



**“GROWING IN GOVERNANCE”
PRACTICING EXTRAORDINARY
BOARD LEADERSHIP**

**“Who’s Minding the Store?”
The Importance of Stewardship to Good
Governance**

JUNE 7th 2007



Board Roles and Responsibilities

- Promoting safety, security, well-being and integrity of children and families
- Planning & managing the provision of services
- Determining priorities and allocating resources
- Assessing needs
- Ensuring reasonable access
- Ensuring that policies and standards are followed
- Coordinating with other agencies
 - Section 9 CFSA Act

Stewardship

- “The commitment of a Board to ensure that appropriate oversight is provided such that the mandate, goals and priorities of the organization are effectively and regularly addressed”.
- Cuff

Stewardship: Whose Job Is It?

- Stewardship is not the sole mandate of the Board nor is it the sole mandate of the CEO and administration. This is a jointly-held responsibility that will only succeed if the commitment to effective stewardship is considered “ours”.

Stewardship: What Approach?

- Board members need to be:
 - Prepared to act
 - Not dominated by management
 - Educated and current with developments
 - Insistent on high quality and timely information
 - Insistent on candid presentations; encouraging of frankness not candied, rose-coloured optimism

(Source: Institute of Corporate Directors, Newsletter Issue 129)

Stewardship Requires: A Sound Approach to Good Governance (1 of 2)

- Respect for the role of Board member
- Respect for the CEO and his/her strengths/expertise
- Respect for the roles of the Co-Chairs
- Respect for the role that the Minister plays
- A desire to serve others, particularly those who are vulnerable
- Sound governance model; governance principles; regular review of policy bank
- Commitment by the CEO to advise the Board



Stewardship Requires: A Sound Approach to Good Governance (2 of 2)

- Comprehensive & understandable meeting procedures
- An agenda development process
- Common understanding of what & when to report
- Terms of reference for any Board-appointed committees
- A governance oriented “Request for Decision Format”
- Role statements for the Board, Chair and CEO
- Clearly defined role of the Senior Management Team



Stewardship Requires: Vision, Goals, Policies, Accountability (1 of 2)

- “Without vision, the people perish”
- Without goals, the system drifts
- Without policies, anything is acceptable
- Without accountability, no one has their feet to the fire

Stewardship Requires: Vision, Goals, Policies, Accountability (2 of 2)

- What accountability?
 - by the CFSA to the Government
 - by service providers to an Authority
 - by Authority management to the Authority board
 - by the Authority board to the community.



Mechanisms of Accountability

- ❑ The Business Plan (what we said we will do)
- ❑ The annual budget (what we said it will cost)
- ❑ An audit committee (who monitors)
- ❑ The audit (a fiscal report)
- ❑ Performance measures (a report on deliverables)
- ❑ Performance review (how well did we do)
- ❑ Performance reporting (who needs to know)

What Happens When You Drop the Ball



Stewardship: It's About All of Us



- Board members and management need to be similarly committed to quality governance and stewardship of resources
- Stewardship applies to much more than finances
- Organizational health and performance results critical to survival of the system



Stewardship Requires Integrity

- General Norman Schwartzkopf spoke of the issue of integrity when he said, "Leadership is a potent combination of strategy and character. But if you must be without one, be without strategy".

Stewardship Requires: Board Member Awareness

- Board members need to be aware of:
 - Planned changes/threats to the Business Plan
 - Planned changes to Government's approach to legislation and service delivery
 - Concerns/complaints of stakeholders and citizens regarding quality issues
 - Fiscal health of the system
 - What is being done elsewhere
 - Other?



Stewardship Involves: Fiduciary Responsibilities

- ❑ Strategic and business plans
- ❑ Budget
- ❑ Fiscal policies
- ❑ Audit engagement and report
- ❑ Financial statements
- ❑ Compliance with legal and regulatory authorities
- ❑ Partnership agreements & contracts



Stewardship Involves: Organizational Obligations

- Fidelity of vision & mission
- Clarity and currency of policies
- Protection of personnel
- Provision of a healthy workplace
- Feedback to the CEO on performance
- Trust relationship to the CEO
- Feedback to each other (peer to peer review)



Stewardship Involves: Responsibility to Report (1 of 3)

- Board should be reporting regularly to its constituents as to key issues that may be of concern to residents of the region
- Reports could be issued semi-annually on progress against the Business Plan
- Board should be advised on a regular basis with regard to significant matters that influence the status of children in the Region
- Board should be advised on a regular basis on its fiscal health and its progress in terms of key goals



Stewardship Involves: Responsibility to Report (2 of 3)

- Board and CEO to discuss areas wherein the Board feels that additional feedback would be useful e.g.
 - changes to goals, priorities & policies
 - primary services
 - proposed changes to legislation
 - significant incidents
 - changes impacting care philosophy/priorities
 - changes being made/contemplated by other regions

Stewardship Involves: Responsibility to Report (3 of 3)

- Board and CEO to discuss areas wherein the Board feels that additional feedback would be useful e.g.
 - concerns emanating from a community council
 - changes in partnership arrangements
 - fiduciary matters
 - Government's expectations
 - performance indicators
 - senior level staffing changes

Stewardship Requires a Chair Who...

- ❑ Is prepared to lead rather than follow
- ❑ Sees board-building as a significant and ongoing challenge
- ❑ Can challenge issues and ideas without acrimony; recognizes questions as a valuable governance tool
- ❑ Approaches other members from a collegial perspective (one of rather than "the one")
- ❑ Bridges personalities, issues, problems, differences
- ❑ Acts larger than...overcomes pettiness and small thinking
- ❑ Sees the CEO as a colleague rather than a servant or a boss

Effective Stewardship: What Questions?

- How does this proposal fit with our recently approved Business Plan?
- What changes or trends do you see impacting how we will do business a decade from now?
- How do we assess the changes to the culture of our organization due to the heated economy?
- Does the proposed budget place sufficient focus on training and development?
- What changes in recruitment practices will be needed to combat the impacts of today's economy?

Effective Stewardship: What Questions?

- What concerns does our Audit Committee have relative to the most recent audited statements?
- How can we be assured that the partnership agreements we have struck are still effective?
- Are any of our Board members or senior staff connected in any way to our allied agencies or partners? Who checks for any conflict of interest?
- What do the results show relative to our relationship with the FCSS Board and School Board? What steps are we taking to improve our role as a regional player?

Effective Stewardship Begs the Question: What Value-Added?

- Board needs to determine where and how it will ensure that its role adds value to the overall system
- These areas should be assessed:
 - Linkage to citizens of the region
 - Understanding of what changes & improvements desired
 - Advocating for the rights of citizens
 - Ensuring a defensible service delivery plan
 - Ensuring the survival of the CFSA
 - Maintaining a quality relationship & guidance to the CEO

So, What Do We Do?

- Develop a series of Board governance principles; incorporate stewardship as a key
- Ensure that orientation provides a focus on the Board as a steward of fiduciary & organizational resources
- Start Board meetings with a roundtable: what are our risks; how is the health of our system; are we aware of the key issues?
- Maintain focus on “what are the strategic issues; what are our next steps?”
- Seek to inspire Board members to see beyond

Potential Candidates for the Next Round of Board Appointments



The Adage of the Sparrow

- A farmer comes upon a sparrow lying in the middle of a road. He asks the sparrow "Mr. Sparrow, what are you doing?" The sparrow replies "Why, can't you see? I am holding up the sky." The farmer says "But you are so small. Look at your spindly legs. You can't hold up the sky!" The sparrow replies "One does what one can!"