

Active Strategic Oversight: The Role of Boards

Good Spirit School Division –
March 3, 2022

What Do Boards Do?

- Corporate governance is the system by which organizations are directed and controlled. (Cadbury Committee Report UK 1992)
- A system independent from, and above, the operating system.
- System ought to be run by different people than operating system so:
 - Board runs governance,
 - Management runs operating.
- System that determines allocation of scarce resources to most effective uses (economics).

Agency Theory

Principals

Agents

© The Brown Governance Inc. and Johnson-Shoyama Graduate School of Public Policy School Board Member Education & Certification Program AND Governor Development and Certification Program



Agency Theory – Principals and Agents

Principals are the people:

- Who created the organization
- Who have a purpose for the organization: needs that it can meet
- Who contribute (invest or give) resources/capital.

Agency Theory – Principals and Agents

Agents are the people:

- Who undertake the organization's activities to meet the principals' needs.
- Who employ (use) resources/capital.
- The 'ideas' people.

Agency Theory – Principals and Agents

Board (Governance) is the people:

- Who are the independent intermediary (broker/referee) between the principals and agents.
- Who are the voice of the principals to the agents (and back)
- Who have the ultimate authority – and responsibility – to act in the broadest interests of the corporation (the school division).

Direction

- Direction means matching the unmet needs of the principals (the purposes of communities, students, public interest, government, employers, etc.) with the best ideas of the agents (the strategies of managers).
- Strategic plan is primary tool for direction.
- Risk direction, budget and delegation of authorities are also tools.

Control

- Control is the board “gaining reasonable assurance” (confidence) that the organization is moving substantially in the direction it approved.
- Performance management is a tool on the control side of governance.

School Boards Are Expected To:

- Administer and manage the educational affairs of the school division, to exercise general supervision and control over the schools – through bylaws and resolutions (*The Education Act*).
- Active strategic oversight:
 - Plan – Measure – Report – Evaluate (*SSBA Performance Management Framework and Tools*)

Active Strategic Oversight

- Active – engaged and adding value (vs. reactive)
- Strategic – forward looking in the best interests of the organization (vs. operational)
- Oversight – leading the organization with watchful care to accountable performance (vs. doing/deciding/executing)

Active Strategic Oversight: The Board

- Board is responsible for oversight of the organization through **leadership**
 - Oversight of the strategic direction and plan
 - Oversight and empowering of the CEO/management
 - Oversight of the Board renewal and management succession process
 - Oversight of the performance of the organization.

Active Strategic Oversight: The Board

- Board is responsible for oversight of the organization through **stewardship**
 - Oversight of the organizations resources
 - Oversight of financial, risk and capital management
 - Oversight of the authority levels and policies delegated to the CEO/management.

Active Strategic Oversight: The Board

- Board is responsible for oversight of the organization through **monitoring**
 - Oversight of performance – Evaluating performance measures and holding management accountable
 - Oversight of audit and control systems
 - Oversight of the CEO – Evaluation and Compensation
 - Oversight of the board evaluation process

Active Strategic Oversight: The Board

- Board is responsible for oversight of the organization through **reporting**
 - Oversight of school board communications
 - Oversight of continuous and periodic disclosure, engagement and accountability to stakeholders
 - Oversight of the degree/culture of openness and transparency in the organization

Active Strategic Oversight: The Chair

- Chair is responsible for the oversight of the Board
 - Oversight of the board agenda and workplan (forming)
 - Oversight of the strength of the principals' relationship
 - Oversight of the approach to governance
 - Oversight of the tone at the top – Setting the tone and ensuring an atmosphere of open airing of all views, opinions (storming)
 - Conflict resolution
 - Propose solutions, call for vote or tabling (norming)
 - Promote unity of Board after decisions reached (performing)

GSSD – Role of the Chair – Policy 5

Trustee Academy 2022 Role of Chair Before Meetings:

1. Board and Committee Mandates/ Terms of Reference
2. Specific duties and responsibilities / New items of business
3. **Board Calendar / Workplan**
4. Agenda Development / Board and Committee Meetings
5. Information required from management / Professionals
6. Pre-meeting packages
7. Meeting presentations, reports, deliberations
8. Minutes, In Camera and Action Items

GSSD – Role of the Chair – Policy 5

Trustee Academy 2022 Role of Chair Between Meetings:

Director of Education liaison: Formal employment relationship on behalf of Board, performance management, remedial

Agenda and meeting management, co-ordination

Informal relationship: liaison, communication Board – management 2 way Coach, mentor, advisor, sounding board

External stakeholder engagement: especially public sector Chairs with governments (elected) and public (governance and crisis matters)

GSSD – Role of the Chair – Policy 5

Trustee Academy 2022 Role of Chair At Meetings:

- chair meetings of the board, ensuring that its processes are effective and providing leadership in board and member development
- monitor meeting attendance
- manage discussions appropriately
- facilitate divergent points of view and work towards consensus
- knows when to speak and when to be silent on an issue
- suggest ending discussion on a topic at the meeting
- summarizes
- call for votes to confirm consensus decisions or to decide issues

GSSD – Role of the Vice-Chair - Policy 6

1. The Vice-Chair shall act on behalf of the Board Chair, in the latter's absence and shall have all the duties and responsibilities of the Board Chair.
2. The Vice-Chair shall assist the Board Chair in ensuring that the Board operates in accordance with its own policies and procedures and in providing leadership and guidance to the Board.
3. Prior to each Board meeting, the Vice-Chair shall confer with the Board Chair and the Director on items to be included on the agenda, the order of these items and become thoroughly familiar with them.
4. The Vice-Chair may be assigned other duties and responsibilities held by the Board Chair.
5. The Vice-Chair shall be an alternate signing authority for the Division.

GSSD – Role of the Executive Committee - Policy 8

- In emergent situations, to make decisions on behalf of the Board
- Recommend to the board the independent Auditor
- Meet with the Board appointed Auditor and Provincial Auditor
- Review and recommend financial statements and reports for distribution
- Human Resource duties including negotiation of the Director of Education contract and representing the Board on committees established to hire the Chief Financial Officer, and Superintendent of Education

Active Strategic Oversight: Individual Board Member

- Individual board members are responsible for oversight of themselves!
 - Duty of care
 - Fiduciary duty
 - Behaviour
 - Code of conduct
 - Ethical behaviour
 - Conflict of interest

GSSD – Role of the Board Member

Policy 3

The role of the Board member is to contribute to the Board as it carries out its mandate in order to achieve its mission and goals.

The Board believes that its ability to fulfill its obligations is enhanced when leadership and guidance are forthcoming from within its membership.

The Board is a corporation. The decisions of the Board in a properly constituted meeting are those of the corporation. A Board member who is given corporate authority to act on behalf of the Board may carry out duties individually but only as an agent of the Board. In such cases, the actions of the Board member are those of the Board, which is then responsible for them. A Board member acting individually has only the authority and status of any other citizen of the Division.

Asking Good Questions



SSBA Governance Handbook for School Board Members

- What Board Members Need to Know About:
 - Governance and Strategy
 - Governance and Risk
 - Governance and Resources
 - Governance and People

Available through a link on our main page:
www.saskschoolboards.ca.

Key Take-aways

- Ask Good Questions (Noses in, fingers out)
- Learn, Learn, Learn (attend SSBA events; take governance PD; read articles)
- Focus on Strategy (the elevator speech – your strategic priorities should be clear to all)
- Monitor Results (do you have reasonable assurance that the organization is moving substantially in the direction the Board has set)
- Duty of Care (do your homework)
- Fiduciary Duty (the Board has the ultimate authority and responsibility to act in the best interest of GSSD)

Thank You



www.saskschoolboards.ca