

Board Duties and Responsibilities

Board Member Training:

Appointed on or after 1/13/2006

- Must participate in State approved training within one year of appointment

All Board Members:

- Must participate in continuing training as may be required to remain informed of best practices, and regulatory and statutory changes relating to, and effective oversight of, management and financial activities of authorities.

Responsibilities:

- Responsibility to fulfill the statutory mission to provide a public service/benefit.
- Provide policy direction in light of mission and legislative directive.
- Guide, support, and oversee management.
- Approve and keep current by-laws and policies.
- Allocate resources.
- Ensure appropriate disclosure and transparency.

Fiduciary duty of care and of loyalty to the Authority:

- **Duty of Care** – Directors should exercise reasonable care in the discharge of their responsibilities.
- **Duty of Loyalty** – Directors should always act in good faith in the best interest of the public authority.

How to Exercise the Duties of Care and Loyalty:

- Directors should have a basic understanding of the primary business function and mission of the authority.
- Directors should make the necessary time commitment to prepare for and attend board meetings.
- Directors should inform themselves prior to making business decisions utilizing material information reasonably available to them.
- Directors should be disinterested so they do not appear on both sides of a transaction, nor expect to personally benefit from it.

Exercise of Care and Duties:

- Directors should oversee management.
- Make decisions based on what will be best interests of the public and of the authority's mission.
- "Best Interest"
 - (1) Enabling legislation provides the mission of the Authority.
 - (2) By-laws define the appropriate practices for carrying out the mission of the Authority.

Role of Board Members Specified by the Act:

- Execute direct oversight of authority's CEO and senior management in the effective and ethical management of the authority.
- Understand, review and monitor implementation of fundamental financial and management controls and operational decisions of the authority – (Adopt Policies and Guidelines)

General Approaches:

- Set a tone from the top.
- Keep the authority focused on its mission.
- Set goals and prioritize.
- Be clear.
- Be decisive.
- Follow-up to know whether results are achieved.

Board versus Management:

Board: Makes Policies

Management: Carries out policies

Board: Oversees operations

Management: Undertakes day-to-day operations

Board: Makes policy/personnel decisions

Makes sure it has information to make them

Management: Keeps board informed with sufficient information of its actions, issues of concern, potential risks, and liabilities

Board Committees Required:

Every Covered Authority Must Establish:

- Audit Committee
- Governance Committee