**2.0 POLICY: Governance Process**

*The purpose of the Board, on behalf of Shareholders is to ensure that the Society* *(a) achieves appropriate results for appropriate persons at an appropriate cost/priority (as specified in Board Ends policies), and (b) avoids unacceptable actions and situations (as prohibited in Board Executive Limitations policies).*

***2.1 Governing Style***

*The Board will govern lawfully with an emphasis on:*

*a) outward vision rather than internal preoccupation,*

*b) encouragement of diversity in viewpoints,*

*c) strategic leadership more than administrative detail,*

*d) clear distinction of Board, Chair and CEO roles,*

*e) collective rather than individual decisions,*

*f) future rather than past or present, and*

*g) pro-activity rather than reactivity*

Accordingly,

1. The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will not use the expertise of individual members to substitute for judgement of the Board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.
2. The Board will direct, control and inspire the organisation through the careful establishment of broad written policies reflecting the Board’s values and perspectives. The Board’s major policy focus will be on the intended long-term impacts outside the internal organisation, not on the administrative means or the programmes of attaining those effects.
3. The Board will require of itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy making principles, respect of roles, and ensuring continuance of governance capability. Although the Board can change its governance process policies at any time, it will observe scrupulously those currently in force.
4. Continual Board development will include orientation of new Board members in the Board’s governance process and periodic Board discussion of process improvement.
5. The Board will allow no officer, individual or committee of the Board to hinder or be an excuse for not fulfilling group obligations (and no individual or committee shall usurp the authority of the Board).
6. The Board will monitor and discuss the Board’s process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Management Delegations categories.

***2.2 Board Job Description***

*Specific job outputs of the Board, as an informed agent of ownership, are those that ensure appropriate organisational performance.*

Accordingly, the Board has direct responsibility to create:

1. The link between the ownership and the operational organisation.
2. Written governing policies that address the broadest levels of all organisational decisions and situations.
   1. **Ends**: Organisational outcomes, recipients, and their relative worth (what good for which recipients at what cost/priority).
   2. **Executive Limitations**: Constraints on CEO authority that establish the boundaries within which all CEO activity and decisions must take place.
   3. **Governance Process**: Specification of how the Board conceives, carries out, and monitors its own task.
   4. **Board-CEO Linkage**: How authority is delegated and its proper use monitored; the CEO role, and accountability.
3. Assurance of successful organisational performance on Ends and Executive Limitations.

***2.3 Agenda Planning***

*To accomplish its job, the Board will follow an annual agenda that (a) completes re-exploration of Ends policies annually and (b) continually improves Board performance through Board education and enriched input and deliberation.*

Accordingly

1. The cycle will conclude each year on the last day of [MONTH] so that administrative planning and budgeting will be based on analysis of a one-year segment of the Board’s most recent statement of long term Ends.
2. The cycle will start with the Board’s development of its agenda for the next year.
   1. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be determined and arranged in the first quarter, to be held during the balance of the year.
   2. Governance education and education related to Ends determination (e.g. presentations by sector experts, , futurists, etc.) will be arranged in the second quarter, to be held during the balance of the year.
3. Throughout the year, the Board will attend to consent agenda items as expeditiously as possible.
4. The Board will determine at each meeting that reports have demonstrated fulfilment of a reasonable interpretation of the applicable policy.
5. CEO remuneration will be decided during the month of [MONTH] after a review of the years monitoring reports.

***2.4 Chairperson’s role***

*The chairperson assures the integrity of the Board’s process and represents the Board to outside parties (or delegates this).*

Accordingly,

1. The assigned result of the chairperson’s job is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organisation.
   1. Meeting discussion content will be on those issues which, according to Board policy, clearly belong to the Board to decide or to monitor.
   2. Information that is for neither monitoring performance nor Board decisions will be avoided or minimised and always noted as such. (*Ideally there should be time for social discussion additional to meetings*)
   3. Deliberation will be fair, open and thorough but also timely, orderly and kept to the point.
2. The authority of the chairperson consists in making decisions that fall within Board policies on Governance Process and Board-CEO Linkage, with the exception of (a) employment or termination of a CEO and (b) where the Board specifically delegates portions of this authority to others. The chairperson is authorised to use any reasonable interpretation of the provisions in these policies.
   1. The chairperson is empowered to chair Board meetings with all the commonly accepted power of that position (for example, ruling, recognising, and with reference to conventional practice).
   2. The chairperson has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore the chairperson has no authority to supervise or direct the CEO.
   3. The chairperson may represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
   4. The chairperson may delegate this authority but remains accountable for its use.

***2.5 Board Member’s Code of Conduct***

*The Board commits itself and its members to ethical, business like, and lawful conduct, including proper use of authority and professional behaviour when acting as Board members.*

1. Members must have loyalty to the ownership and declare and address any conflicts of interest or loyalties to staff, other organisations and any personal interest as a consumer of Society services.
2. Members must avoid conflict of interest with respect to their financial and ethical responsibility.
   1. Members (& CEO) will at each meeting disclose their involvements and relationships with other practitioners and other stakeholders, or any associations that might reasonably be seen as being a conflict.
   2. When the Board is to decide upon an issue, about which a member has a conflict of interest, that member shall offer to absent herself or himself, without comment, from not only the vote but also from the deliberation.
   3. Board members must not use their Board position to obtain employment or gain for themselves, family members, or close associates. Should a Board member apply for employment, he or she must first absence themselves and resign if engaged.
3. Board members must not attempt to exercise individual authority over the organisation.
   1. Board members’ interaction with the CEO or with staff must recognise the lack of authority vested in individuals except when explicitly Board-authorised.
   2. Board members’ interaction with public, press, or other entities must recognise the same limitation and the inability of any Board member to speak for the Board unless authorised to do so.
   3. Except to participate in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgements of performance of employees of the organisation.
4. Board members will treat issues of a sensitive nature with confidentiality.
5. Board members will be properly prepared for Board deliberation.
6. Board members will support the legitimacy and authority of Board decisions, irrespective of the member’s personal position on the issue.

***2.6 Board Committee Policies***

*Board committees or working groups when used, will be assigned so as to reinforce the wholeness of the Board’s job and so as never to interfere with delegation from Board to CEO.*

***2.7 Cost of Governance***

*The Board will invest in its governance capacity.*

Accordingly,

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
   1. Training and retraining will be used liberally to orient new Board members and candidates for membership, as well as to maintain and increase existing Board member skills and understandings.
   2. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organisational performance in accordance with board policy. This includes but is not limited to financial audit.
   3. Outreach mechanisms (owner focus groups, surveys, etc.) will be used as needed to ensure the Board’s ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred and budgeted for, though not at the expense of maintaining Board capability.
3. Provision for director fees, including anticipated increases.