

British Columbia Association of Health-Care Auxiliaries

Presentation
on
Nine Duties of a Board Member
By
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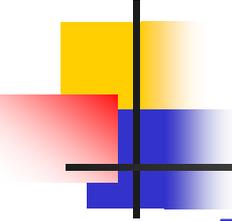
Duty of Knowledge

- Good governance requires the board members are knowledgeable on the bylaws
- Powers of directors are generally outlined in the bylaws
- Directors are bound to act within the scope of the bylaws
- Bylaws provide a stable foundation and amendments should not be done hastily
- Directors need to be aware of other governing documents



Duty of Care

- The BC societies Act provides that a director shall act honestly and in good faith
- The BC Societies Act provides that a director shall act in the best interests of the society
- Directors need to exercise the care, diligence and skill of a reasonably prudent person in exercising powers and performing the duties of a director



Duty of Skill and Prudence

- There is no minimum required level of skill or prudence for a director
- The level of skill required depends on the director's responsibilities within the organization
- The duty of prudence requires a director to act cautiously and anticipate any probable consequences of any course of action that the organization may choose to take
- In BC a director must conform to the standard that a reasonable prudent person would exercise under the same circumstances



Duty of Diligence

- To discharge the duty of diligence a director must act in the best interests of the association and be as fully informed as reasonably possible
- A director must review the agenda and supporting materials in advance of the meeting
- A director must attend the meetings of the board or committee to which they have been appointed



Duty of Diligence cont.

- A director must be prepared to discuss the business before the meeting in a prepared and knowledgeable way
- A director should vote on matters that come before the meeting unless excluded by reason of conflict of interest or prohibition



Duty to Manage

- Directors have a duty to manage the association and to apply the bylaws of the Association
- Directors must ensure elections and appointments of the board and committee members occur
- Directors must establish policies and provide guidance for volunteers and staff



Duty to Manage cont.

- Directors must ensure the association complies with legal requirements
- Directors should present bylaws as necessary and useful to the operations of the association



Fiduciary Duty

- A fiduciary within an association is a person who maintains a position of trust
- This duty requires a person to act honestly and in good faith; to be loyal to and act in the best interest of the association
- Additionally to avoid any conflict of interest and to subordinate any personal interest to those of the association



Director Delegation

- Delegation of a duty or task does not relieve a director from liability for that duty
- Delegation is generally best done through adoption of policies containing sufficient detail that the person delegated to has adequate guidance and flexibility to complete the task
- Delegation of tasks to lawyers, accountants or other professionals still require directors to ensure these parties have adequate and sufficient qualifications for the tasks



Duty to Avoid Personal Conflicts of Interest

- Conflict of interests may evolve from a wide variety of circumstances. In most cases these interests relate to or are measureable in financial terms
- There is nothing inherently wrong in having a conflict of interest. The problem only arises when a person who has such a conflict fails to place the personal interest second behind that of the association



Duty to Act Within the Scope of Authority

- Directors must know both the scope of their own authority and the permitted activities of the association
- The constitution, bylaws and resolutions of the board of directors outline the permitted activities of the association
- The constitution, bylaws and resolutions outline the scope of authority of an individual board member



An Effective Board of Directors

- Strives to fulfill the purpose of the association
- Stays within the stated objectives of the association
- Fulfills the duties and responsibilities individually and the board as a whole
- Assessed itself annually as a reminder of the purpose and objectives



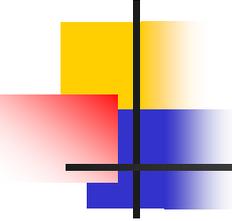
Director Duties

- Know the association mandate; its mission, vision and objectives, its operations and its bylaws
- Prepare for all meetings
- Attend and participate
- Make personal notes and review the minutes of all meetings
- Perform a review of policies



Director Duties cont.

- Obtain outside expert advice as needed
- Vote, refrain only when necessary
- Act objectively and in the best interest of the association
- Avoid possible conflict of interest situations
- Maintain proper record keeping system



Discussion

- Q & A