

POLICY # IV.B.1B
BOARD'S EXECUTIVE LIMITATIONS FOR THE PRESIDENT & CEO

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POLICY

Executive Limitations are boundaries or limitations placed on the President & CEO and, therefore, the staff. They indicate actions, behaviours and methods, which are not acceptable to the Board. They are expressed in the negative, thus providing the President & CEO with empowerment to undertake that which has not been restricted by the limitation.

PROCEDURE

The President & CEO may exercise any reasonable interpretation of the limitations.

1. GENERAL EXECUTIVE CONSTRAINT

1.1. The President & CEO 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.

1.2. The President & CEO will not:

1.2.1. Deal with students, staff, volunteers and the community unfairly.

1.2.2. Discourage openness in the decision-making process.

1.2.3. Deviate substantially from the Board's policies:

(a) risk fiscal jeopardy

(b) fail to follow generally accepted accounting and budgeting practices

1.2.4. Compromise Board and/or College policies.

1.2.5. Provide information and advice to the Board that is untimely, incomplete or inaccurate.

1.2.6. Fail to maintain or protect the physical assets of the College.

1.2.7. Provide for compensation and benefits for staff that are not appropriately approved by the Board and/or Provincial Government as required.

1.2.8. Fail to inform the Senior Executive Team regarding presidential and Board issues and processes.

1.2.9. Be in or create a conflict of interest.

1.2.10. Impede the vision or prohibit the achievement of the outcomes of the College.

1.2.11. Fail to maintain and make available an administrative policy manual.

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

2. COMMUNICATION AND COUNSEL TO THE BOARD

2.1. The President & CEO will not provide information and advice to the Board that is untimely, incomplete or inaccurate.

2.2. The President & CEO may not:

- 2.2.1. 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.
- 2.2.2. 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.
- 2.2.3. Fail to advise the Board if the President & CEO 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 behaviour which is detrimental to the work relationship between the Board and the President & CEO.
- 2.2.4. Present information in unnecessarily complex or lengthy form.
- 2.2.5. Fail to provide necessary support for official Board, officer or committee communications.
- 2.2.6. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

3. COMMUNITY RELATIONS

3.1. The President & CEO will not deal unfairly with students, staff, volunteers and the community.

3.2. The President & CEO will not:

- 3.2.1. Operate without personnel procedures which clarify personnel rules, provide for effective handling of grievances and protect against wrongful conditions.
- 3.2.2. Discriminate against anyone for expressing a dissenting opinion.
- 3.2.3. Prevent students and 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.
- 3.2.4. Fail to acquaint students and staff with their responsibilities and rights.
- 3.2.5. Fail to operate within the rules of natural justice.
- 3.2.6. Fail to provide a mechanism for reducing stress and uncertainty during organizational change.

4. COMPENSATION AND BENEFITS

4.1. The President & CEO may not:

- 4.1.1. Change his or her own compensation and benefits.

- 4.1.2. Establish current compensation and benefits which:
 - (a) Deviate substantially from the geographic or professional market for the skills employed.
 - (b) Create obligations over a longer term than revenues can be safely projected.
 - (c) Deviate from any guidelines established for the College.
- 4.1.3. Allow employees to be hired by the College without being made aware of appropriate pension plans and benefits available to them.

5. BUDGETING/FORECASTING

- 5.1. The President & CEO will not deviate substantially from the Board' Policies, risk fiscal jeopardy or fail to follow generally accepted budgeting and accounting practices.
- 5.2. The President & CEO may not cause or allow budgeting which:
 - 5.2.1. 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
 - 5.2.2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
 - 5.2.3. Fails to provide annual operating funds for Board responsibilities, costs of fiscal audit, Board development, Board and committee meetings, and Board association fees.
 - 5.2.4. Does not have a broad base of input.

6. FINANCIAL CONDITION

- 6.1. The President & CEO will not allow the financial conditions at any time to incur fiscal jeopardy or compromise the Board's policies.
- 6.2. The President & CEO may not:
 - 6.2.1. Fail to report to the Board on a timely basis any execution of expense or signing authority for purchases or agreements totaling \$5,000,000 or more.
 - 6.2.2. Make any purchase:
 - (a) Where prudent steps have not been taken to avoid conflict of interest.
 - (b) Without having obtained comparative prices where required under applicable legislation and trade agreements, 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.

(d) Without ensuring that suppliers from within the College region have access to the College's acquisition process and all things being equal, price, quality, service (where applicable) preference being given to local suppliers on purchase or construction contract tenders not subject to the Agreement on Internal Trade.

- 6.2.3. Allow any statutory requirements or filings to be overdue or inaccurately filed.
- 6.2.4. Indebt the organization in an amount greater than can be repaid from anticipated revenues and available net assets. Notwithstanding the foregoing, the Board will be advised if the actual operating expenditures exceed the approved expense plan by more than 1%.
- 6.2.5. Fail to advise the Board when the sum of all cash and investments fall below \$250,000.
- 6.2.6. Fail to provide a detailed report to the Board describing the variance when the actual operating expenditures exceed, or are anticipated to exceed by year end, the approved expense plan by more than 1%.

7. ASSET PROTECTION

7.1. The President & CEO will not fail to maintain or protect the physical assets of the College.

7.2. The President & CEO may not:

- 7.2.1. Fail to insure against theft and casualty losses or against liability losses to Board members, staff or the organization itself in an amount consistent with the insurance and protection plan provided by the Ministry.
- 7.2.2. Subject plant and equipment to unsafe use, improper wear and tear or inadequate maintenance.
- 7.2.3. Unnecessarily expose the organization, its Board or staff to claims of liability.
- 7.2.4. Receive, process or disburse funds under controls which are insufficient to meet the test of prudent fiscal management.
- 7.2.5. Fail to ensure that assets are protected in a cost-effective manner against misappropriation.
- 7.2.6. Fail to ensure that assets are disposed of in an appropriate manner.
- 7.2.7. Fail to ensure that adequate records are kept to comply with the internal control needs identified by the College's auditor.