

Saskatoon City Employees Credit Union
BOARD GOVERNANCE POLICY
Approved by the Board: November, 2021

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BOARD/STAFF-LINKAGE POLICY

The Board's sole connection to the operational Credit Union, its achievements and conduct will be through a chief executive officer, titled General Manager.

1. *Accountability of the General Manager*

All Board authority delegated to staff is delegated through the General Manager, so that all authority and accountability of staff -as far as the Board is concerned - is considered to be the authority and accountability of the General Manager.

- 1.1 The Board will never give instructions to persons who report directly or indirectly to the General Manager.
- 1.2 The Board will refrain from evaluating, either formally or informally, any staff other than the General Manager.
- 1.3 The Board will view successful performance of the General Manager as organizational accomplishment of board stated ENDS and avoidance of board proscribed MEANS.

2. *Delegation to the General Manager*

The Board will instruct the General Manager through written policies which: prescribe the organizational ENDS to be achieved and proscribe organizational situations and actions to be avoided, allowing the General Manager to use any reasonable interpretation of these policies.

- 2.1 The Board will develop policies instructing the General Manager to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest most general level to more defined levels, and will be called ENDS policies.
- 2.2 The Board will develop policies that limit the latitude the General Manager may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general levels, and they will be called EXECUTIVE LIMITATIONS policies.
- 2.3 As long as the General Manager uses any reasonable interpretation of ENDS and EXECUTIVE LIMITATIONS policies there is authorization to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
- 2.4 The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and General Manager domains. However, so long as any particular policy is in place, the Board and its members will respect and support the General Manager decisions. This does not prevent the Board from obtaining information in the policy areas.

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3. *Unity of Control*

Only officially passed motions of the Board are binding on the General Manager.

- 3.1 Decisions or instructions of individual board members, officers, or committees, are not binding on the General Manager except in rare instances when the board has specifically authorized such exercise of authority.
- 3.2 In the case of board members or committees requesting information or assistance without board authorization, the General Manager can refuse such requests that require, in the General Manager's opinion, a material amount of staff time or funds, or is disruptive.

4. *Responsibility of the General Manager*

- 4.1 The General Manager is accountable to the Board for achievement of the Board's ENDS policies and adherence to the Board's EXECUTIVE LIMITATIONS policies.
- 4.2 The General Manager must avoid conflict of interest in carrying out his/her duties. Accordingly, the General Manager shall submit a written statement of disclosure to the Board on an annual basis.

5. *Monitoring General Manager Performance*

Systematic and rigorous monitoring of General Manager job performance will be solely against the accomplishment of Board ENDS policies and operation within the boundaries established in Board EXECUTIVE LIMITATION policies.

- 5.1 Monitoring is simply to determine the degree to which Board policies are being met. Data that does not accomplish this will not be considered to be monitoring data.

Criteria:

- *reasonable assurance for the cost*
- *a crude measure of the right thing beats a precise measure of the wrong thing*
- *what did we want accomplished? Is it being achieved?*

- 5.2 A given policy may be monitored in one or more of three ways:
 - a. **Internal report:** Disclosure of compliance information to the Board from the General Manager.
 - b. **External report:** Discovery of compliance information by an independent external auditor, system audit, or inspector selected by and reporting to the Board.

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- c. **Direct inspection:** Discovery of compliance information by the Board as a whole, or by a Board member or committee if duly assigned.
 - 5.3 Any policy can be monitored by any method at any time the Board chooses.
 - 5.4 In every case, the standard for compliance shall be any reasonable General Manager interpretation of the Board policy being monitored.
 - 5.5 All policies which instruct the General Manager will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

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AGENDA FOR MONITORING OF PERFORMANCE

<u>Policy</u>	<u>Method</u>	<u>Frequency(annually)</u>
1. Treatment of Members	Internal External	March <i>(next meeting if exception)</i>
2. Treatment of Staff	Internal External	March April(<i>odd years</i>)
3. Financial Planning/Budget	Internal	Quarterly
4. Financial Condition/Activity	Internal External	Quarterly February
5. Emergency GM Succession	Internal	September
6. Asset Protection	Internal External	September February
7. Compensation/Benefits	Internal External	March February
8. Communication & Support to the Board	Internal	Monthly <i>(or as required)</i>
9. Informed Staff	Internal External	March April (<i>odd years</i>)
10. E.R.M. Review/Reporting	Direct	Quarter 3
11. Agenda Planning(3b.i-ii) <i>Membership consultation, Governance Education, and ENDS determination.</i>	Internal	February
12. Ends policies reporting	Internal	November
13. Risk Appetite Statement	External	Upon receipt of CUDGC report.' be approved."

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6. *General Manager Compensation*

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The General Manager's compensation will be consistent with the Saskatchewan market for compensation of General Managers/CEOs of credit unions. The Saskatchewan market is represented by the annual Saskatchewan Credit Unions – Compensation Subscription Project: YYYY GM/CEO Compensation Prediction Report, Saskatoon City Employees Credit Union as prepared by Central 1 Credit Union – People Solutions.

6.1 The results of the Compensation Prediction Report will be used as a guideline. The Board may consider other factors such as Consumer Price Index in determining an increase in annual salary. Compensation range will be based on the statistic of the SK Market Job Rate report.

6.2 The results of the Compensation Prediction Report are based on the Asset Size as reported in June of the previous year. For this reason, the Board may wish to adjust the Asset Size reported.

6.3 A newly hired General Manager will be paid a salary equivalent to P05 in the current Actual Salary range, subject to negotiations during the hiring process.

6.4 Subject to acceptable performance as determined in Section 5 Monitoring General Manager Performance, a newly hired General Manager will receive the following increases in salary until the salary corresponding to P60 for Job Rate is reached:

6.4.1 A 5% increase effective on each anniversary date of their appointment as General Manager.

6.4.2 A percentage increase corresponding to the year-to-year percentage increase in P50 in the Actual Salary range. The Board may adjust this increase as appropriate.

6.4.3 After the salary corresponding to P50 for Job Rate is reached, salary increases may be determined as in Section 6.1 above.

6.5 In the event of proposed salary decreases for the General Manager, their salary shall not decrease for a minimum of three years.

6.6 The General Manager will receive non-salary benefits in accordance with the Memorandum of Employment (dated March 14, 2018).