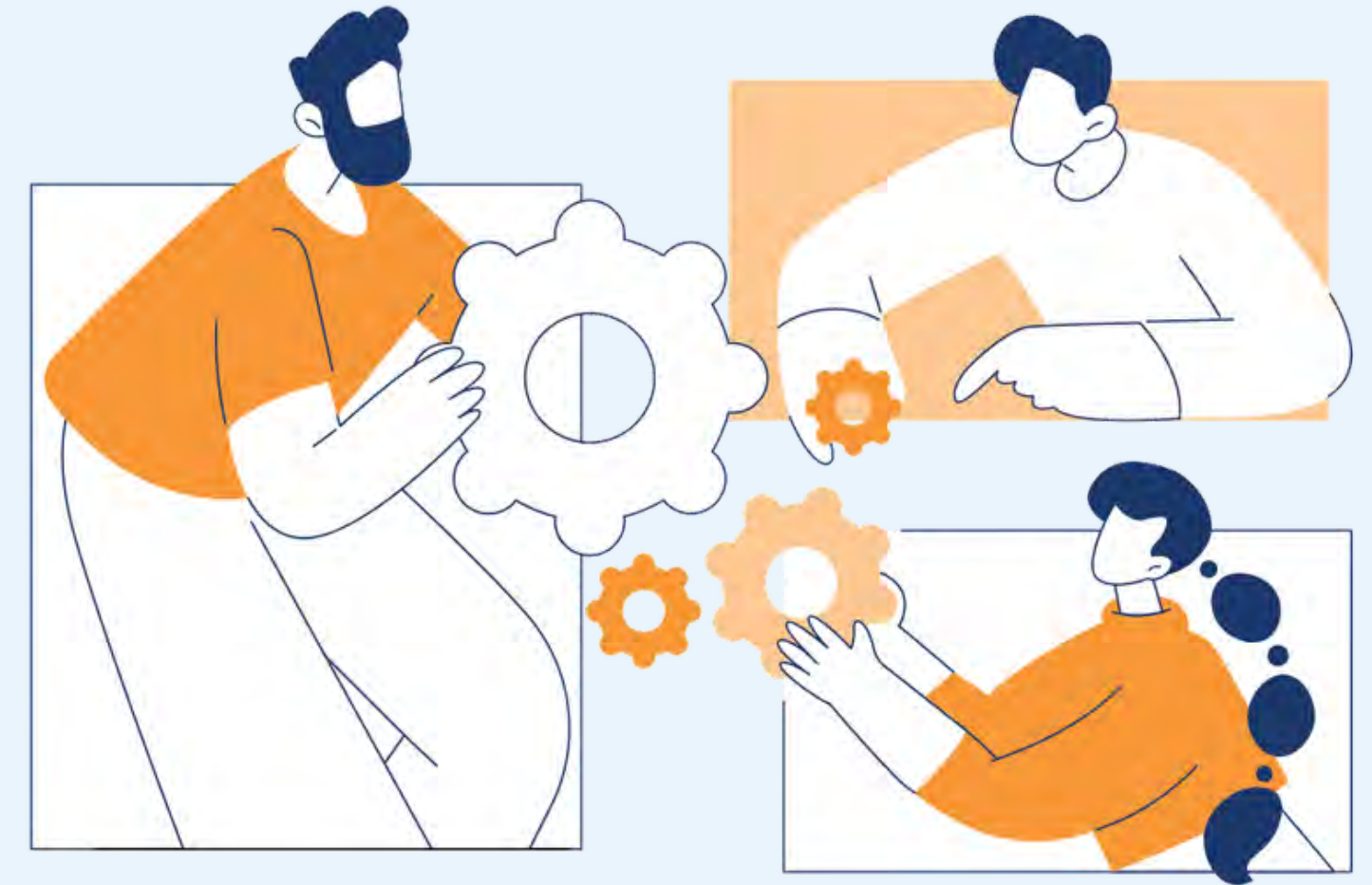


# Governance Training Module



OSPE's Board of Directors Candidates

Thank you for your interest in serving on the **Ontario Society of Professional Engineers'** Board of Directors. We're grateful for the diversity and depth of talent among our members, from which the Board is drawn.

All candidates must complete this training module as part of the nomination process. It is based on Charity's Village's *Boards That Work* online course and has been modified to reflect OSPE's priorities and values.



# Welcome!

*“The individual reasons why engineers volunteer at OSPE vary, but most share a common desire to affect positive change for the engineering profession in Ontario and to create a better future for everyone. **This is your profession and you can make a difference.**”*

Sandro Perruzza, CEO  
Ontario Society of Professional Engineers (OSPE)



# Overview

1. Explain the characteristics and purpose of a board of directors
2. List the three duties, four roles, and 10 responsibilities of boards of directors
3. Clarify the relationship between the board and the chief executive officer (CEO)
4. Communicate leading effective board practices



# Course Content

1. Introduction to Boards
2. Board Duties, Roles, and Responsibilities
3. The Board/Staff Partnership
4. Board Building and Structures
5. Effective Board Practices

The session ends with a knowledge check, so you can see how much you've retained.





# Part 1

## Introduction to Boards

- Meaningful form of service
- Necessary but also can be challenging
- Common issues:
  - Difficulty recruiting/keeping directors
  - Conflict with staff
  - Lack of role clarity
  - Discomfort with networking and promotion
  - Meeting attendance
  - Over-engagement and under-engagement
- Fluid and evolving in shifting and complex environments
- Increasing liability and regulation

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# Boards in the Non-profit Sector



- **Governance**
  - The system by which organizations are directed and controlled
- **Board of Directors**
  - The entity legally and ultimately responsible for all aspects of the corporation
- **Board Chair/President**
  - Facilitator and chief motivator of the board as well as the liaison from the board to the chief executive officer; not boss
- **Fiduciary**
  - One who holds a legal and ethical relationship of (public) trust
- **Chief Executive Officer (CEO)**
  - The most senior paid staff person hired by the board

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# Definitions



- A legal entity with ultimate responsibility for all affairs of the organization
- A single unit comprised of individuals, but which acts and speaks with one voice
- A board 'governs' when it ensures the direction and control of the organization

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# What is a board of directors?



- Legally required in corporate law (provincial and federal)
- Represents the organization to its community and stakeholders, and represents the community and stakeholders to the organization
- Brings to the table valuable resources, networks, and expertise to enhance the organization and its effectiveness and impact

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# Why have a board?





# Part 2

## Board Duties, Roles, and Responsibilities

# What Does a Board of Directors Do?



## Three Duties of a Board of Directors:

### 1. Duty of Care

- Be careful, diligent

### 2. Duty of Loyalty

- Avoid conflicts of interest
- Put organization and its mission above all
- Maintain confidentiality

### 3. Duty of Obedience

- Obey laws and regulations
- Be obedient to, or fulfill the mission



# Ten Responsibilities of a Board of Directors

1. Determine mission and purposes, and advocate for them
2. Select the CEO
3. Support and evaluate the CEO
4. Ensure effective planning
5. Monitor and strengthen programs and services
6. Ensure adequate financial resources
7. Protect assets and provide financial oversight
8. Build and sustain a competent board
9. Ensure legal and ethical integrity
10. Enhance the organization's public standing





# Part 3

## The Board/Staff Partnership



# Authority vs. Responsibility

- A board may delegate authority but cannot delegate responsibility.
- It is up to each board to decide how much authority it delegates to staff and what the parameters of that authority are. This is often done by policies.





# Factors that Enhance Positive Board / Staff Partnerships

1



Clear roles and responsibilities

2



Shared understanding of the mission, vision, and values

3



Mutual respect

4



Open communication and mutual feedback



# Governance vs. Management

Boards govern and  
management manages the  
day-to-day operations, but it's  
not always clear cut.



## **The board takes the lead when it:**

- Articulates the organization's values through policies that put the mission into action
- Hires, supports, and evaluates the CEO
- Opens doors to networking and promotion in the community
- Monitors fiscal management, approves the budgets, and ensures there's an audit
- Selects, recruits, and orients new board members

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# **Shared Leadership**



### **The CEO takes the lead when they:**

- Develops and proposes policy questions for the board's consideration
- Hires, supervises, and motivates staff
- Develops and implements programs

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# Shared Leadership



## **Board and staff share leadership when they:**

- Develop a strategic plan
- Initiate and implement evaluations
- Prepare for board meetings
- Advocate in the community

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# Shared Leadership





# Shared Leadership

## **Distinguish Governance from Support**

The board of directors can govern AND provide support, but not at the same time.

### **SUPPORT**



The board of directors can engage in supportive helping activities outside the board context.

### **GOVERNANCE**



The board governs when they are duly constituted as a unit and focus on the direction and control of the organization.



# Part 4

## Board Building and Structures

# Building a Capable Board

- Needs-based recruitment informed by desired competency matrix
- Diversity
- Year-round process (typically based on term renewal and the annual general meeting)
  - Identifying potential directors and encouraging self-identification
  - Aligning interest with skills sets with needs, reviewing roles, clarifying expectations and time commitments
  - Formal vote to approve new board directors
- Onboarding and orientation strategies
  - Board mandate, policy manual, organizational information





# Structures Help Get Work Done

## Standing Committees

Permanent committee, most commonly Finance/Audit, Executive, and Governance, as defined in the bylaws.





# Task Forces and Working Groups

Special-purpose teams



Volunteer subject matter experts collaborate  
towards solutions to today's biggest challenges.

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# Task Forces & Working Groups





# Benefits of Committees / Task Forces / Working Groups

1



Research and  
recommend to the  
board

2



Share the governance  
workload

3



Engage non-board,  
past-board, or future  
board volunteers



# Part 5

## Effective Board Practices

- Boards set the tone and culture, which filters down and across all levels. Organizational culture encompasses values and behaviours that contribute to the unique social and psychological environment of an organization.
- The most effective boards have a strong culture of respect, with high degrees of social capital and cohesion among directors.

**Accountability** also starts at the board level.

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# Culture and Social Capital



- Set an annual meeting schedule and board workplan
- Provide the agenda and meeting package at least a week in advance
- Develop a supporting meeting package with all backup material relevant to the agenda items
- Board Chair and CEO typically collaborate on the creation of the meeting agenda. Ensure it's focused on strategic issues and future vision, rather than information reports

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# Preparing for Effective Board Meetings



- Use consent agendas to move through routine matters quickly
- Start on time and be respectful of time; allocate enough time to conduct board business
- Encourage culture of candid dialogue and respectful debate
- Integrate opportunities for director education

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# Conducting Effective Board Meetings



- The board is responsible for governing itself
- Two levels of annual evaluation have the board directors asking two very important questions:
  - Question 1:
    - "How are we doing as a board?"
    - (Collective board assessment)
  - Question 2:
    - "How am I doing as a director?"
    - (Individual board director self-assessment)

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# Board Evaluation



- Stay rooted in governance documents: mandate, terms of reference, code of conduct
- Set culture of accountability and mutual expectation
- Use annual board and director assessment process productively
- Make renewed terms something that is earned, not presumed
- Empowered chair to have courageous conversations

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# When Board Directors Behave Poorly



- Keep the mission of the organization front and centre
- Arrive at meetings prepared and ready to contribute to strategic discussion; read materials in advance to understand the issues or options
- Use your voice; you've been invited to join a board for what you can contribute. Don't be a bump on a log
- Be respectful of yourself and your board colleagues; engage active listening; know when to step forward and step back
- Understand your role and the expectations of the board; if you are no longer able to meet them, consider a different way of supporting the organization

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# Being an Effective Board Director



# Knowledge Check

[Click Here](#) or visit the below link:  
[go.ospe.on.ca/BOD-Knowledge-Check](https://go.ospe.on.ca/BOD-Knowledge-Check)



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