



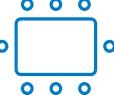
Boardroom Briefing: The Board's Role Responsibilities

Purpose of this Briefing: To set out the concepts of what is conventional (Western) good governance and understood as obligated by fiduciary duty. The functions set out are similar across all kinds of boards of incorporated organizations, whether for-profit corporations, not-for-profit corporations, charitable corporations, co-operatives, or regulatory bodies.

Governance directs and manages organizational affairs by setting out structures, responsibilities and processes—encompassing who makes what decisions, how those decisions are made, how stakeholders have their say, and how decision-makers are held to account.¹ The following responsibilities shape the agenda of the board and its committees over the course of the year:

KEY FUNCTION	Arising responsibilities
Setting Direction 	<p>Set the purpose of the organization, its ethos (values) and overall strategy of the organization to meet its ends</p> <ul style="list-style-type: none"> • Stay current with the changes and trends external to the organization • Oversee wise implementation • Contribute strategically adjusting course if required in an annual review
Ensuring Capacity 	<p>Ensure effective leadership is in place</p> <ul style="list-style-type: none"> • Oversee the role - CEO or ED is Board's only direct report. Select, define expectations and mandate, compensation, evaluation and do succession planning • Ensure clear delegation and specified limits of authority • Ensure approaches of good people management (attraction, development and retention), compensation programs, and performance management • Listen to culture and encourage employee engagement
Overseeing Operations 	<p>Ensure there is a framework for oversight—scorecard, dashboard, financials, etc.</p> <ul style="list-style-type: none"> • Ensure indicators are balanced and incenting the right things. • Review key metrics regularly • Ensure that the senior executive team has a plan—a “rational portfolio of projects”—with appropriate scale and pace to the situation. Monitor to modify plans when required. • Do sufficient follow up to encourage leadership follow-through
Overseeing Risk 	<p>Understand risk across all aspects of Board decision-making: strategy, finance, member and stakeholder relations etc.</p> <ul style="list-style-type: none"> • Establish broad accountability for ethical and legal conduct • Ensure legal responsibilities met • Ensure enterprise risk management is in place • Include risk assessment as part of Board's decision-making and also positive risk (i.e. success with impacts)

¹ Based on definition of the Institute on Governance.

KEY FUNCTION	Arising responsibilities
	<ul style="list-style-type: none"> Flag unusual risk if perceived
Maintaining Financial Stewardship 	<p>Ensure financial resources are available short, medium and long term in appropriate measure</p> <ul style="list-style-type: none"> Scrutinize and approve plans and budgets Ensure sound financial policies Make sure programs/offerings sustainable Review financial statements Ensure accuracy and integrity of financial reporting Work with auditors
Ensuring Stakeholder Accountability 	<p>Monitor and help strengthen image and reputation</p> <ul style="list-style-type: none"> Know who the organizational stakeholders are and accountabilities owed Be aware of communications with stakeholders and encourage their voice into the organization to inform decision-making. Contribute to the building strong stakeholder and partner relationships as appropriate to the role of the board
Developing Good Governance 	<p>Be responsible for the quality of own governance</p> <ul style="list-style-type: none"> Establish effective governance structures Recruit a skilled, experienced and qualified Board Do ongoing training and education Assess fundamental structures Set policies
NFPO: Mission-Led, Ambassadorial, and Legitimizing 	Advocate as a Board when required in support of mission, vision, values and strategic direction.

The Oversight Role

The board provides oversight to ensure the organization achieves its stated objects responsibly. Oversight is throughout the various stages of organizational planning and accomplishment.

INTENT Purpose and Values <i>What the organization claims it stands for and pursues</i>	PLANS Strategy <i>What the organization plans</i>	ACTION Actions - actual <i>What actually happened</i>	IMPACT Actual Value created <i>What difference was made and to whom</i>	ROI Wise Use of \$ and People <i>Whether resources were used wisely</i>	STANDARDS Compliance and Quality <i>Whether the effort met standards set by others or internally</i>	REPUTATION Reputation <i>How others judge what the organization did</i>
						