profit Organizations

Name _____ (optional) For period from _____ to _____

Board Self Evaluation Questionnaire

Questions should be answered by all board members. When completed individually the results of Sections A, B and C should be compiled, shared and discussed by the whole board to determine an average group answer to each question and an overall section rating. Section D should be answered by board members alone but not shared with the group. Sections A, B and C should also be completed by the Executive Director or CEO. This questionnaire also includes Section E, which provides feedback to the Chair of the Board.

Circle the response that best reflects your opinion. The rating scale for each statement is: Strongly Disagree (1); Disagree (2); Maybe or Not Sure (3); Agree (4); Strongly Agree (5).

A. How Well Has the Board Done Its Job?

- | | | | | | |
|---|---|---|---|---|---|
| 1. Our organization operates with a strategic plan or a set of measurable goals and priorities. | 1 | 2 | 3 | 4 | 5 |
| 2. The board's regular meeting agenda items reflects our strategic plan or priorities. | 1 | 2 | 3 | 4 | 5 |
| 3. The board has created or reviewed, in this period, some key governance job descriptions (e.g board chair, directors and committees | 1 | 2 | 3 | 4 | 5 |
| 4. The board gives direction to staff on how to achieve the goals by setting, referring to, or revising policies. | 1 | 2 | 3 | 4 | 5 |
| 5. The board has identified and reviewed the organization's relationship with each of its key stakeholders | 1 | 2 | 3 | 4 | 5 |
| 6. The board has ensured that the organization's accomplishments and challenges have been communicated to key stakeholders | 1 | 2 | 3 | 4 | 5 |
| 7. The board has ensured that stakeholders have received reports on how our organization has used its financial and human resources. | 1 | 2 | 3 | 4 | 5 |
| 8. _____ | 1 | 2 | 3 | 4 | 5 |

My overall rating (add together the total of the numbers circled):

Excellent (30-24) Satisfactory (23-19) Poor (18- 6)

D. My Performance as an Individual Board Member (Not to be shared)

Circle the response that best reflects your opinion. The rating scale for each statement is: Strongly Disagree (1); Disagree (2); Maybe or Not Sure (3); Agree (4); Strongly Agree (5).

- | | | | | | |
|---|---|---|---|---|---|
| 1. I am aware of what is expected of me as a board member. | 1 | 2 | 3 | 4 | 5 |
| 2. I have a good record of meeting attendance. | 1 | 2 | 3 | 4 | 5 |
| 3. I read the minutes, reports and other materials in advance of our board meetings. | 1 | 2 | 3 | 4 | 5 |
| 4. I am familiar with what is in the organization's by-laws and governing policies | 1 | 2 | 3 | 4 | 5 |
| 5. I frequently encourage other board members to express their opinions at board meetings. | 1 | 2 | 3 | 4 | 5 |
| 6. I am encouraged by other board members to express my opinions at board meetings. | 1 | 2 | 3 | 4 | 5 |
| 7. I am a good listener at board meetings. | 1 | 2 | 3 | 4 | 5 |
| 8. I follow through on things I have said I would do. | 1 | 2 | 3 | 4 | 5 |
| 9. I maintain the confidentiality of all board decisions. | 1 | 2 | 3 | 4 | 5 |
| 10. When I have a different opinion than the majority, I raise it. | 1 | 2 | 3 | 4 | 5 |
| 11. I support board decisions once they are made even if I do not agree with them. | 1 | 2 | 3 | 4 | 5 |
| 12. I promote the work of our organization in the community whenever I had a chance to do so. | 1 | 2 | 3 | 4 | 5 |
| 13. I stay informed about issues relevant to our mission and bring information to the attention of the board. | 1 | 2 | 3 | 4 | 5 |

My overall rating: (add together the total of the numbers circled)

Excellent (40+) Satisfactory (28-39) Poor (11-27)

B. How Well Has the Board Conducted Itself?

Circle the response that best reflects your opinion. The rating scale for each statement is: Strongly Disagree (1); Disagree (2); Maybe or Not Sure (3); Agree (4); Strongly Agree (5).

- | | | | | | |
|--|---|---|---|---|---|
| 1. As board members we are aware of what is expected of us. | 1 | 2 | 3 | 4 | 5 |
| 2. The agenda of board meetings are well planned so that we are able to get through all necessary board business. | 1 | 2 | 3 | 4 | 5 |
| 3. It seems like most board members come to meetings prepared. | 1 | 2 | 3 | 4 | 5 |
| 4. We receive written reports to the board in advance of our meetings. | 1 | 2 | 3 | 4 | 5 |
| 5. All board members participate in important board discussions. | 1 | 2 | 3 | 4 | 5 |
| 6. We do a good job encouraging and dealing with different points of view. | 1 | 2 | 3 | 4 | 5 |
| 7. We all support the decisions we make. | 1 | 2 | 3 | 4 | 5 |
| 8. The board assesses its composition and strengths in advance of recruiting new board members. | 1 | 2 | 3 | 4 | 5 |
| 9. The board assumes much of the responsibility for director recruitment and orientation | 1 | 2 | 3 | 4 | 5 |
| 10. Board members have some interaction with external stakeholders at board meetings (e.g as guests) or between meetings | 1 | 2 | 3 | 4 | 5 |
| 11. Our board meetings are always interesting. | 1 | 2 | 3 | 4 | 5 |
| 12. Our board meetings are frequently fun. | 1 | 2 | 3 | 4 | 5 |

My overall rating: (add together the total of the numbers circled)

Excellent (60- 50) Satisfactory (49-35) Poor (34-12)

C. Board's Relationship with Executive Director

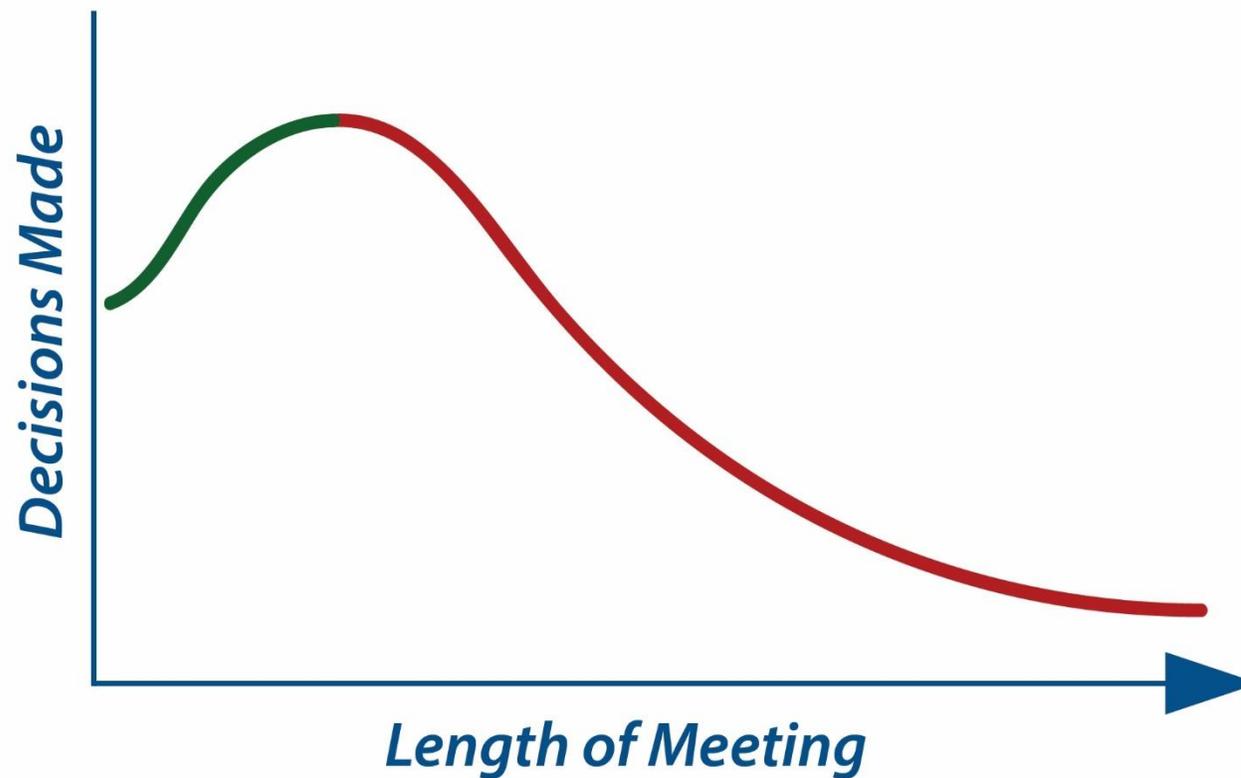
Circle the response that best reflects your opinion. The rating scale for each statement is: Strongly Disagree (1); Disagree (2); Maybe or Not Sure (3); Agree (4); Strongly Agree (5).

- | | | | | | |
|---|---|---|---|---|---|
| 1. There is a clear understanding on most matters where the board's role ends and the executive director's begins. | 1 | 2 | 3 | 4 | 5 |
| 2. There is good two-way communication between the board and the executive director. | 1 | 2 | 3 | 4 | 5 |
| 3. The board trusts the judgment of the executive director | 1 | 2 | 3 | 4 | 5 |
| 4. The board provides direction to the executive director by setting and reviewing policies. | 1 | 2 | 3 | 4 | 5 |
| 5. The board has discussed and communicated the kinds of information and level of detail it requires from the executive director | 1 | 2 | 3 | 4 | 5 |
| 6. The board has developed formal criteria and a process for evaluating the executive director | 1 | 2 | 3 | 4 | 5 |
| 7. The board, or a committee of the board, has formally evaluated the executive director within the past 12 months. | 1 | 2 | 3 | 4 | 5 |
| 8. The board evaluates the executive director primarily on the accomplishment of the organization's strategic goals and priorities and adherence to policy. | 1 | 2 | 3 | 4 | 5 |
| 9. The board provides feedback and shows its appreciation to the executive director on a regular basis. | 1 | 2 | 3 | 4 | 5 |
| 10. The board ensures that the Executive Director is able to take advantage of professional development opportunities. | 1 | 2 | 3 | 4 | 5 |
| 11. _____ | 1 | 2 | 3 | 4 | 5 |

My overall rating: *(add together the total of the numbers circled)*

Excellent (40+) Satisfactory (28-39) Poor (11-27)

Meeting Effectiveness





**The
Parking
Lot**

Board Self Evaluation

Post meeting debriefing:

- How did we do?
- What can we do better next time?

Strategic Plan

A living document that is used to establish the direction of the organization, its activities, and initiatives.

- The strategic plan may include reference to mission, vision, values, goals, and objectives
- Is time sensitive, specific and provides accountability



Strategic Plan 2014 – 2017



Strategic Planning Process and Outcomes

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**This was Barry's first meeting as Chair,
and it wasn't going quite as planned.**

Emerging Board Trends (Best New Practices)

There are 8 key trends reshaping not-for-profits:

1. The nature of change itself
2. Increased demand for outcome accountability
3. Volunteers looking for minimum time involvement, maximum influence, and major benefit
4. Technology's promise, possibilities, expectations and realities
5. A greater degree of generational and multicultural diversity within members' industries and professions, among not-for profit work forces and among members

Emerging Board Trends (Best New Practices)

cont'd

6. Strategic Nominating Committees
7. Faster Succession Tracks
8. Fresh (Outside) Perspectives

Conclusions

- Requires openness
- Requires solid policies
- Policies or bylaws are just paper
- Until they are interpreted & implemented by ethical culture

Your Window of Opportunity



Thank You

Q & A's

Other Not-for-Profit Services Offered By Real Board Solutions

- Board Governance
- Executive Director Coaching/Mentorship
- Board Member Coaching/Mentorship
- Organizational Development
- Recruitment and CSO evaluations
- Not for profit Strategic Planning

For more information call *Terry Clark CAE*, at
(604) 737-9992