



Presentation to Library Board of Directors

Key Aspects of BOARD GOVERNANCE

“An Auditor General’s perspective”

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To whom does the board owe a duty?

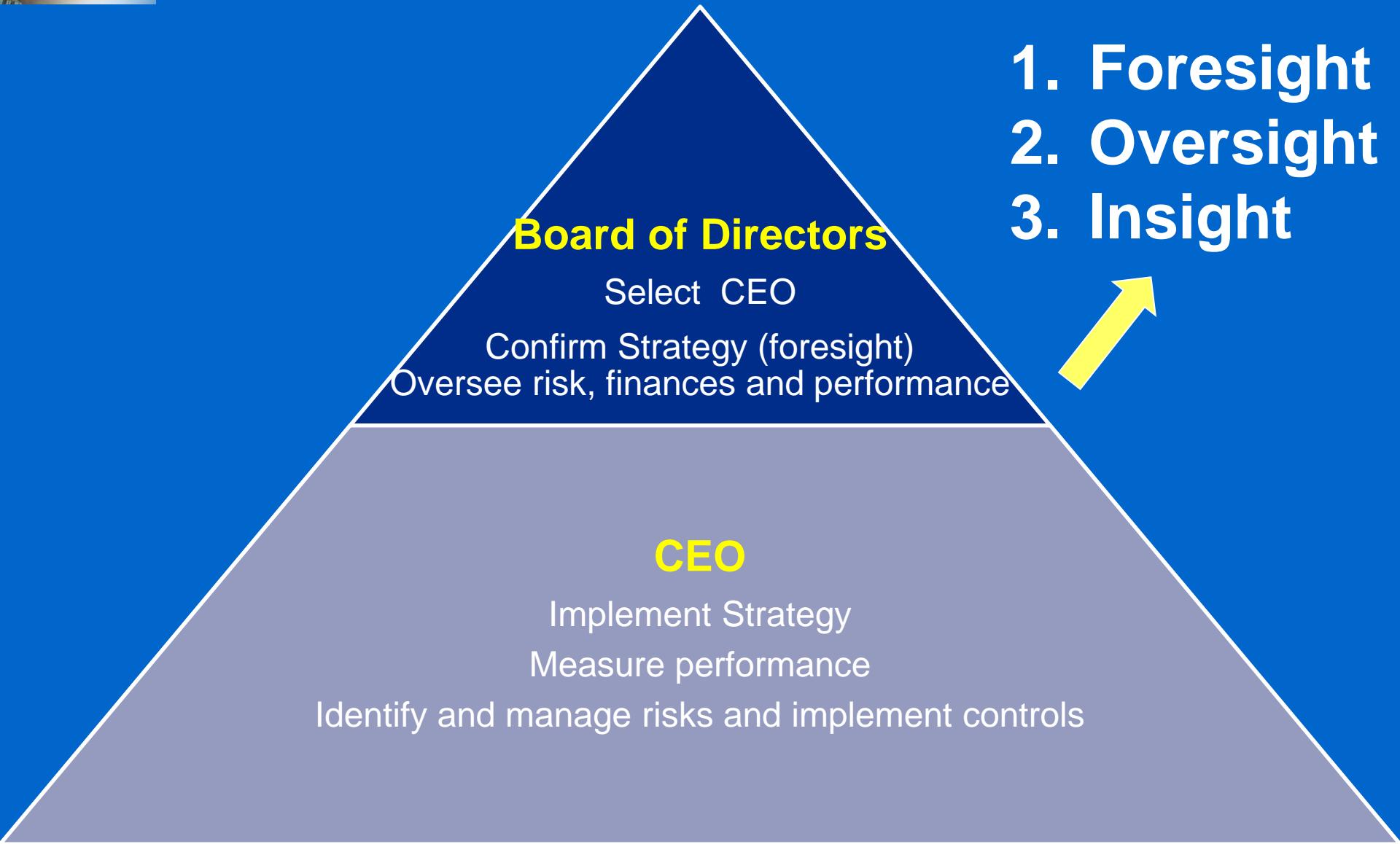
- The City?
- Customers?
- Community?
- All the above?
- None of the above?



- Public libraries are governed by public library boards which “**are corporations**” established under the *Public Libraries Act*.
- *The corporation is responsible to oversee the management and control of the library*
- Boards of Directors owe a fiduciary duty to *the corporation*.
 - *Fiduciary duty – one is placed in a position of trust and confidence to manage and protect the property or money of another. Must act for another’s benefit*



Governance roles



Foresight: Setting up for success

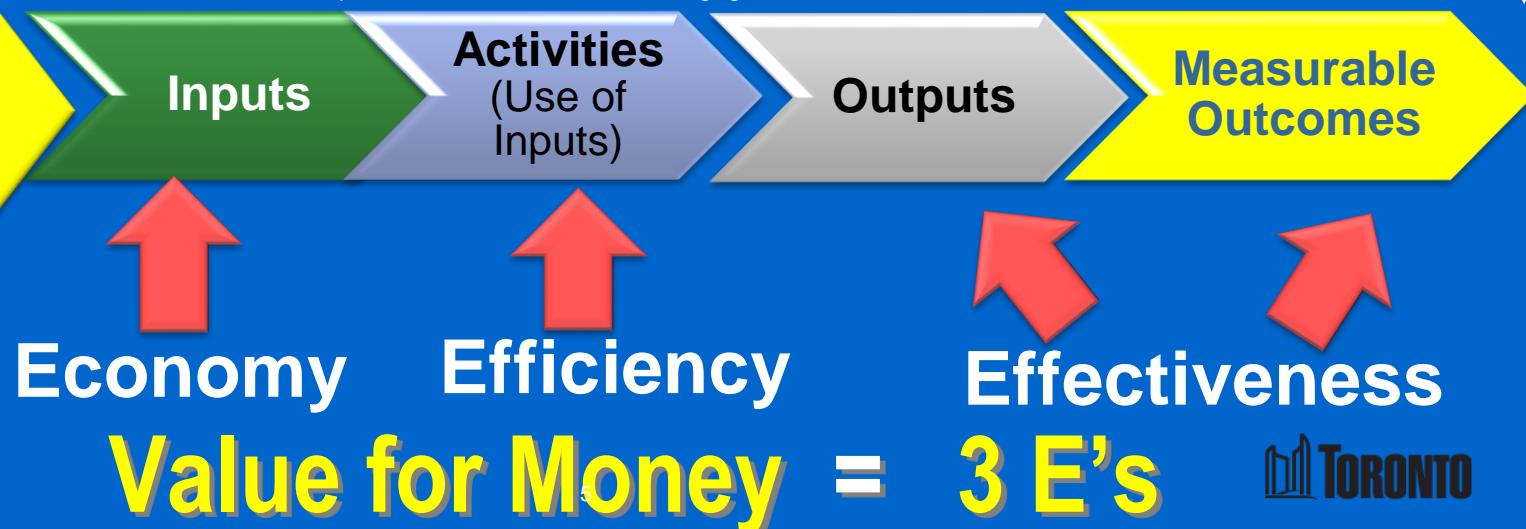
Questions the Board should ask

1. Will achieving the goals deliver the outcomes?
2. What are the right measures/targets?
3. Do you receive performance information aligned to outputs and outcomes? (Evaluating the CEO based on targets?)
4. Dashboards -- Are you receiving reports on the risks that would prevent the Library from achieving the outputs and outcomes?

Sample -Tactics/Strategies

- Expand access to lectures and author readings in library branches and through expanded access to programming and related content online.
- Pilot customized readers advisory online
- Expand use of social media to engage readers

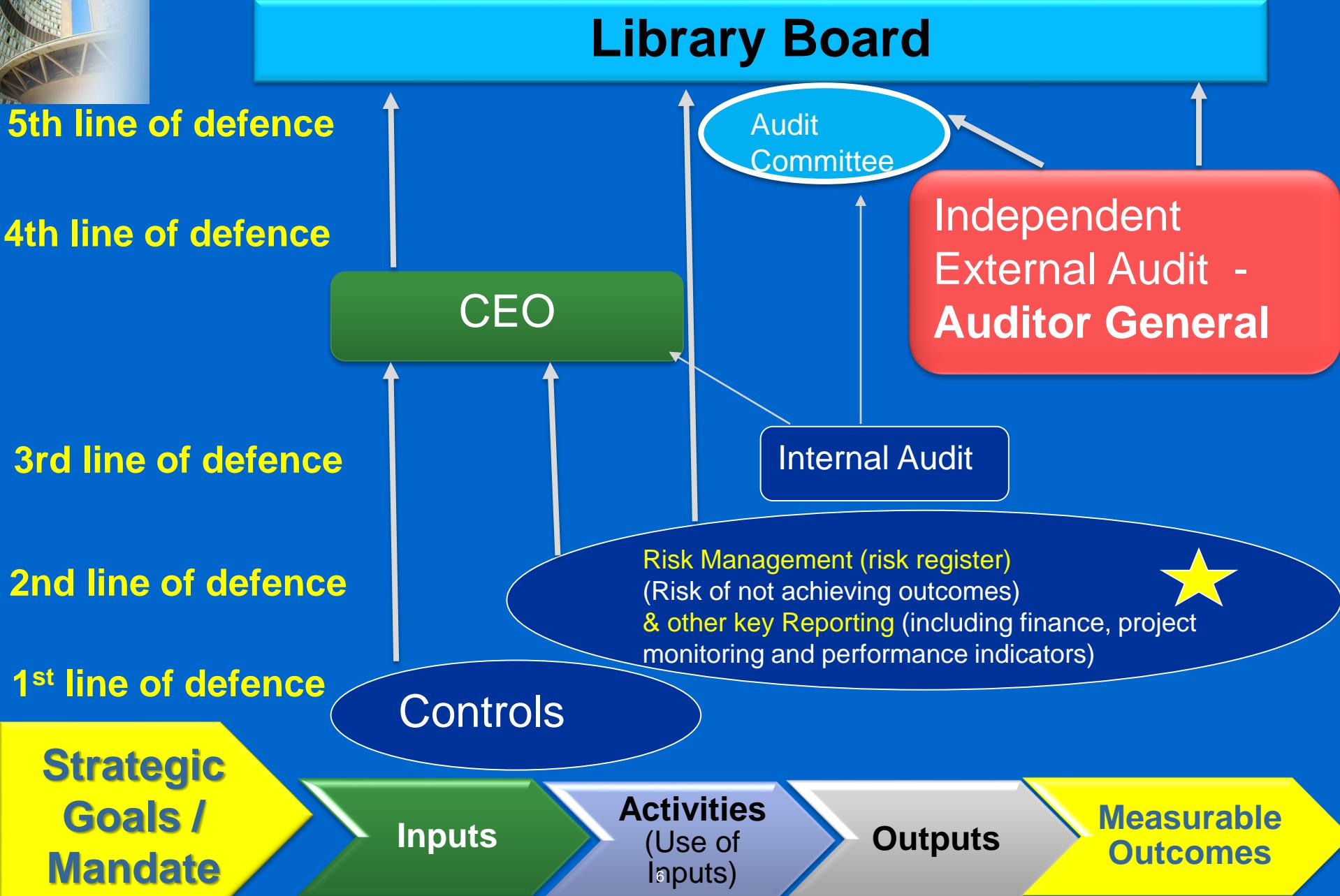
Strategic Goals / Mandate





OVERSIGHT: GOVERNANCE 'LINES OF DEFENCE'

How it ties together....





Common Audit Findings Corporations & Agencies

General Finding	TCHC	SONY Centre	Invest Toronto	Toronto Zoo	Build Toronto
Clarity in Strategic Goals	Not part of the audit	X	X	Not part of the audit	X
Procurement Controls	X	X		X	X
Management of Capital Projects	Not part of the audit	X	N/A	X	X
Board Approval of Spending Limits Exceeded	Not part of the audit	X		Not part of the audit	X



Do you have a solid understanding of the risks facing the Library?

Risk :

The likelihood of not attaining strategic goals and the related impact

- Risk register should be provided to the Board
- Ask probing questions about risks to ensure the key risks have been identified and that the risk-related information is reliable.



Important factors to ensure success...

- **Expertise** - subject matter, financial, risk, legal
 - If you don't have itobtain it!
- **Time** – There is a fiduciary duty owed so conducting your due diligence is important...
 - Which committees do you need to provide the level of due diligence required over matters?
- **Continuity**
 - Attending meetings, succession planning



Information gap:

- Ensuring the board has the right information to discharge its duties.
 - What do you need to ensure success of the Library and to achieve strategic outcomes?
 - Is there too much or insufficient information?
 - Is performance directly tied to targets for easy evaluation?
- All oversight information should be:
 - relevant, and include information on:
 - Risks, finance, performance, project management, strategic issues
 - Provided at the right level– to fulfill your responsibilities?
 - Ask yourself where are we? Where do we need to be? What information is needed for me to determine if we are getting there.....



Recap.... **Legislative role: Management and Control of the Library**

Governance role:

1. Foresight -

- Leverage your expertise to ask probing questions about the strategy....
 - What is the Library of the future?
- Strategic goals –
 - Are outcomes, outputs and performance aligned to strategic goals?
 - Are they measurable?

2. Oversight

- Monitor risk, finance and performance and project management
- Insight –probe issues – support management

Risk Register
Financial Statements
& reports
Performance
reports and
Independent audits