



## **Board of Directors Terms of Reference**

### **Purpose**

The purpose of a board is to govern. A basic principle of Leadership Focused Governance is that the ultimate responsibility for making governance policy and for deciding what the organization is going to accomplish (i.e., strategic plan) belongs to the board. Consequently, it is the board as a whole, and not individual directors, staff or volunteers that set direction and set policy.

The board works with the CEO in shaping direction and governance policy.

### **Governing is made up of six key elements:**

- a. Guidance/Direction
- b. Standards of Organizational Conduct
- c. Providing oversight and monitoring of all organizational performance
- d. Protecting the best interests of the organization
- e. Ensuring the financial sustainability of the organization
- f. Knowledge of Stakeholder expectations, needs, concerns, interests, and wants.

### **Term of Office for Board Member**

The term of office for a Board Director shall be three (3) years. Any portion of that three (3) year term will constitute a full term.

After fulfilling their initial three (3) year term or any part of a three (3) year term, a Director will be able to stand for re-election for two (2) additional three (3) year terms up to a maximum of three (3) full or partial consecutive terms if they so desire. After completing their term of office and/or stepping down before any of the above terms were completed, a member will not be considered for another Board position for a period of one (1) year following their departure.



## **General Responsibilities**

1. A primary responsibility of the Board of Directors (the "Board") is to foster the long-term success of Certified Professional Bookkeepers of Canada ("CPB Canada") consistent with the Board's responsibilities to the membership it serves. This is best achieved through a primary responsibility to support the Mission Statement and Strategic Plan.
2. The Board has the responsibility to oversee the conduct of the business of CPB Canada and to guide and direct the CEO, who is responsible for the day-to-day conduct of business. In performing its functions, the Board also considers the legitimate interests that others, such as members and employees, have in CPB Canada. In supervising the conduct of the business, the Board will set the standards of conduct for CPB Canada and ensure the safety of its operations.

## **Procedures and Organization**

3. The Board operates by delegating to the CEO certain of its authorities, including spending authorizations, and by reserving certain powers to itself.
4. The Board retains the responsibility for managing its own affairs including:
  - a. nominating candidates for election to the Board.
  - b. providing guidance to the Nominations Committee regarding the criteria they should consider in making their recommendations to the Board.
  - c. constituting committees of the Board.
  - d. Board evaluation.
5. Subject to the By-laws of CPB Canada, the Board may constitute, seek the advice of, and delegate duties and responsibilities to committees of the Board.

## **Duties and Responsibilities**

### 6. Selection of CEO

The Board has the responsibility:



- a. to appoint and replace the CEO.
- b. to monitor and evaluate their performance.
- c. to approve the CEO's compensation and to provide advice and counsel to the CEO in the execution of the CEO's duties.
- d. to ensure that plans are made for CEO succession and development.

## 7. Monitoring and Acting

The Board has the responsibility:

- a. to monitor CPB Canada's progress towards its goals, and to revise and alter its direction through the CEO considering changing circumstances, ensuring that the annual budget incorporates the long-term financial model and the long-term capital plan, control, and CEO information systems.
- b. to approve the budget and any expenditures that deviate materially from the approved budget.
- c. to identify the principal risks of CPB Canada's business and take all reasonable steps to ensure the implementation of appropriate systems to manage / mitigate these risks.
- d. to direct the CEO to ensure that systems are in place for implementing and maintaining the integrity of CPB Canada's internal financial control and CEO information systems.

## 8. Strategy Determination

The Board has the responsibility:

- a. to review, with the CEO, the mission of CPB Canada, its objectives and goals, and the strategies by which it proposes to reach those goals.
- b. to review progress in achieving the goals established in the Strategic Plan.

## 9. Policies and Procedures



The Board has the responsibility:

- a. to develop, approve and monitor compliance with all policies which govern CPB Canada's operations.
- b. to direct the CEO to implement systems designed to ensure that CPB Canada operates, at all times, within applicable laws and regulations, and to the highest ethical and moral standards.

#### 10. Compliance Reporting and Corporate Communications

The Board has the responsibility:

- a. to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles.
- b. to ensure timely reporting of any other developments that have a significant and material effect on the performance of CPB Canada and as required under CPB Canada's Bylaws.
- c. to report annually to its members on the Board's stewardship for the preceding year.
- d. to ensure that Operations has in place a strategy to enable CPB Canada to communicate effectively with its members.

#### **General Legal Obligations of the Board of Directors**

11. CPB Canada is incorporated under the Canada Not-for-Profit Corporations Act.
12. Directors must comply with CPB Canada's conflict of interest policy.
13. Directors are required to sign a Non-Disclosure Agreement (NDA) and may not release or discuss any information about their Board or committee discussions/decisions. All information to the general membership or public will only be released by CPB Canada's Chair or CEO.
14. Directors are under a fiduciary duty to CPB Canada to carry out the duties of their office:



- a. honestly and in good faith
  - b. in the best interests of CPB Canada
  - c. with the care, diligence, and skill of a reasonably prudent person.
15. Directors have specific statutory duties and obligations under employment, environmental, and financial reporting law as well as under the withholding provisions of taxation law.