Board Ethical Behavior and Effective Governance

Arkansas Workforce Development Board

Presented by
Jerry Spratt, CPA, CFE, CFF, CFCI, MAFF, CICA, CFSA, CGFM

Contact Information

• Jerry E. Spratt, CPA, CFE, CFF, CFCI, CFSA, MAFF, CICA, CGFM, MBA

• President

• Spratt Financial Forensics, Inc.

• Telephone # 1-501-837-0901

• jspratt@jsffi.com
Professional Ethics Concepts

What’s The Difference In A Belief and Law - Examples?

• Belief - Board member believes there is not a problem furnishing their wife’s organization, which also submitted a grant application, copies of other organization grant applications which are considered confidential

• Law - Arkansas conflict of interest law specifically prohibits a board member disclosure of confidential information for the benefit of a board member or immediate family
Morality And Ethics
Are They Synonymous?

• **Morality** involves *society's belief of a system of values*
  – Based upon society’s principles that are consistently applied to all activities sometimes, regardless of absolute standards
  – Society sometimes relates this to religious beliefs

• **Ethics** involves *society's system of acceptable behavior standards*
  – Involves a set of standards we use to conduct our life in discharging our duties and obligations
  – Ethical positions are justified through normal ethical behavior

What are the components of acceptable society values?

• **Integrity** – observe principles of objectivity and independence and of due care

• **Honesty** - telling the truth and all the truth

• **Believability** – do what you say you will do

• **Independence** – free of outside and inside duress

• **Caring** – being concerned about how your actions affect others

• **Compassionate** – understanding and being concerned about others

• **Accountability** – held to standards, consequences for violators

• **Respect** - laws, rules, personal dignity, life

• **Loyalty** – family, friends, employers, others and the US

• **Confidentiality** – volunteer activities

• **Trustworthy** – reliable, you do what you say

• **Excellence** – meet or exceed work quality expectations

• **Due care** – proper preparation for board meetings
Do we have to decide between ethical and legal behavior sometimes?

Example

• Board member is allowed by law and regulation to bill actual travel expenses to their organization
• Board member incurs extravagant travel expenses
• Is it ethical for the board member to incur and claim extravagant expensive travel expenses?

Have you ever encountered a situation where morality (what is accepted practiced value) is in conflict or different than ethics (standards of conduct)?

Ethics Trumps Morality Sometimes

Sweep Accounts
• Culture and perceived accepted behavior is always in motion and not absolute

  We must guard against unacceptable practiced values becoming the society norm, and therefore, the ethical standard

  Remember
• Morals - system of accepted practiced values
  Ethics - system of accepted behavior standards

  Ex. Terrorism

The Road To Becoming Ethical

• Fitbit goal

• Marathon of tries, tribulations, learning, failures and accomplishments

• Encounters lot’s of activities, controllable and uncontrollable

• To receive the medal you must continue the journey regardless of the encounters
**Ethical Activity** Should Be Founded In The Following **Concepts**

- **Rationality** – associated with *reasonable activity*
- **Least harm** – the activity chosen should cause the least harm
- **Consistency** – hallmark of virtuous activity
- **Impartiality** – treat everyone alike unless there is a reason to waver

---

**How Do Principles/Laws Relate To Ethics and Morality?**

- **Principles** – rules framework
  - Requires judgmental interpretation
  - Ex. - Board members should be independent in decision making concerning grant approval
- **Rules/laws** – specific guidance for activity
  - Ex. – Board members having direct pecuniary interest concerning grant approval should not vote on the matter
When using ethical principles to make decisions which of the following trumps the other?

• Substance – spirit of principle

• Form - rules

When using ethical principles to make decisions which of the following trumps the other?

• Substance – spirit of principle
“Our research points to one essential element in any successful company. Those that are best have built a set of core values and lived by them.”

• Jim Collins, author, “Good To Great”

Organization Ethical Requirements

• Association of Government Accountants Ethics Handbook
  – Requires trustworthiness and accountability
• Institute of Management Accountants Statement of Ethical Practice
  – Principles are honesty, fairness, objectivity, and responsibility
In considering these Professional Ethics Concepts which of the following should be considered?

- Appearance

- Facts

- Consider Bill Clinton’s discussion with the US Attorney in the airport
AICPA Code of Conduct
Professionalism Principles

- Responsibility
- Public interest principle
- Integrity
- Objectivity
- Independence
- Due care

AICPA Code of Conduct Core Professional Ethics Concepts

- Independence
- Integrity
- Objectivity
Responsibility

• Accept the obligation to act in a way that will
  – Serve the public interest
  – Honor the public trust
  – Demonstrate a commitment to professionalism

• What entities/parties rely on us to observe the principle of responsibility?
  • Individuals, grantors, grantees, governments, not-for-profits, employers, employees, investors, the business and financial community, and others rely on the objectivity, integrity and independence of board members to maintain the proper administration of public funds

Public Interest Definition

• The collective well-being of the community of people and institutions that you serve
Definition of Integrity

• An element of character fundamental to professional recognition

• It is the quality from which the public trust derives and the benchmark against which a board member must ultimately test all decisions

• Requires a board member to be, among other things, honest and candid within the constraints of organization confidentiality

• Service and the public trust should not be subordinated to personal gain and advantage

• Can accommodate the inadvertent error and honest difference of opinion

Definition of Integrity (cont’d)

• Integrity also requires a board member to observe the principles of objectivity, independence and due care

• Incorruptible

• Complete

• Sound in your positions
Measurement of Integrity

• Integrity is measured in terms of what is right and just

• In the absence of specific rules, standards, law or other guidance or in the face of conflicting opinions, a board member should test decisions and deeds by asking: “Am I doing what a person of integrity would do? Have I retained my integrity?”

• Integrity requires a board member to observe both the form and the spirit of technical and ethical standards; because circumvention of those standards constitutes subordination of judgment which relates to lack of independence

• “We learn by observation, imitation and repetition.”

• “A life lived with integrity - even if it lacks the trappings of fame and fortune is a shining star in whose light others may follow in the years to come.”

Definition of Objectivity?

• **A state of mind**, a quality that lends value to a board member’s services

• The **principle of objectivity imposes the obligation to be**
  – Impartial
  – Intellectually honest
  – Free of conflicts of interest

• **Independence precludes relationships** that may appear to impair a board member’s objectivity

Conflicts of Interest
Conflicts of Interest

• In determining whether a professional service, relationship, or matter would result in a conflict of interest, a member should use professional judgment, taking into account whether a reasonable and informed third party who is aware of the relevant information would conclude that a conflict of interest exists.

What’s The Problem With A Conflict of Interest?

• A conflict of interest creates threats to independence, objectivity and integrity.

• Threats - are relationships or circumstances that could impair independence.
Board Members Should

• Board members often serve multiple interests in many different capacities and must demonstrate their objectivity in varying circumstances

• Regardless of service or capacity, board members should
  • Protect their integrity
  • Maintain objectivity
  • Avoid any subordination of their judgment

Board Member Objectivity and Independence – How Do You Maintain It?

• The maintenance of objectivity and independence requires a continuing assessment of business and personal relationships and public responsibility

• Board members should
  – Be independent in fact and appearance
  – Maintain objectivity and avoid conflicts of interest
In identifying whether a conflict of interest exists or may be created, a board member should take reasonable steps to determine

• a. The nature of the relevant interests and relationships between the parties involved and

• b. The nature of the services and its implication for relevant parties

In evaluating the significance of an identified threat, board members should consider the following:

• a. The significance of relevant interests or relationships

• b. In general, the more direct the connection between the member and the matter on which the parties’ interests are in conflict, the more significant the threat
What Should A Board Member Do If A Threat Is Not At An Acceptable Level?

• If possible, apply safeguards to eliminate the threat or reduce it to an acceptable level
• Safeguards include:
  • A. Withdrawing from the decision making process related to the matter giving rise to the conflict of interest
  • B. Consulting with third parties, such as a professional body, i.e. legal counsel
  • C. Full disclosure to Board and affected organization of the conflict
  • D. Terminate the relevant relationships or dispose of the relevant interests

What’s The Difference Between An Arms-length and Non Arms Length Related Party Transaction?

Which Type of Transaction Is More Risky For The Organization?
Conflict of Interest Examples

- Serving in a governance capacity that is approving certain grants for the company in which one of those specific investments will increase the value of the personal investment portfolio of the member or his or her immediate family member.
- Approving a grant or vendor contract for the board member’s organization when the member or his or her immediate family member could benefit financially from the transaction.

Defined Elements of Independence

- **a. Independence of mind** is the state of mind that permits a board member to perform an service without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity and exercise objectivity and professional skepticism.

- **b. Independence in appearance** is the avoidance of circumstances that would cause a reasonable and informed third party who has knowledge of all relevant information, including the safeguards applied, to reasonably conclude that the integrity, objectivity, or professional skepticism is not compromised.
Independence Concept Is Not Absolute

• This definition should not be interpreted as an absolute

• For example, the phrase “without being affected by influences that compromise professional judgment” is not intended to convey that the board member must be free of any and all influences that might compromise objective judgment

• Instead, the board member should determine whether such influences, if present, create a threat that is not at an acceptable level that a board member would not act with integrity and exercise objectivity (includes independence) and professional skepticism in the conduct of a particular engagement or would be perceived as not being able to do so by a reasonable and informed third party with knowledge of all relevant information

Independence Concept Definitions

• Acceptable level. A level at which a reasonable and informed third party who is aware of the relevant information would be expected to conclude that a board member’s compliance with the rules is not compromised

• Safeguards. Actions or other measures that may eliminate a threat or reduce a threat to an acceptable level

• Threat(s). Relationships or circumstances that could compromise a board member’s compliance with the rules
Threats To Independence

- Adverse interest threat. The threat that a board member will not act with objectivity because the board member’s interests are opposed to the interests of the grantee. Examples of adverse interest threats include the following:

  - A board member has charged, or expressed an intention to charge, the grantee with violations of law
  - A board member or the member’s immediate family or close relative has a financial or another relationship with a vendor, customer, competitor, grantee or potential acquisition of the grantee
  - A board member has sued or expressed an intention to sue the grantee or its officers, directors, or employees

- Familiarity threat. The threat that, due to a long or close relationship with a person or organization, a board member will become too sympathetic to their interests or too accepting of the person/organization’s work or service. Examples of familiarity threats include the following:

  - A board member uses an immediate family’s or a close relative’s company as a supplier to the organization
  - A board member may accept an individual’s work product or service with little or no review because the individual has been producing an acceptable work product for an extended period of time
  - A board member’s immediate family or close relative is employed by the organization
  - A board member regularly accepts gifts or entertainment from a vendor or customer of the organization
Threats To Independence

• **Self-interest threat.** The threat that a board member could personally benefit, financially or otherwise, from an interest in, or relationship involving Organization A doing business with the board members Organization B. Examples of self-interest threats include the following:
  • A board member’s immediate family or close relative has a financial interest in Organization B
  • A member holds a financial interest (for example, shares or share options) in Organization B, and the value of that financial interest is directly affected by the board member’s decisions

Threats To Independence

• **Undue influence threat.** The threat that a board member will subordinate his or her judgment to that of an individual associated with Organization B or any relevant third party due to that individual’s position, reputation or expertise, aggressive or dominant personality, or attempts to coerce or exercise excessive influence over the member. Examples of undue influence threats include the following:
  • A board member is pressured to become associated with board misleading information
  • A board member is pressured to deviate from a required policy
  • A board member is pressured to change a conclusion regarding an organization decision
Safeguards

• Safeguards may partially or completely eliminate a threat or diminish the potential influence of a threat

The **effectiveness of a safeguard** depends on many factors, including those listed

• a. The facts and circumstances specific to a particular situation
• b. The proper identification of threats
• c. Whether the safeguard is suitably designed to meet its objectives
• d. The party(ies) who will be subject to the safeguard
• e. How the safeguard is applied
• f. The consistency with which the safeguard is applied
• g. Who applies the safeguard
• h. How the safeguard interacts with a safeguard from another category
Examples Of Safeguards Created By The Profession, Legislation, Or Regulation

• a. Education and training requirements on ethics and professional responsibilities
• b. Continuing education requirements on ethics
• c. Legal standards and the threat of discipline
• d. Legislation establishing prohibitions and requirements for entities and employees
• e. Professional resources, such as hotlines, for consultation on ethical issues

Conceptual Framework

• Identify threats
• Evaluate the significance of a threat
• Identify and apply safeguards
• Determine if safeguards reduce the threat to an acceptable level
• If not, you do not participate in the activity
Who Should Board Members Be Independent From?
• Be independent from the agency employees
• Be independent from grantees
• Be independent from vendors
• Be independent from other board members

Due Care Principle
• A board member should observe laws, regulations, internal policies and other requirements striving continually to improve competence and the quality of services delivered, and discharge their responsibility to the best of the board member’s ability

• Due care imposes the obligation to perform services to the best of a board member’s ability, with concern for the best interest of those for whom the services are performed, and consistent with the board members responsibility to the public
Commitment To Competence

• Competence is derived from a synthesis of education and experience

• The maintenance of competence requires a commitment to learning and professional improvement that should continue throughout a board member’s professional life

• It is a board member’s individual responsibility

• Board members should achieve a level of competence that will assure that the quality of the services meets the high level of safe, efficient and effective delivery

Ethical Questions To Ask Yourself

• Do you have and follow a clear consistent ethics strategy in decision making

• Do you demonstrate ethical behavior by walking the talk
Ethical Decision Tests

- **Golden Rule Tests** – do to others as you would like for others to do to you

- **WSJ Test** – If you read an article on your decision the day after you made it in the Wall Street Journal and you were ok with it, its probably ok

- **Platinum Rule Test** – Did you exceed the proper expectations concerning your decision

Arkansas Law
21-8-1001 Conflicts of interest

• (a) (1) No member of a state board or commission or board member of an entity receiving state funds shall participate in, vote on, influence, or attempt to influence an official decision if the member has a pecuniary interest in the matter under consideration by the board, commission, or entity.

• (2) A member of a state board or commission or board member of an entity receiving state funds may participate in, vote on, influence, or attempt to influence an official decision if the only pecuniary interest that may accrue to the member is incidental to his or her position or accrues to him or her as a member of a profession, occupation, or large class to no greater extent than the pecuniary interest could reasonably be foreseen to accrue to all other members of the profession, occupation, or large class.

• (b) No member of a state board or commission or board member of an entity receiving state funds shall participate in any discussion or vote on a rule or regulation that exclusively benefits the member.

21-8-1002. Use of position for privileges or exemptions.

• No member of a state board or commission or board member of an entity receiving state funds shall use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others.
21-8-1003. Confidential information.

• No member of a state board or commission or board member of an entity receiving state funds shall disclose confidential information acquired by him or her in the course of the member's official duties or use such information to further his or her personal interests.

21-8-1005. Subchapter supplemental to other laws.

• This subchapter shall be supplemental to all other laws concerning ethics or conflicts of interest.
AR Code 21-8-304
Prohibited Activities

• a) No public official or state employee shall use or attempt to use his or her official position to secure special privileges or exemptions for himself or herself or his or her spouse, child, parents, or other persons standing in the first degree of relationship, or for those with whom he or she has a substantial financial relationship that are not available to others except as may be otherwise provided by law.

(b) No public official or state employee shall accept employment or engage in any public or professional activity while serving as a public official which he or she might reasonably expect would require or induce him or her to disclose any information acquired by him or her by reason of his or her official position which is declared by law or regulation to be confidential.

AR Code 21-8-304
Prohibited Activities

• (c) No public official or state employee shall disclose any such information gained by reason of his or her position, nor shall he or she otherwise use such information for his or her personal gain or benefit.
Arkansas Ethics Commission
Rules On Gifts
Public Servant Definition

• **Section 300 (j) Public Servant** – As used in these rules, the term “public servant” means all public officials, public employees, and public appointees.

Arkansas Ethics Commission
Rules on Gifts – Public Servants

• **No public servant** shall receive a gift for the performance of the duties and responsibilities of his or her office or position.

• (b) For purposes of this rule, a gift shall be prohibited if it is intended to reward a public servant for doing his or her job or it is intended as a reward for past or future action. In contrast to bribery which requires a showing that a gift and some official action motivated each other, a gift is prohibited by this rule if the gift is for or because of the action. In order for a gift to be prohibited, it need not be shown that the official action was for or because of the gift.

• (c) A public servant is not prohibited from receiving an item conferred to show appreciation for the public servant’s job performance (i.e., to reward the public servant for doing his or her job) so long as the value of the item does not exceed $100.

• (d) A public servant is not prohibited from receiving all gifts. For example, a public servant may accept a gift conferred on account of a bona fide personal, professional, or business relationship independent of his or her official status.
Reporting Ethical Violations and Fraud

• Allegations of ethical violations or fraud may be reported to the Arkansas State Employees’ Fraud, Waste, and Abuse Report Center (1-800-952-8248) or to the Office of Accounting - Internal Audit Section by telephone (682-0370)

Policy on Certification of Local Workforce Development Boards
Section G, Conflict of Interest
Adopted June 19, 2015
Section G - Conflicts of Interest

• A member of a local board must neither cast a vote on, nor participate in, any decision-making capacity on the provision of services by such member (or by an organization that such member directly represents); nor on any matter that would provide any direct benefit to such member or the immediate family of such member.

• Any board member (or specific entity represented by that member) who participates in the development of contract specifications or standards is prohibited from receiving any direct financial benefit from any resulting contract.

Section G - Conflicts of Interest

• Any board member who participates in a board decision relating to specific terms of a contract, the determination of specific standards for performance of a contract, the development of Invitations for Bid or Requests for Proposals or other such bid processes leading to a contract, or any similar decisions is prohibited from receiving any direct financial benefit from any resulting contract. In addition, no corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, trust, foundation or other entity shall receive the contract if it would create a conflict of interest for the Board member who participated in this manner.
Section G - Conflicts of Interest

- Any board member with a potential or actual conflict of interest must disclose that fact to the local Board as soon as the potential conflict is discovered and, to the extent possible, before the agenda for the meeting involving the matter at issue is prepared. If it is determined during a meeting that a conflict of interest exists, the member must verbally declare such conflict of interest, such declaration must be clearly noted in the minutes, and such member must excuse himself from the remainder of the discussion and voting on that item.

- Each board member is responsible for determining whether any potential or actual conflict of interest exists or arises for him or herself during his tenure on the board.

Section G - Conflicts of Interest

- If a contract or purchase is made by the local board involving its own member with a conflict of interest, the local board shall justify the terms and conditions of the contract or purchase and document that the contract or purchase was adequately bid or negotiated and that the terms of the contract or price of the purchase are fair and reasonable.

- Local board members who are also one-stop center operators shall not serve on any committees that deal with oversight of the one-stop system or allocation of resources that would potentially be allocated to that member’s program.

- All members of the local board are subject to all other provisions of the Arkansas State law not outlined above.
# COSO

Applying Good Governance Principles

## Internal Control Component and Related Principles

<table>
<thead>
<tr>
<th>Internal Control Component</th>
<th>Related Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Environment</td>
<td>1. Demonstrates commitment to integrity and ethical values</td>
</tr>
<tr>
<td></td>
<td>2. Exercises oversight responsibility</td>
</tr>
<tr>
<td></td>
<td>3. Establishes structure, authority, and responsibility</td>
</tr>
<tr>
<td></td>
<td>4. Demonstrates commitment to competence</td>
</tr>
<tr>
<td></td>
<td>5. Enforces accountability</td>
</tr>
<tr>
<td>Risk Assessment</td>
<td>6. Specifies suitable objectives</td>
</tr>
<tr>
<td></td>
<td>7. Identifies and analyzes risk</td>
</tr>
<tr>
<td></td>
<td>8. Assess Fraud Risk</td>
</tr>
<tr>
<td></td>
<td>9. Identifies and analyzes significant change</td>
</tr>
<tr>
<td>Control Activities</td>
<td>10. Selects and develops control activities</td>
</tr>
<tr>
<td></td>
<td>11. Selects and develops controls over technology</td>
</tr>
<tr>
<td></td>
<td>12. Deploys through policies and procedures</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>13. Uses relevant information</td>
</tr>
<tr>
<td></td>
<td>14. Communicates internally</td>
</tr>
<tr>
<td></td>
<td>15. Communicates externally</td>
</tr>
<tr>
<td>Monitoring Activities</td>
<td>16. Conducts ongoing or separate evaluations</td>
</tr>
<tr>
<td></td>
<td>17. Evaluates and communicates deficiencies</td>
</tr>
</tbody>
</table>
Control Environment Principles

1. Commitment to integrity and ethical values

2. Board oversight and independence (proper oversight over management's development of internal controls)

3. Appropriate authority, responsibilities, and reporting

4. Commitment to competence (hires employee capable to accomplish org. goals)

5. Accountability at the employee level for execution of internal controls

1. Present Control Environment Principle: Commitment to Integrity and Ethical Values
   • Points of focus: Board Oversight Responsibilities
     – Sets the tone at the top
     – Establishes standards of conduct
       • Defined in code of conduct
         – Establishes right and wrong
         – Reflects governing laws, rules, regulations, standards and expectations
       • Understood by employees
     – Evaluates adherence to standards of conduct
       • Processes in place to evaluate employees standards of conduct
     – Addresses deviations in a timely manner
       • Applied consistently

**Points of focus:**
- **Establishes oversight responsibilities**
  - Development and performance of internal control
- **Applies relevant expertise**
  - Evaluates skills and expertise of board
- **Operates independently**
  - Independent from management and objective in evaluations and decision making

- **Provides oversight for the system of internal control**
  - Management design, implementation and conduct of internal control


**Points of focus: Board Oversight**
- **Considers all structures of the entity**
  - *Management and the board of directors* consider the multiple structures used (including operating units, legal entities, geographic distribution, and outsourced service providers) to support the achievement of objectives.
- **Establishes reporting lines**
  - Management designs and evaluates lines of reporting for each entity structure to enable execution of authorities and responsibilities and flow of information to manage the activities of the entity.
- **Defines, assigns, and limits authorities and responsibilities**

- **Points of focus: Board Oversight Responsibilities**
  - **Establishes policies and practices**
    - **Entity – level policies and practices reflect expectations of competence** necessary to support the achievement of objectives.
  - **Evaluates competence and addresses shortcomings**
    - The human resources function of an organization often **defines competence and staffing levels by job role**, facilitating training and maintaining completion records, and evaluating the **relevance and adequacy of individual professional development** in relation to the entity’s needs.
    - The board of directors and management evaluate competence across the organization and in outsourced service providers.
  - **Attracts, develops, and retains individuals**
    - The organization provides the **mentoring and training needed to attract, develop, and retain sufficient and competent personnel** and outsourced service providers to support the achievement of objectives.
  - **Plans and prepares for succession**

5. Control Environment Principle: **Enforces Accountability**

- **Points of focus: Board Oversight Responsibilities**
  - **Enforces internal controls accountability through structures, authorities, and responsibilities**
    - **Develops processes to hold employees accountable**
  - **Establishes performance measures, incentives, and rewards**
    - **Performance and standards of conduct related to internal controls**
  - **Evaluates performance measures, incentives, and rewards for ongoing relevance**
    - Rewards relate to fulfillment of effective IC and objective accomplishment
  - **Considers excessive pressures**
    - Pressures need to be managed and incentives obtainable
  - **Evaluates performance and rewards or disciplines individuals**
GAAS Definition of Internal Control

» Internal control is a process—effected by those charged with governance, management, and other personnel—that is designed to provide reasonable assurance about the achievement of the entity’s objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

» Internal control over the safeguarding of assets against unauthorized acquisition, use, or disposition may include controls related to financial reporting and operations objectives.

COSO Effective Board of Directors Characteristics

• (1) Independent directors
• (2) Internal control mindset
• (3) Market and entity knowledge
• (4) Financial expertise (including financial reporting)
• (5) Legal and regulatory expertise
• (6) Social and environmental expertise
• (7) Incentives and compensation knowledge
• (8) Relevant systems and technology knowledge
• (9) Information systems expertise
• (10) Varied other types of expertise represented on board
What Is The Internal Control Over Top Management?

• **Board and Audit Committee**

Board Members Responsibilities

• **Establish the strategic vision and strategic goals of the entity**
• **Oversight managements internal control structure**
• **Approve financial budgets**
• **Oversight the agency conduct of business in accordance with agency by-laws**
  • Exercise due diligence concerning board meeting issues
    – Monitor progress toward achieving strategic goals
    – Monitor grant disbursements and reporting
    – Review financial condition
    – Approve major policies, programs, and other financial issues
    – Review audits and management’s responses
  • Follow and document board activity in accordance with Robert’s Rules of Order
  • Continue education concerning the organization, industry, pertinent laws, regulations and policies
    – Attend conferences
    – Conducting personal research
    – Attending board meetings
  • Prepare program for board member succession planning
Board Members Meeting

• **Meeting preparation responsibilities**
  – Prepare for meeting by reading and understanding all agenda material
  – Submit issues of concern to Board Chair who has responsibility to set the meeting agenda
  – Ask questions prior to meeting
    • Board management
    • Board chair
    • Board attorney
  – Prepare questions and comments for the meeting
  – Formulate tentative positions on meeting agenda items

Board Members Meeting

• **General Meeting agenda**
  – **Consent agenda**
    • Board minutes
    • Routine board issues not requiring discussion
  – **Action items**
    • Financials
    • Management reports
    • Audits and management resolution of audit issues
    • By-law changes and other items requiring board approvals
    • Committee and management reports
  – **Keeping you informed** – items for discussion not requiring board action
  – **New business**
  – **Old business**
  – **Adjournment**

• **Executive meeting**
Thank You For The Opportunity To Address The Arkansas Workforce Development Board