



Governance Policy and Procedure: Board's Executive Limitations for the Executive Director

1. POLICY

Executive Limitations are boundaries or limitations placed on the Executive Director (ED) and, therefore, Commission staff. They indicate actions, behaviors and methods, which are not acceptable to the Board. They are expressed in the negative, thus providing the ED with empowerment to undertake that which has not been restricted by the limitation

2. GENERAL EXECUTIVE CONSTRAINT

1. The Executive Director may exercise any reasonable interpretation of the limitations.
 - a. The Executive Director will not cause or allow any practice, activity, decision, or organizational circumstance, which is either illegal, imprudent or in violation of commonly accepted business and professional ethics.
 - b. The Executive Director will not:
 - (a) Deal with staff, students, volunteers, and the legal community unfairly
 - (b) Discourage openness in the decision-making process
 - (c) Deviate substantially from the Board's policies, risk fiscal jeopardy or fail to follow generally accepted accounting and budgeting practices
 - (d) Compromise Board and/or Commission policies
 - (e) Fail to maintain or protect the physical assets of the Commission
 - (f) Provide for compensation and benefits for staff that are not appropriately approved by the Board and/or Provincial Government as required
 - (g) Fail to inform the Senior Management Team regarding Board issues and processes
 - (h) Be in or create a conflict of interest
 - (i) Impede the vision or prohibit the achievement of the outcomes of the Commission
 - (j) Fail to maintain and make available an administrative policy manual



2. These general executive constraints may be further defined by a decision of the Board.

3. COMMUNICATION AND COUNSEL TO THE BOARD

1. The Executive Director shall not provide information and advice to the Board that is untimely, incomplete, or inaccurate.
2. The Executive Director shall not:
 - a. Neglect to submit monitoring data required by the Board in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies being monitored
 - b. Let the Board be unaware of changes in the assumptions upon which any Board policy has previously been established, relevant trends, anticipated adverse media coverage, actual or anticipated legal actions and material external and internal changes
 - c. Fail to advise the Board if the Executive Director is aware of concerns that the Board is not in compliance with its own policies on Governance Process and Board-Staff Relationship, particularly in the case of Board behavior which is detrimental to the work relationship between the Board and the Executive Director
 - d. Present information in unnecessarily complex or lengthy form
 - e. Fail to provide necessary support for Board members or committee communications
 - f. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board

4. COMMISSION RELATIONS

1. The Executive Director will not deal unfairly with staff, students, volunteers and the legal community.
2. The Executive Director will not:
 - a. Operate without personnel procedures which clarify personnel rules, provide for effective handling of grievances and protect against harmful workplace conditions
 - b. Discriminate against anyone for expressing a dissenting opinion



- c. Prevent staff from grieving to the Board when it is alleged that either the Board policy has been violated to his or her detriment or the Board policy does not adequately protect his or her human rights
- d. Fail to acquaint staff with their responsibilities and rights
- e. Fail to operate within the rules of natural justice
- f. Fail to provide a mechanism for reducing stress and uncertainty during organizational change

5. COMPENSATION AND BENEFITS

- 1. The Executive Director may not:
 - a. Change his or her own compensation and benefits
 - b. Establish current compensation and benefits which:
 - i. Deviate substantially from the geographic or professional market for the skills employed
 - ii. Create obligations over a longer term than revenues can be safely projected
 - iii. Deviate from any guidelines established for the Commission
 - c. Allow employees to be hired by the Commission without being made aware of appropriate pension plans and benefits available to them

6. BUDGETING/FORECASTING

- 1. The Executive Director will not deviate substantially from the Board's Policies, risk fiscal jeopardy or fail to follow generally accepted budgeting and accounting practices.
- 2. The Executive Director may not cause or allow budgeting which:
 - a. Contains too little information to enable:
 - a. accurate projection of revenues and expenses
 - b. separation of capital and operational items
 - c. disclosure of planning assumptions
 - b. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period



- c. Fails to provide annual operating funds for Board responsibilities, costs of fiscal audit, Board development, Board and committee meetings, and Board association fees

7. FINANCIAL CONDITION

1. The Executive Director will not allow the financial conditions at any time to incur fiscal jeopardy or compromise the Board's policies.
2. The Executive Director may not:
 - a. Make any purchase or commit the organization to any ordinary expenditure of greater than \$25,000 that exceeds from the approved budget until such expenditure is approved by the Board
 - b. Make any purchase:
 - (a) Where prudent steps have not been taken to avoid conflict of interest
 - (b) Without having obtained comparative prices where required, except where extenuating circumstances require immediate action or alternative procurement methods are appropriate
 - (c) Without ensuring that the quality of goods acquired is suitable to the end use of the product or service
 - c. Allow any statutory requirements or filings to be overdue or inaccurately filed
 - d. Fail to provide a detailed report to the Board describing the variance when a major budget category exceeds 10%, whichever is the greater, from the approved Budget or when it is anticipated that the major budget category will exceed the above limits by year end

8. ASSET PROTECTION

1. The Executive Director will not fail to maintain or protect the physical assets of the Commission.
2. The Executive Director may not:
 - a. Fail to insure against theft and casualty losses and insure staff with Worksafe NB, in an amount consistent with standard insurance and protection guidelines
 - b. Unnecessarily expose the organization, its Board, or staff to claims of liability
 - c. Receive, process or disburse funds under controls which are insufficient to meet the test of prudent fiscal management



- d. Fail to ensure that assets are protected in a cost-effective manner against misappropriation
- e. Fail to ensure that assets are disposed of in an appropriate manner
- f. Fail to ensure that adequate records are kept to comply with the internal control needs identified by the Commission's auditor.

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