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**Subject:** Governance and Audit Committee Report

**Prepared by:** Elaine Condos, Division Manager, Facilities and Business Services on behalf of Patrick Gauch, Chair, Governance and Audit Committee

**Prepared for:** Ottawa Public Library Board

**Meeting of:** June 11, 2012

**Date:** May 28, 2012

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### RECOMMENDATION:

1. That the Board approves the following policies as revised: A.20 Directors' Insurance, and B.4 Board's Role.

### References

- Document 3, 2012 OPL Board Draft Work Plan, April 16, 2012.
- Document 5, 2012 OPL Strategic Work Program, May 14, 2012.

### Background

1. The Governance and Audit Committee met on May 24, 2012.
2. Policy Review – Revisions Recommended

The Governance and Audit Committee reviewed a number of Executive Limitation Policies and Board Governance Policies in accordance with the annual planning calendar. Changes are indicated in either bolding (to add) or strike-out (to delete). Note that Policy *B.16 Board Compensation* has been held back by the committee

for further review. The Governance and Audit Committee recommends revisions to two Board policies as follows:

*A.20 Directors' Insurance:* In accordance with the Governance and Audit Committee's direction, this policy was amended to specify the fact that insurance coverage against liability losses to Board members and the Library itself is obtained through the City of Ottawa. (Attachment 1)

*B.4 Board's Role:* In accordance with the Governance and Audit Committee's direction, a number of sections were amended. Changes are indicated in either bolding (to add) or strike-out (to delete). (Attachment 2)

### 3. Policy Review – No Revisions Required

The following policies were reviewed and no changes are recommended:

*Executive Limitations Policies:* A.13 Bilingual Services and A.15 Administrative Practices

*Governance Process Policies:* B.6 Board Committee Principles and B.18 Trustee Absences

### 4. Board Evaluation and Governance Review

The 2012 Board's approved work plan for the Governance and Audit Committee includes the following items: undertaking Board self-evaluation as per Board policy B.15 and governance model review. A Statement of Work for external resources to support this work was approved by the Governance and Audit Committee at its meeting. The targeted completion date for the Board self-evaluation and governance review is October 31, 2012. Additional information will be provided to the Board as the project moves forward.

## **Attachments**

1. Policy A.20 Director's Insurance
2. Policy B.4 Board's Role

## OTTAWA PUBLIC LIBRARY BOARD

## POLICY TYPE: Executive Limitations

<b>POLICY TITLE:</b> Directors' Insurance	<b>POLICY NUMBER:</b> A.20
<b>DATE OF BOARD APPROVAL:</b> May 27, 2002	<b>DATE LAST REVIEWED:</b> <del>April 21, 2011</del> <u>May 24, 2012</u>
<b>DATE REVISED:</b> April 12, 2010	<b>MONITORING POLICY:</b>

The CEO shall not knowingly allow the Board to be inadequately protected from the risk of a lawsuit or other damages.

Accordingly, the CEO shall:

1. To the best of his or her ability, protect the Board and the Library from claims of legal liability.
2. Obtain insurance coverage through the City of Ottawa against liability losses to Board members and the Library itself. The amount of coverage shall:
  - a) Not be less than comparable coverage for the City of Ottawa; and, take into account statutory provisions for indemnification and exemptions applicable to Ontario non-profit organizations.

## OTTAWA PUBLIC LIBRARY BOARD

## POLICY TYPE: Governance Process

<b>POLICY TITLE:</b> Board's Role	<b>POLICY NUMBER:</b> B.4
<b>DATE OF BOARD APPROVAL:</b> December 5, 2002	<b>DATE LAST REVIEWED:</b> <del>April 21, 2011</del> <u>May 24, 2012</u>
<b>DATE REVISED:</b> June 14, 2010	<b>MONITORING POLICY:</b> <u>No monitoring reports required for B policies.</u>

While appointed by Ottawa City Council as per By-Law No. 2003-607, the Ottawa Public Library Board is an arms' length organization responsible for the good stewardship of the Ottawa Public Library, as defined by the Public Libraries Act.

The role of the Board is to represent every person who lives in Ottawa or has an Ottawa Public Library membership in determining and demanding appropriate and excellent organizational performance. To distinguish the Board's own unique role from the roles of the CEO and staff, the Board will concentrate its efforts on the following:

1. Building the link between the organization and the public ownership.
  - A. The understanding and appreciation by elected officials, particularly at the municipal and provincial levels, of the contribution public libraries and the OPL, in particular, can and do make to the community.
  - B. The understanding and appreciation by City of Ottawa community and business leaders of the contribution public libraries, and the OPL in particular, can and do make to the community.
  - C. Determining and using proactive strategies to ensure constructive two-way dialogue for input from library users and the community as a means to link to the entire community in the on-going development of the Board's Ends policies.
  - D. Working with and developing relationships with various ~~internal and~~ external parties, including:

• ~~Internal Board Committees (e.g. Finance and Budget Committee, Performance Measurement Committee)~~

- External Organizations and Committees (e.g. Friends of the Ottawa Public Library, Ottawa Public Library Foundation, Canadian Library Trustee Association)
- City of Ottawa Advisory Committees (e.g. French Language Services Advisory Committee)

E. Participating in library conferences and other related library events.

2. Developing written governance policies, which at the broadest levels, address:

- A. Executive Limitations: Constraints on executive authority which establish the practical, ethical and legal boundaries within which all staff activity and decision-making will take place and be monitored.
- B. Governance Process: How the Board conceives, carries out and monitors its own work.
- C. Board-CEO Relationship: How power is delegated and its proper use monitored; the CEO role, authority, and accountability.
- D. Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what end result is desired for whom and at what cost).

3. Ensuring CEO performance against policies in *Ends* and *Executive Limitations*.

4. Ensuring Board performance through monitoring Governance Process and Board/CEO Relationship policies.

5. Ensuring that the Ends are the focus of organizational performance.

6. Responding to proposed legislative and regulatory changes affecting the library.

7. Actively build relationships with library trustees from other libraries

i. Be represented by at least one (1) trustee at both the Ontario Library Association and Canadian Library Association conferences each year.

ii. Participate as a full member on the Southern Ontario Library Service (SOLS) Trustee Council.

8. Monitoring performance of the organization.
9. Adhering to the roles and responsibilities framework outlined in Appendix A.

**APPENDIX A**  
**Roles and Key Responsibilities**  
**Council/Library Board/~~City Librarian~~~~Chief Executive Officer~~/Deputy City Manager**

COUNCIL	LIBRARY BOARD	<del>CHIEF EXECUTIVE OFFICER</del> <del>CITY LIBRARIAN</del>	CITY OF OTTAWA MANAGEMENT TEAM
<b>(1) Governance</b>			
<p>Responsible for:</p> <ul style="list-style-type: none"> <li>1.1 Selecting and appointing trustees to the library board every 4 years</li> <li>1.2 Communicating identified community issues and needs</li> <li>1.3 Receiving and considering the Board's end of term composition report identifying collective skill sets required for effective Board governance</li> </ul>	<p>Responsible for:</p> <ul style="list-style-type: none"> <li>1.1 Determining mission, values and strategic goals/priorities</li> <li>1.2 Setting annual objectives and evaluating performance against objectives</li> <li>1.3 Determining policies in response to community data and needs</li> <li>1.4 Providing orientation for new trustees and development for all trustees</li> <li>1.5 Approving appropriate governance policies</li> <li>1.6 Ensuring compliance with legislation and board policies</li> <li>1.7 Ensuring library services reflect community needs</li> <li>1.8 Determining the collective skill sets required for the Board to successfully achieve its mandate</li> <li>1.9 Recommending to City Council, that the Board Chair and/or Vice-Chair serve on the selection committee of future trustees</li> <li><b>1.10 Participating in ongoing board development activities and/or education programs required for professional growth.</b></li> </ul>	<p>Responsible for:</p> <ul style="list-style-type: none"> <li>1.1 Proposing annual objectives</li> <li>1.2 Reporting on progress</li> <li>1.3 Collecting and providing community data</li> <li>1.4 Participating in trustee orientation</li> <li>1.5 Preparing and implementing policies</li> <li>1.6 Maintaining current legal information</li> <li>1.7 Attending and recording all meetings.</li> <li>1.8 Delivering library services that meet community needs</li> </ul>	<p>Responsible for:</p> <ul style="list-style-type: none"> <li>1.1 Supplying information as required</li> </ul>

COUNCIL	LIBRARY BOARD	<del>CHIEF EXECUTIVE OFFICER</del> CITY LIBRARIAN	CITY OF OTTAWA MANAGEMENT TEAM
<b>(2) Policy Development</b>			
<p>Responsible for:</p> <p>2.1</p>	<p>Responsible for:</p> <p>2.1 Analyzing CEO policy recommendations</p> <p>2.2 Debating policy issues and implications</p> <p>2.3 Approving policy</p> <p>2.4 Reviewing and revising policies as necessary</p>	<p>Responsible for:</p> <p>2.1 Recommending policies needed</p> <p>2.2 Advising board on policy development framework and format</p> <p>2.3 Providing information sources and policy examples</p> <p>2.4 Establishing procedures for implementing policies</p> <p>2.5 Interpreting policies and procedures to library staff and the public</p> <p>2.6 Maintaining policy manual</p>	<p>Responsible for:</p> <p>2.1 Understanding Board policies in relation to shared services</p>



COUNCIL	LIBRARY BOARD	<del>CHIEF EXECUTIVE OFFICER</del> CITY LIBRARIAN	CITY OF OTTAWA MANAGEMENT TEAM
<b>(3) Community Development</b>			
<p>Responsible for:</p> <p>3.1 Conveying community opportunities</p> <p>3.2 Encouraging trustee activity</p> <p>3.3 Seeking cooperative opportunities</p>	<p>Responsible for:</p> <p>3.1 Understanding local issues, the implications of community demographics and the contributions of community groups.</p> <p>3.2 Identifying community needs and concerns</p> <p>3.3 Building a strong communicative relationship with municipal council</p> <p>3.4 Maintaining a dialogue with the community</p> <p>3.5 Being aware of the municipal planning context</p> <p>3.6 Developing strategic partnerships with community groups and leaders</p> <p>3.7 Demonstrating accountability to the community</p> <p>3.8 Ensuring appropriate standards are in place</p> <p>3.9 Participating in community activities</p> <p>3.10 Seeking to extend library services</p> <p>3.11 Participating in trustee activities</p> <p>3.12 Cooperating with officials</p>	<p>Responsible for:</p> <p>3.1 Understanding local issues, the implications of community demographics and the contributions to community groups</p> <p>3.2 Identifying community needs &amp; concerns</p> <p>3.3 Building solid relationships with municipal staff</p> <p>3.4 Promoting library services in the community</p> <p>3.5 Forging relationships with community groups and leaders</p> <p>3.6 Implementing programs to support goals</p> <p>3.7 Arranging opportunities for Board activities</p>	<p>Responsible for:</p> <p>3.1 Understanding local issues, the implications of community demographics and the contributions to community groups</p> <p>3.2 Identifying community opportunities/needs</p> <p>3.3 Involving the Board as appropriate</p>

COUNCIL	LIBRARY BOARD	<del>CHIEF EXECUTIVE OFFICER</del> CITY LIBRARIAN	CITY OF OTTAWA MANAGEMENT TEAM
<b>(4) Planning</b>			
<p>Responsible for:</p> <p>4.1 Supporting Library Board planning process</p>	<p>Responsible for:</p> <p>4.1 Assessing needs</p> <p>4.2 Defining mission and overall directions</p> <p>4.3 Developing and approving library goals and objectives</p> <p>4.4 Monitoring and evaluating library performance annually (or more often if appropriate)</p> <p>4.5 Revising plan accordingly</p> <p>4.6 <b>Advocating the library's role to the community</b></p> <p>4.7 <b>Promoting the library as an essential community service</b></p>	<p>Responsible for:</p> <p>4.1 Assisting Board in understanding needs</p> <p>4.2 Carrying out a formal assessment as necessary</p> <p>4.3 Analyzing library strengths and weaknesses</p> <p>4.4 <b>Providing necessary data to demonstrate progress and monitoring and evaluation process</b></p> <p>4.5 Advising Board and facilitating development of library goal and objectives</p> <p>4.6 Recommending programs, services and activities</p> <p>4.7 Formulating plan to meet goals and objectives</p> <p>4.8 Administering library in accordance with plan</p> <p>4.9 <b>Advocating the library's role to the community</b></p> <p>4.10 <b>Promoting the library as an essential community service</b></p>	<p>Responsible for:</p> <p>4.1</p>

COUNCIL	LIBRARY BOARD	<del>CHIEF EXECUTIVE OFFICER</del> CITY LIBRARIAN	CITY OF OTTAWA MANAGEMENT TEAM
(5) Finance			
Responsible for: 5.1 Giving budget direction	Responsible for: 5.1 Communicating with Council 5.2 Reviewing and debating various budget scenarios on an annual basis 5.3 Adopting annual budgets and monitoring performance 5.4 Receiving multi-year forecasts outlining the anticipated impact on service levels and funding requirements 5.5 Presenting budget to Council in accordance with municipal budget policies and procedures 5.6 Determining revenue sources in relation to special project needs and/or funding gaps 5.7 Ensuring safe financial control measures are in place to expend budget with due diligence and according to board priorities 5.8 Ensuring sound financial management	Responsible for: 5.1 Consulting with municipal staff and advising Board on municipal budget policy requirements and procedures 5.2 Developing and presenting budget scenarios for Board consideration 5.3 Implementing annual budgets and expenditure reports 5.4 Developing and presenting multiyear forecasts outlining the anticipated impact on service levels and funding requirements 5.5 Participating in budget presentations, supplying facts and figures, analysis and comments as required 5.6 Identifying options for generating additional revenue to support special project needs and/or funding gaps 5.7 Providing sound financial operations 5.8 Overseeing all accounting functions and preparing regular financial statements for the Board's consideration 5.9 Monitoring the budget 5.10 Identifying and addressing problems as they arise	Responsible for: 5.1 Supplying information as required

COUNCIL	LIBRARY BOARD	<del>CHIEF EXECUTIVE OFFICER</del> CITY LIBRARIAN	CITY OF OTTAWA MANAGEMENT TEAM
<b>(6) Personnel</b>			
<p>Responsible for:</p> <p>6.1</p>	<p>Responsible for:</p> <p>6.1 Hiring CEO/<del>City Librarian</del></p> <p>6.2 Building a strong relationship that recognizes Board authority and respecting CEO/<del>City Librarian</del> expertise</p> <p>6.3 Monitoring executive performance</p> <p>6.4 Evaluating CEO/<del>City Librarian</del> performance annually</p> <p>6.5 Ensuring succession planning at the executive and senior management level</p> <p>6.6 Approving board policies on human resources</p> <p>6.7 Providing mandate for collective bargaining</p> <p>6.8 Approving collective agreements</p> <p>6.9 Establishing compensation and cost-of-living increases</p>	<p>Responsible for:</p> <p>6.1 Building a strong relationship that recognizes Board authority and respecting CEO/<del>City Librarian</del> expertise</p> <p>6.2 Hiring, directing and managing all subordinate staff, adhering to board policies.</p> <p>6.3 Approving operational policies on human resources</p> <p>6.4 Ensures that performance appraisals are conducted on all staff</p> <p>6.5 Negotiating salary and working conditions for staff including union contracts as applicable</p> <p>6.6 Handles all grievances and keeps the Board informed as required</p> <p>6.7 Providing data on compensation</p> <p>6.8 Providing staff training and development plans</p> <p>6.9 Developing and implementing succession plans</p>	<p>Responsible for:</p> <p>6.1 Ensuring support from shared services</p>

COUNCIL	LIBRARY BOARD	<del>CHIEF EXECUTIVE OFFICER</del> <del>CITY</del> LIBRARIAN	CITY OF OTTAWA MANAGEMENT TEAM
<b>(7) Legal</b>			
Responsible for:  7.1	Responsible for:  7.1 Knowing relevant local and provincial laws 7.2 Responding to new legislation 7.2 Being accountable to municipal council and the Government of Ontario 7.3 Participating in and attending board meetings 7.4 Maintaining a full board 7.5 Advising Council of any vacancies occurring on the Board 7.6 Ensuring that adopted policies adhere to legislation 7.7 Soliciting external advice as required 7.8 Ensuring Council is aware of library legislation and changes	Responsible for:  7.1 Knowing local and provincial laws 7.2 Responding to new legislation 7.3 Interpreting legislative changes 7.4 Preparing and submitting annual report to the Government of Ontario 7.5 Being accountable to the Board 7.6 Attending and participating in all Board meetings 7.7 Recording and maintaining minutes of meetings 7.8 Reporting on library operation 7.9 Creating and retaining complete and accurate records 7.10 Obtaining legal advice on behalf of the Board as required	Responsible for:  7.1 Ensuring support from City's shared services