

***Board Governance
Roles & Responsibilities***

Introductions



1. Your Name and Organization
2. Your Position in the organization (ie Director at Large, Treasurer etc.)
3. Topic area/issue that you hope to see addressed in this session

Alberta Association of Agricultural Societies (AAAS)

- **Who and what is AAAS?**
 - **Not for Profit, non-governmental, provincial association that represents Ag Societies in Alberta**
 - **Originally formed in 1947 and incorporated in 1974**
 - **Located in Edmonton – Alberta Ag & Forestry Building**
 - **Volunteer Board comprised of 9 Directors elected from 6 regions and 1 Service Member Director**

Alberta Association of Agricultural Societies (AAAS)

- **Primary Purpose:**
 - **Advocating for Ag Societies**
 - **Partnering with Government**
 - **Providing education for members, Government, industry & the public**
 - **Providing resources, services, programs and opportunities for our members**

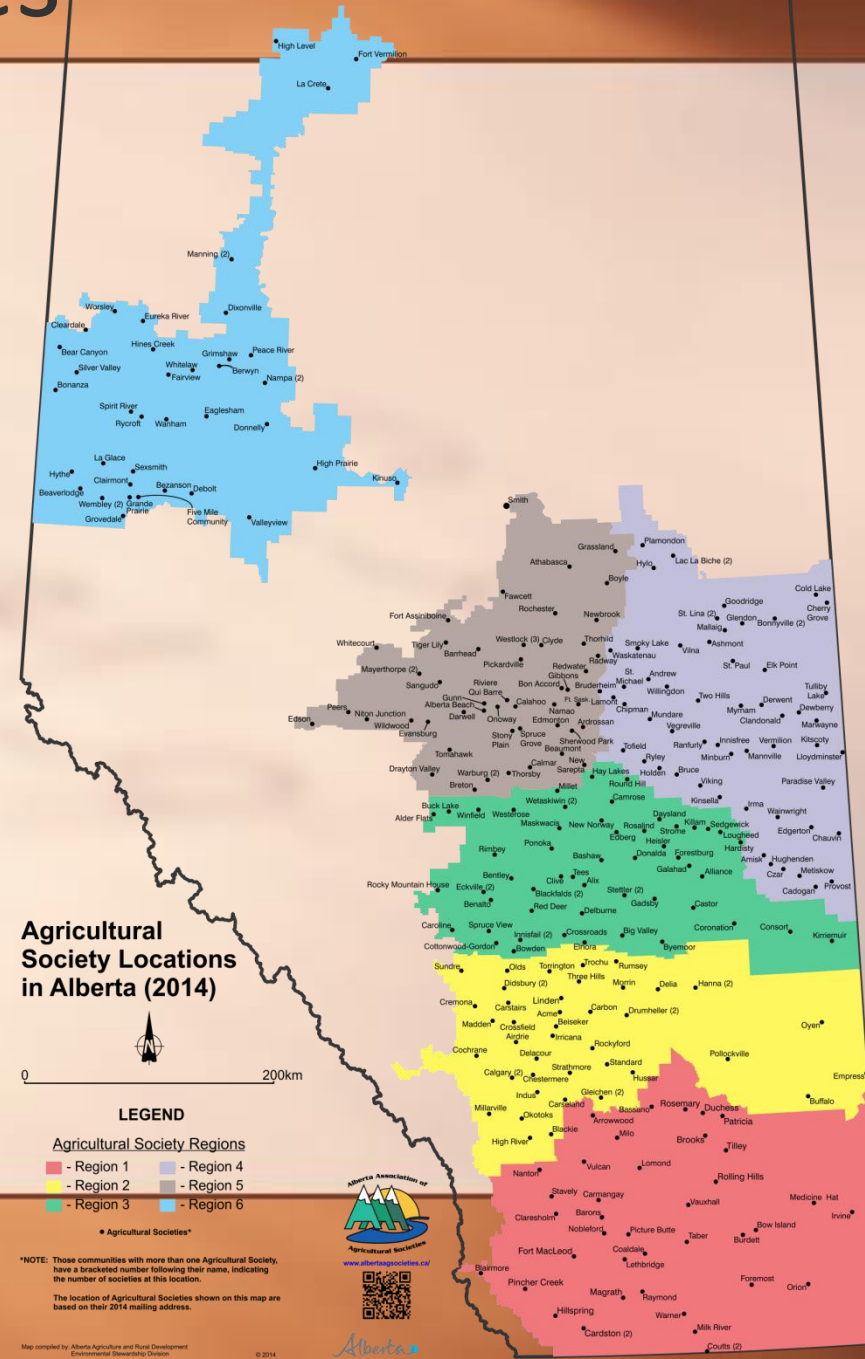
AAAS Products and Services

Workshops	Advocating for Agricultural Societies
Regional Meetings	Partnering with Government
Annual Convention	Creating Partnerships and Synergies with other Provincial Organizations
Board Governance	Providing Education for Members, GoA and the Public
Information and Resources	Network Center Providing Resources and Services
Programs & Training	Strengthening the Role & Presence of Agricultural Societies in AB
Quarterly Digital Newsletter	Providing Leadership
Service Members	New Ideas
Access to Entertainment Acts	
Training	
Updates and Information on Grants	

Agricultural Societies

293 Agricultural Societies in AB

- 2 Majors
- 7 Regionals
- 284 Primary Ag Societies



Quick Facts on Ab. Ag. Societies

- Oldest Ag Society in Alberta is Northlands – formed in 1879
- 24 Ag Societies incorporated over a century ago
- 52,000+ volunteers involved with Ag Societies (over 3500 at a Board Level)
- Over 590,000 volunteer hours of service provided to Ag Societies
- Over 700 facilities owned or operated by Ag Societies in Alberta
 - (facility replacement value of approx \$1.1 billion not including the Regional or Major Ag Societies)

Ag Societies are Diverse Organizations

- Numerous types of facilities and assets

Riding Arena's

Rodeo/Fair Grounds

Swimming Pools

Hockey Rinks

Campgrounds

Museums

Curling Rinks

Multiplex's

Ski Hills

Community Halls

Golf Courses

Baseball Diamonds

Wilderness Parks & Trails

- Numerous types of Events and Programs

Agricultural Fairs

Cultural & Heritage Events

Dinner Theatres

Fiddle Festivals

Car Shows / Show & Shines

Community Dances

Horse Clinics

Cowboy Poetry

Rodeo's

Livestock Show & Sales

Chuck Wagon Races / Mini Chucks

Tractor Pulls

Farmer's Markets

Sports Days

Parades

Bull-a-rama's

Community Fairs & Bench Shows

Festivals

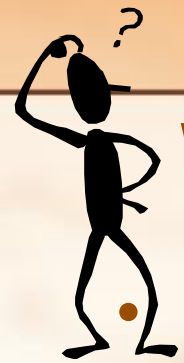
Board Roles and Responsibilities



Overview

1. What is Governance?
2. Board Roles and Responsibilities
3. Committees
4. Board evaluations
5. Effective Board meetings
6. Board Recruitment and Orientation
7. Principles of Good Governance
8. Resources





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.

Governance Issues you have seen...



Common Governance Issues

- Lack of role clarity
- Lack of strategic focus
- Communication flow
- Accountability and transparency issues
- Operational vs strategic
- 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 Assigned Designate.
 - The **ASSIGNED DESIGNATE** gives direction to committee members and/or volunteers



Board, and Committee Roles

Board

- Acts as a group
- Continuous
- Part time
- If they have senior staff they would 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

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?

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

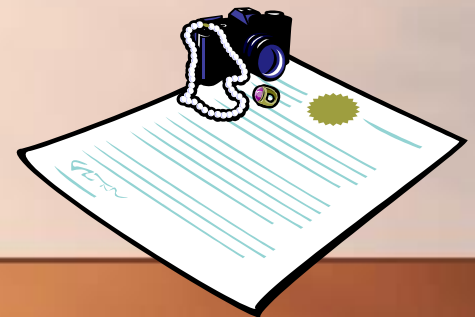
Legal Duties of a Board member

- 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



Common Governance Issues

- **Lack of written Board policies**
 - A consistent course of action.
 - Policies are adopted by the Board and provide direction.
 - Policies should be written down and reviewed regularly.



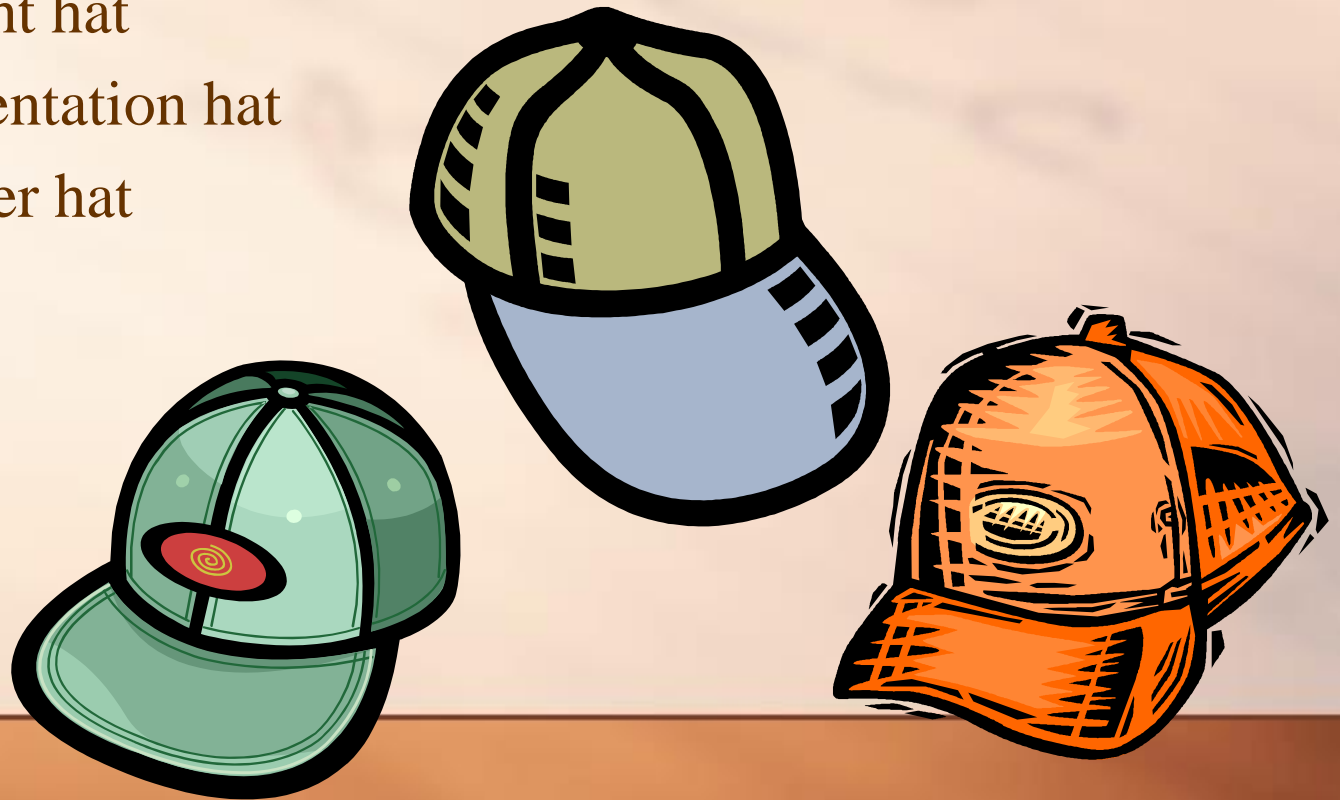
Examples of Board Policy

- Confidentiality
- Expense Claims
- Conflict of Interest
- Code of Conduct
- Meeting Attendance
- Board Meeting Policies



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. (i.e. communication with media, sponsorship)
- Board delegates a task to one of its members (i.e. Event planning, 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, mandate
 - 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

See Skills of an effective Board Member

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”*

Role of Each Director Position

- Clear job descriptions for all Board positions
 - President
 - Past President
 - Vice President
 - Treasurer
 - Secretary
 - Board Member

Role of the Board Chair

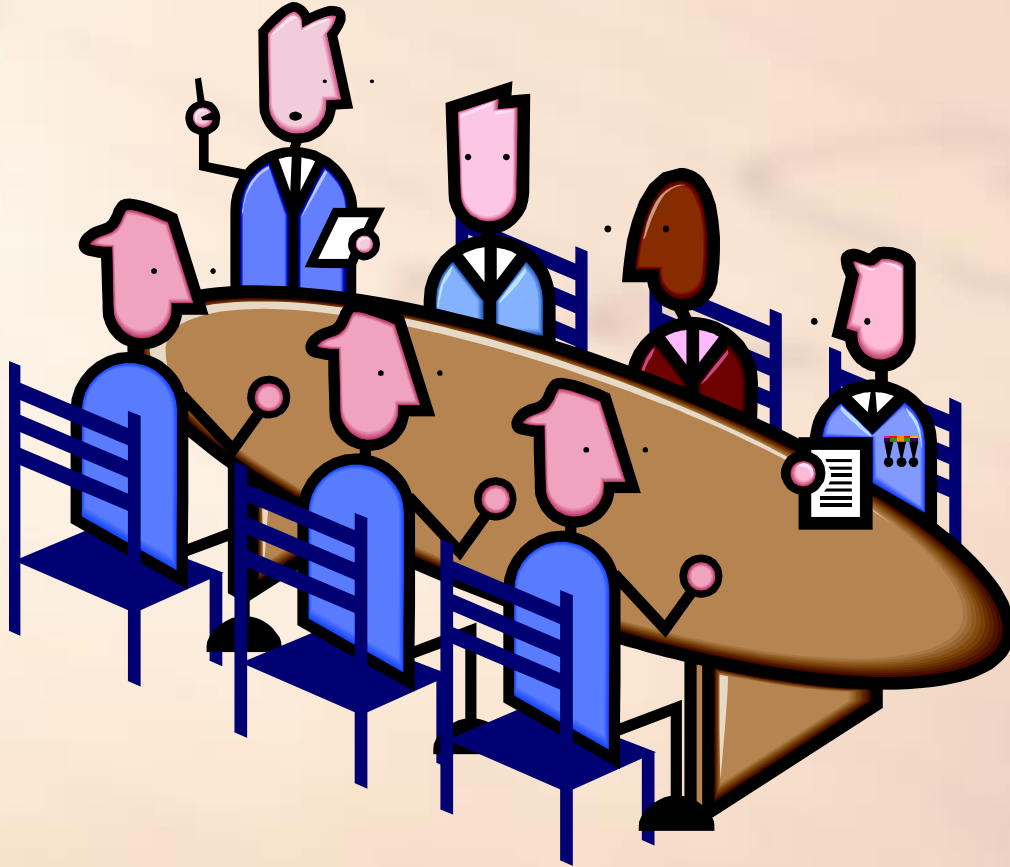
- Preside at Board meetings
- Owner of Board agendas
- Manage group dynamics
- Appoint and assist Board committees
- Maintain organizational integrity
- Forge a link with major stakeholders
- Support the Senior Staff person (if applicable)
- Provide clarity regarding roles and responsibilities



Tips for Effective Chairing

- Full engagement of all board members
 - Chair should not be the primary speaker at meetings
- Non-traditional meeting locations
- “rules” – agreed to principles
 - Start on time, end on time
 - Addressing the chair
 - Cutting off discussions
- Seek regular feedback and solicit ways for improvement

Committees



Board Committees vs. Operational Committees

- **Board Committees** - serve the Board's needs & reports back to the Board (ex: Executive Committee, Nomination Committee)
- **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



Other 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)

Board Meeting Agendas

- Aligned with the Strategic Plan
- Only include Board business
- Allow for adequate time for discussion and inquiry
- Sent out in advance of the meeting
- Supported by relevant supporting documentation and information



Meeting Minutes

- A legal, public record of the decisions made by the Board
- Need quorum in order to make and vote on motions
- Record a motion as made and seconded
- Abstaining – only for conflict of interest reasons



Board Member Recruitment

- Clearly define each board position's role
- Agree on the profile of the future board (skill sets, competencies, etc)
- Specify qualifications for serving
- Adopt a plan to identify and nurture prospects
- Have a rigorous nomination process
- Take Board election and orientation processes seriously

Orientation – what to include

- Organization's history, mission, vision
- Roles and expectations for Board members
- Act (Legislation), and Bylaws
- Proof of Insurance (inc D & O insurance), budget, current members
- Strategic plan and Annual Report
- Policies, Procedures, and Committees with Terms of References
- Calendar of meetings and events
- Past audited financial statements
- Rules of order

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



What Works & What Fails





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