

Governance Toolkit
Module 4 – Strategy Forward Agendas
Video Transcript

This transcript of the video was generated with the help of AI. Please excuse any errors and refer to the workbook and supporting tools for more information.

00:00:00:00 INTRODUCTION AND AGENDA

Hello, everyone. Sylvia Groves, president of Governance Studio here. Welcome to today's session, Module Four, Strategy Forward Agendas, from the Governance Toolkit. The toolkit is brought to you by CUES in collaboration with Stabilization Central Credit Union and Governance Studio.

Today, we're going to look at how we can move to a strategy forward agenda that focuses our board on the most critical issues first. We have a tendency to do things a little bit backwards sometimes, where we start with the easy things first and put the really big discussion items at the end of the agenda. Sometimes we don't have time to get to the end of the agenda, or we have very little time left for those items. Oftentimes, the board is tired and spent by that point in the meeting.

We really want to think about how we can move the agenda around in order to make sure the board is able to discuss the most important items at the beginning.

00:01:52:01 FOUNDATIONS

First off, we're going to take a look at some foundations, and then how we move from our mandates—or, if your credit union calls them “terms of reference”—to meetings, instead. We're going to look at the whole idea of strategy forward agendas, and we're going to have a quick wrap up at the end.

When I'm talking about foundations, I'm actually talking about some of the key governance documents that, ideally, our credit union has in place. It's possible that you don't have all of these, or maybe even most of these, in place. But we're going to spend some time talking about what they are and why they're important.

Those key documents are a meeting calendar, your mandates or terms of reference, position descriptions. We'll talk about who we need descriptions for. Then we'll talk about work plans and carry forward lists. I'll explain those all in a little more detail as we go through.

The meeting calendar is a calendar, ideally a year in advance. I know some very large credit unions and organizations might even have more than a year. They might have two years in advance, but it gets booked into director's schedule. It's a schedule of all of the board meetings and all of the committee meetings that are planned for the year.

There's absolutely always the opportunity and possibility that there might be other meetings that need to be held throughout the year. But these are our planned, regular meetings that we're doing the bulk of our work at.

Typically, we have very similar timing each year. If we usually have an April meeting, we'll usually have an April meeting. It might be later in the month or earlier in the month.

We typically have a cycle. Quite often our key board meetings are built on quarterly financial statements. Depending [on] what your year end is, that will impact when those quarterly meetings are.

Typically the board is doing at least four meetings a year. They may be doing some additional ones as well that are planned in advance.

Often, our key committees are also going to meet in advance of those board meetings—or at least some of those board meetings—depending on the committee. Where you've got a finance or an audit committee that's responsible for looking at the financial statements and recommending them to the board, they are always going to meet in advance of that quarterly board meeting, so that they can make their recommendation.

So, [there are] similar cycles. Where we can, we want to make sure that these are booked into directors' schedules up to a year out. Perhaps every fall, we look at building our calendar for the coming year.

Our mandates or terms of reference are really, really critical documents. Especially, they are critical to covering all of the board's and the committees' jobs and duties in the agendas.

A lot of times, we don't have a strong connection between our mandates and our actual agendas. Ideally, we want to make sure we've built a strong connection between those two.

We need to have mandates. "Job descriptions for a group" is basically how I define that for the board and each committee. It should talk about not just any legal requirements, not just any audit requirements that there might be, but it should also talk about the key areas of oversight of the board. It should talk about the actual documents and reports that it receives on a regular basis that are not set out in the legislation, but that are part of good and appropriate oversight of an organization.

An example of that might be a performance report. Every quarter, the board receives a report from the management team that talks about how the credit union performed over the past quarter. It's going to look at some critical issues such as, what is our membership? What are our deposits? What are our business transactions and loans, mortgages, all those kinds of things.

There's nothing in corporate legislation that says specifically that needs to be done. Of course, there will be some regulatory requirements that will vary depending on your jurisdiction. But there's nothing specific that is going to tell you, we need to do this performance report on a quarterly basis.

That is definitely something we would put into a charter, or into a mandate terms of reference document, along with many other things as well. Basically that charter or mandate is the document that sets out all the things that the organization—in this case, we'll talk about it from a board level—all of the things that the board is going to do throughout the course of the year in a number of really important areas to them. I'll just give you a quick overview of those key areas.

The first is leadership. The board is responsible typically for the hiring, firing, and compensation of the chief executive officer and the ethics of the credit union. That is encompassed in leadership.

That also means that they're responsible for making sure that the organization is doing well, that the CEO is leading the team while that performance is continuing on appropriately, and if it's not, that adjustments are being made. [There's] a whole big area around the board being responsible for leadership of the organization.

They're also responsible for the *strategy* of the organization. They may not be developing it, but they're going to, at the very least, be approving it, and in that approval process, having some feedback and discussion with management. “Is this the right strategy?” “Are there adjustments that we want to make?”

They're going to do the approval of the strategy. Then they're also, on a regular basis, going to be looking at, “Are we making progress toward those strategic imperatives and objectives that we have?”

The next area I'll talk about is risk. I really like to talk about strategy and risk together, because they're really critically aligned.

Our strategy might shift depending on our current risk profile. Or, our risk profile might be shifted when we change our strategy. Those two things are always interconnected. I think it's really important for boards to get used to addressing them together.

So again, the board is responsible for overseeing the risk within the organization, the total risk appetite, and then of course, how is management ensuring that that risk is being mitigated in [the] many different ways that they might be doing that.

That's the third area that the board is responsible for. There should be several items in their mandate that talk about risk. There should be several items that talk about strategy—all of these items that I'm covering here.

The next area is around financial integrity and compliance—all of those things that we have to do as a credit union in order to comply with regulations and financial requirements. I would go even further to say, it's also overseeing the health of the organization from an asset level. “What are the other assets that we have, even above and beyond finance?”

We're making sure as a board that we're overseeing those. There should, again, be several items in the mandate that talk about how we do that—when we approve the financial statements regularly, and we have regular reports on finance and budget, and those kinds of things.

Then, of course, the last area that I would highlight is this idea of governance and the board's responsibility to make sure that the organization has good governance programs and practices in place in order to help the organization be long-term successful and sustainable. [This includes] things like the mandates, which are not a one and done.

Any governance document that we have for the organization—whether it's a high-level policy like an ethics policy, or whether it's the mandate, or some of the other documents I'll talk about in a moment here—those all need to be reviewed and refreshed from time to time, because what is important changes, what is being regulated changes.

Those are living, breathing documents. They don't change every day. They might only change once every couple of years. But we really have to think about whether we've got a good document in place that talks about what we do, what we *actually* do.

If the idea is, we have six board meetings a year, but we really only have four, let's say in the mandate that we're going to have at least four meetings a year, and as many additional meetings as may be necessary.

Again, we want to make sure that this is setting out things that we're actually doing. It's not aspirational. It's not what we'd like the organization to be doing. It's what they are doing now. As that changes, we're going to make sure that our mandates are aligned.

The last thing I want to say—particularly about the audit committee and the board, or any committee and the board—is those documents really need to align appropriately. Activities should be reflected in both sets.

For example, the audit committee might be recommending financials to the board for approval, so the audit committee's mandate should say, “We're reviewing the financial statements and recommending them to the board for approval.” And the board's mandate should say, “We are approving financial statements based on the recommendation of the audit committee.”

We want those linkages in there that put it all together and show that every piece that needs to be happening is happening appropriately.

So, some mandate best practices. They need to be developed specifically for the credit union. Again, reflecting our current practices, not our ideals.

I would avoid law firm and accounting firm sample precedent documents, because they tend to reiterate a lot of legal requirements or financial accounting requirements, but they don't actually provide enough information in other areas, [such as] what are we actually doing? Those are typically not particularly helpful.

Any precedent you use should really be reviewed and adapted to the organization. Ideally, these documents will be internally drafted by somebody who knows the inner workings. Or, there may be a governance consultant who has come to the organization with a lot of experience in those kinds of documents to help and assist them in developing those critical documents.

Of course, at the very least, we're going to make sure that they're covering all of the regulatory requirements as well.

The next set of documents are position descriptions. By position descriptions, I don't mean the kind of description that you would put together if you were going to hire a financial officer or an executive officer, as the case may be. It's not something that goes into the newspaper saying, we're looking for these skills and experience. They need to have five years of this, and they need to have this college degree, etc. It's not about that.

These are descriptions of the responsibilities of the particular individual being addressed, as it relates to governance of the organization. The most critical one for credit unions is a CEO position description. The reason that's really critical is because, between the board mandate and the CEO position description, we're starting to draw the line between what is the board's job and what is management's job.

Oftentimes, we've got specific role/duty position descriptions for chairs, including the board chair. Then, you can often combine all of the committee chairs with a very similar mandate that talks about their specific roles, individual directors, and then, of course, some of the key executive officers—the CEO, the financial officer, the risk officer, the corporate governance officer,] if the organization has one, which I strongly encourage because they are really there to ensure that the organization, the credit union, has really good practices and governance processes in place.

For chairs, whether it be the board or the committee, it really ought to set out the duties and expectations—again, the requirements of the role as it relates to governance of the organization.

There should be a lot of information in there about the running of the meetings, being responsible to provide feedback and guidance on the agendas, to make sure that the meeting stays on time, to create a safe space—this idea of psychological safety for board members who might have very different views to feel comfortable speaking up as you go through the agenda, to make sure that we make the best decisions possible.

Then, of course, they're going to have some requirements around reporting to the board, especially for the committee chairs. How are they going to get the information about the work that their committee has done back up to the board?

The position descriptions for individual directors, I sometimes see this put together with the board mandate. I like having a separate document. One of the reasons I like that is, a key best practice is now that directors who are new and coming onto the credit union's board actually physically sign off

on the individual director position description in order to cement and confirm their commitment to the values of the credit union.

Those are probably set out in there. And then, specific duties and expectations on a behavioral front that are addressed in the individual director position description. So, we expect all individual directors to come to the meeting prepared. We expect them to attend or attend at least a certain number [of meetings].

We expect them to participate. They can't just come and sit there. They need to be engaging, providing their views, and asking questions.

They need to play as a team, right? I said this in the chair's session, but in case you haven't seen that one, there's a weird concept, or it sounds weird when you say it outloud. Directors don't make decisions. I know that sounds weird. The board makes decisions. It really is about teamwork. We have to make sure that people are being respectful, that everyone is allowed to speak.

There are a lot of really critical behavioral aspects that we may want to confirm and clarify— things around ethics. We can also make sure we're setting out any required conflict of interest information in that individual director position description.

Now we're going to talk a little bit about those chief officer position descriptions. The critical one to me is typically the chief executive officer. Again, they set out the requirements of the role as it relates to the board and the committees and governance.

How does the executive officer report to the board? What reports does that person give to the board? Are they doing the performance reports? Are they presenting the financial report? [In] some organizations, they do. Some credit unions, they have the financial officer doing that.

What are all of their specific things that they're talking to the board about? “Here is the progress. Here's our key performance indicators. Here's where we are on that.”

What are the roles that they have? Then, of course, if those are spread between different officers— financial officer, legal officer, risk officer—they ideally will each have a position description that sets out their requirements to the board or the committee to which they report. So, [a position description includes] specific items for the role.

Quite often, there are some general authorities for the CEO in there. It might reference the fact that the CEO speaks on behalf of the credit union. That might be something that is included in that position description. But if we have specific approval authorities—which is typically just a sheet that says the executive officer can sign off on anything under X number of dollars, or if it's already been budgeted under a different amount—there might be some very specific dollar-value approval authorities.

Best practice is to see those separate from the actual position description. The position description may say, “The CEO is authorized to approve items as set out in the CEO approval authorities

approved by the board.” That just makes it a little more flexible, because quite often we don't change these position descriptions on a yearly basis. But sometimes, those approval authorities change on a yearly or even more frequent basis, depending on what's happening in the organization at the time.

Again, position description best practices, they're developed specifically for the credit union—taking into account its size, its jurisdiction, its history, its current context, all of those good things. We're not using accounting or law firm formats, although we might draw bits and pieces from them. They set out the actual activities of the people that they are referring to by that role.

That way, if someone leaves the role of financial officer, [and] someone new comes in, they have a framework of what expectations they have in reporting to the board and/or other committees, as well.

In this case, of course, [it's] signed by [the] officers. In the case of the individual position descriptions or chair position descriptions, [it's] signed by the directors to acknowledge their understanding of the role and to create a good, clear, shared understanding between the board and the management team of whose job is what.

00:24:45:10 TRANSLATING FROM MANDATES INTO MEETINGS

We'll talk now a little bit about translating from mandates into meetings. Again, that reminder that the board and committee mandates or terms of reference charter—whatever the terminology you use in your credit union—those documents should guide our agendas. *And*, our agendas should make sure that we're covering everything that is set out in those documents. [It's] really critical to look at that.

The documents that we'll talk about that help us to translate are typically something in the range of annual work plans, or a work plan, or work schedule—something like that. The terminology can be a little bit different. Ideally, we have a separate document or separate requirements, of course, for each committee and the board. They are typically a quick reference document.

They often have been around the organization. Sometimes they're even prepared by various board members. They usually include some of the major anticipated annual items that should show up on each agenda.

Sometimes they can be quite formal. Sometimes they can be a lot less formal. What I see often in organizations is not particularly detailed.

I'll give you an example here. This is a simple version of an audit committee work plan. In this particular case, you'll see I've got these item numbers here. These item numbers are actually in the mandate. I really like numbering things, because then I don't have to say something like, “Oh, we want to amend paragraph three on page two of the audit committee work plan.”

[This way,] I know we want to amend item five. So, it can be helpful to include numbering in your mandates, if you don't already. But [when] I've got the item number, I've got the actual wording of this particular audit committee mandate.

Number one is, “Understanding with the external auditor, they are accountable to the committee.” A lot of times this is the format, a very simple format, that I see.

Do we do it at every meeting? Which means, it doesn't matter if it's a special meeting that was called for one particular reason. We're going to do it at every single meeting that we have.

Or do we do it regularly? Regularly means how we talked earlier about the meetings that you plan to do, and you've got scheduled each year?

Do we do those meetings only? Do we do it once a year? And, do we do it every single year, but once a year at a particular meeting?

Then the last column is this idea of ad hoc, which means, there are some items in some of the documents. For example, the governance committee and the board might have an item around, “Review the bylaws from time to time.” But “from time to time,” may be every three years or every five years. So, it's just an ad hoc item.

A lot of times this is what I see that an organization has. It's helpful, but it doesn't really give enough information to be able to understand what should happen when—so, limited actions, limited items. I see some format similar to this quite commonly.

The problem with this type of a work plan is that, a lot of times, it's only the key items, not the entire mandate. It's a very limited translation. Sometimes, it doesn't even say the full wording of the mandate item. It just uses a couple of words instead. So, it can be a little bit ambiguous, sometimes.

It's missing things like, what action do we actually take in order to do that? Is it a resolution that we do? Is it a review in receipt of a report? What does the board or committee expect us to do?

What is the very specific timing of this? Which meeting does it normally occur at? What specific document does the board or its committee receive, or both [receive], as the case may be. And, who's responsible for that document? What member of management is responsible for preparing the document that comes forward to the committee, or the board, in order for them to take the action at the particular meeting that we're looking for?

When we start to do these in a more detailed way, we start to add a lot of value within the organization. We're creating a governance legacy asset that's going to live on for a long, long time.

I just want to mention here again, we change our mandates from time to time. Whenever we change our mandates, we should make sure that we're reflecting that in our work plans.

So, there is a better way. There is a new format of work plan. I call it a work plan 2.0, second generation. It includes some very standard information that we saw on that first work plan, but it details the actions that the board or committee is going to take.

It's very specific about timing. It identifies the document, and it identifies who is responsible. All really, really helpful.

It clarifies the expectations, not only of the board and the committees, but also of the management team. [If] somebody changes out in management, they've got not only this framework that is their position description, that talks about what they have to do. Now, they've also got this work plan for the relevant committees that they report to, or the board that they report to. It tells them when things are going to be expected of them. [This can be] really helpful.

If we are in the position where our credit union is having a major audit for some reason, or even just for our internal and external auditors, this creates *auditable* governance. We can say, "Look, the mandate says we're going to do this. The work plan says when and how, and who's going to report to us, so we can do this."

Then we can talk about whether we've completed it. You can see it in our agenda. It's also later going to reflect in the minutes of that meeting. So, all of a sudden, we've tied all of these actions and requirements up in a very nice, neat package with a bow on top—really valuable for audit purposes.

I talk about provable governance more from the idea of, if we ever were to have litigation, we can *prove* that we did the things that we said we were doing. Or, if we have a regulatory review from whoever our regulator in our jurisdiction is, we can show them very specifically, how were these decisions made.

How does the board come to approve strategy? What is the process? How many meetings does it talk about it? What gets presented to them? Who presents it? Then it gets recorded into the minutes, it goes onto the agenda, and everything again is done up. [It's] both auditable and provable from a legal side.

This helps basically everyone. Directors know what to expect and when to expect it. "We're going to get quarterly financials at all of our regular quarterly meetings. We're going to do strategy at our once-a-year strategy session, or the longer session where we address strategy after our regular meeting, or whatever the case may be.

It also can give them confirmation that it's being done, right? "Yeah, it says it on our mandate. We had it on an agenda. We dealt with it, and it went into our minutes. Hey, I feel really comfortable that I, as a director, who can be liable with respect to my participation as a director on a board, I feel much more comfortable that I'm doing all the things that I have to do, and I, together with my fellow directors, do as a board and as the various committees."

For the management team, this is a wonderful asset, especially when there is turnover. Members of management know when reports are due and who's responsible for putting them together. That is really a big thing for the governance professional.

I'm using kind of a general term here. This can be your corporate secretary. They might have the title of governance professional. They might just be the board support person.

[It's] really critical for them, because this work plan 2.0 helps them quickly and easily identify those things that have to go on the agenda to start with. Then of course, there's always the possibility that other things and information gets added. But they have that baseline to make sure that they are supporting the board in carrying out all of the duties and requirements that it has, and it has made for itself.

Here is a sample of a work plan 2.0. This one happens to be for a governance committee, but I just want to walk you through how it's different from the other one that we looked at a little bit earlier, which was a little bit more generic.

We've got, again, the mandate item number. I've got the exact and full wording, "Take a leadership role in developing the credit union's approach to corporate governance."

What the heck? What does the specific committee do in order to be able to say we finished that job?

Those kinds of very general, overall umbrella type of mandate items—all meetings, everything that the committee receives, the documents they receive, and the actions that they take—support that requirement.

Sometimes it's an everything-we-do kind of thing. In this case, I've just marked off that they are going to be doing things every time they meet. This particular committee meets five times a year. Yours might meet three. Yours might meet six. [It] just depends on what it is. But I can make sure that I've populated, "When are our regular meetings, and do we do something about this item, item number one? Do we do something about this item at that meeting?"

Again, I can put some comments in there to clarify the information. This particular format has both some comments and some specific documents, and [the] person responsible. You could actually split comments, person responsible, and document into separate columns very, very easily. You could be a little bit more granular, if that's helpful. Then we've got a completed column.

As I go through the course of the year, I can take a copy of this for 2025, and I can say, "Yeah, we've done this one." Once we've done all our meetings, "We've done this one." This one here, for example, once we finish our October meeting, I can say, "We've done this one."

Again, you can see how this plays out. This second item is, "reviewing and assessing corporate governance systems." They do something regularly in October.

This particular organization knows that sometimes, they are going to get something happen off-cycle, and they might do something ad hoc, as well, that's related to that. More detail in here could be split into different columns: "October, review governance documents and any recommended updates."

So, that's the document. The timing is October. The document is, "governance documents and recommended updates." It comes from the corporate secretary. What does the board have to do, or the committee have to do? In this case, you could add another column, "Recommend it to the board

with or without changes.” So, we are just going to take that recommendation and say, “Yeah, that looks really good. We're going to push that forward.”

All of a sudden, we're putting together a lot more detail, but we are documenting process for the organization. That, again, becomes a legacy asset.

I want to address something here, too. You'll see that this is a pretty wide format. I've done some color coding—really helpful. I go to do my October meeting agenda, and I'm going to look at my document, and I'm looking for anything that's got a blue tick in it. Wherever I put an “X” in the October column, I asked it to turn blue. Now I know these are my standard agenda items, and I can figure out how to incorporate them.

From the governance professional’s point of view, or the board support person’s, that is really helpful. And, of course, [it’s] very helpful for members of management.

You might have noticed, this doesn't look like a Word document. A lot of times, much of our governance documentation has been done in Word.

I'm a Word fan. I would say I'm a Word girl, right? I grew up on Word. I understand Word. I know how to do stuff in Word. I'm not as good at Excel, but the Excel that we're using for this format is pretty simplified and pretty learnable in maybe a couple of hours.

Excel is wonderful for documents that have columns in them. You saw in the last slide, all of the columns there. It's wonderful for documents where you might want to split a column into 2 or 3 columns. That last slide we looked at had the format with comments. You could split that into 2, 3, or 4 columns really, really quickly.

In Word, that's very difficult because the tables usually have to be reformatted. Many times, we can't get the layout onto a single page, because it's meant to be a printed item, and so it can be much more difficult to manage.

We can't as easily do color coding or sorting, so [that] we could put the board mandate in there, and we could even sort it to show the internal auditor any items that relate to that.

So, you can do different kinds of sorting in things like Excel. Excel is really a wonderful tool for both the work plans 2.0 and then we'll talk a little bit about carry-forward tracking as well.

The work plans 2.0 in Excel are a really wonderful way to set up those documents. It just minimizes the amount of changes you make.

I would typically still have a Word document for the actual mandate itself. So, if that mandate changes, I need to change it in the Word document and in the Excel sheet. But usually, I only have to change it in the Excel sheet once and the Word sheet once. So, it's relatively simple.

If you don't currently have any of these items, this is how I would prioritize development of the document. If your credit union does not yet have a board mandate—terms of reference, however you refer to it—that says these are the things that we're going to do in those 5 or 6 key areas that I talked about earlier, over the course of a year.

Ideally, of course, [this includes] the individual director and the executive officer position description, because now everybody has clarity on who's responsible for what. So, I love to have that board mandate, individual director, and CEO position descriptions done.

Then, I would look at doing the committee mandates. If I have committees, but they don't have individual committee mandates, they should be similar in format to the board mandate. Again, clarifying the committee's work.

Then, once I have those documents in place, I would look to setting up work plans 2.0. I will say that the work plans 2.0 can be a heavy lift at the beginning. You have a lot of the information available right away. But a lot of times, we have to kind of work through them as a management team to make sure. “Do we have the right person on this? Is that really the document that's being provided? Do we need to make any adjustments here? Is that really the timing?”

So, there's a lot of work to get those last few columns populated. The items in the mandate and the timing often are all fairly easy. But once that's done *once*, it's just a matter of maybe making some minor adjustments from time to time.

Maybe the title of one of the officers changes, and so you have the controller presenting the financial statements. You might change it to that title in your document.

00:44:42:07 EFFECTIVE AGENDAS: GETTING THE MOST OUT OF BOARDS AND COMMITTEES

Okay. We'll talk here about effective agendas. How do we get the most out of boards and committees?

A quick plug here again for that governance professional. If we don't have someone designated within our organization—or at least designating half of their time, if they're the support person also for the executive officer or one of the executives—it's a really valuable position.

They are typically the person who is the conduit for all of that information that passes between the board and management. Providing training to that board support person on governance, governance process, and governance practice can add a lot of value. Oftentimes, that person is also the arms and the legs of the board and committees.

The board says, “Oh, we're really looking for some education around this.” That person can assist them. Or, “We're looking to understand what are best practices in this area.” Again, that person can assist them.

They typically serve the board, so their role is to make sure that the board is supported, and that their responsibility is toward the board. But they work for the management team, so they get hired—typically hired, fired, and compensated—by the management team.

Quite often, they are the people who are setting up the initial agendas and doing the initial drafting. They can assist with making sure we have consistent and complete agendas—making sure there is time for all of those important issues, and of course, to track carry-forward items. [These are] really value-add roles that they play when it comes to the meetings of the board.

We'll talk about these individually here—this idea of consistent and complete agendas, a work plan 2.0, right? Once we have that built, we know exactly what the base of our agenda is. There are ten items. Those ten items all have to appear on the base agenda. There might be other items—project approvals for the board, things like that that are added—but we know what we're supposed to be doing.

Ideally, we have a template—a standard format template for regular meetings of the board and the committees—and our agenda should include a description of the item. What is it? Financial statements for approval.

Presenter? Who's presenting those financial statements? Normally that would be the financial officer, as an example.

Were there materials provided in advance with the board package? For financial statements, yes. Almost always, there are going to be some materials, so we're going to reference those materials.

The action that is being required by the board or committee? Are they passing a resolution? Or, are they receiving something? Is it more passive, just receiving a report on something? Or, was the item being provided as “read-only”? Is it an item for discussion?

So, we can set out the specific action that that particular body is expected to take. And then ideally, [it's] really helpful for the chairs if we have some indication of the time we expect to spend on that particular item in the agenda.

Best practices templates are going to include all of that information.

The other piece of information I will normally make sure is included, is just at the top to say, “This is notice of a meeting on...” It incorporates the formal notice, and it incorporates the actual agenda together in one document, so that it's a little bit easier to manage.

When we're talking about the timing, particularly—and we talked about this a little bit in the chair session, but if you have not had a chance to review that particular toolkit—we can think of decisions in a way that makes it a little bit easier to figure out how much time we should be spending on them, given whatever the constraints of our meeting are.

Oftentimes, we have what I would refer to as, “housekeeping items.” Housekeeping items are things that are very routine and straightforward. They might include things like a consent agenda—which we'll talk about in a couple of minutes as well—another tool that you can use to manage time within board meetings.

But routine and housekeeping—straightforward items—I give those the least time. It might mean just two minutes or five minutes on the agenda, or including them into that consent agenda, which we'll touch on in a moment.

If they're binary items, they're items that we must do. For example, we've got to approve the financial statements. It's something we have to do. We have to approve them, so we know that there's a requirement there.

They might be modestly complex. We know, ideally, the credit union has had its audit or finance committee look at those financials in detail, doing a deep dive on them. At the board level, it might only be maybe 5 to 15 minutes—again, depending on the context of the organization.

A very small credit union could spend more time on financials, because they might be relying on the board to oversee and make some decisions, and provide some feedback. Whereas, in another credit union, they might be spending less time.

Again, it really depends on the context. If I'm in a credit union where the year has gone really well—everything's on budget, the financial statements look exactly as I expect them to be—it's probably going to be very quick.

If there's something that's happened throughout the year that has caused some different changes to the financial statements—maybe there's had to be a restatement—of course, a board is going to spend more time on that approval. We're always thinking about what the context for this particular item is that we're dealing with.

Then, fundamental items, or evaluative strategic items, those are items that are really important to the long-term, forward-looking success of the credit union. Those binary confirmatory items are typically looking back at things that have already happened.

Those evaluative, strategic items are looking forward to how are we going to deal with things in the future. Those are the kinds I'm going to give the most time to. It might even be from 20 to 40 minutes for a single item of that type on the agenda. Again, depending on how long our meetings are, etc.

So, providing some timing is really helpful to the chair to understand how we need to move through the meeting, when we need to get stuff done. That's really helpful to put that into context. Of course, that can always be adjusted, but it can give a good starting point.

Now you know what you're doing. You know the items that had to go on the agenda, because you looked at your work plan, and you've figured out about how long we're going to need for each of the items. That adds up to our total meeting time.

So, we've got that wrestled into place. Now we're thinking about what order should the items go in.

A lot of times, we just do things in the order we've always done them, which is not necessarily helpful. Again, as humans, we have this tendency to do all the easy things first and leave the harder, or more involved things, until the end. But that's when directors are tired. We're running out of time. We might not be able to get to everything. So, we're going to look at a different way of doing this.

For those of you who have looked at the chair session, this is some information that is focused now on the agenda's [session], but was part of the chair's [session] as well. We want to look at a strategy focused agenda.

This is a current governance trend. Many organizations—not just credit unions, but credit unions as well—are saying, “How do we engage our board on the more important things, and really get good engagement?”

One of the ways we do that is by creating strategy focused agendas. In a strategy focused agenda, we are going to populate *important* and *strategic* items first. We're going to leave things that are more procedural, routine, past-looking to the end. And, we're going to find ways to use consent agendas.

First off, I want to share with you a tool called the Governance Matrix. This was a tool developed based on some work from Stephen Covey. It's also referred to as an Eisenhower Square. In those formats, they talk about “importance and urgency.” But I think in the context of governance, it's easier to think about that in the terms of “urgency,” and whether or not something is “strategic.”

Let's just go through here a little bit. This first box up here is things that are “urgent and strategic.” They are emergencies, or they are game changers that the board must deal with right away. They're just super important.

It could be something like when Covid was first occurring in early 2020, and it was very hard to know what was going to happen with workforces and businesses. People were going out of their houses a lot less. There were all kinds of impacts there that organizations and credit unions had to deal with.

That was stuff that was emergent. It was right now, right in our face.

It can also be things like game changers. You can imagine in the credit union world, when interest rates rise very quickly or fall very quickly, that is going to cause some impacts for the credit union, and is going to be something that is emergent or a game changer that they might need to deal with.

This second box at the top here, [is] again on the more strategic side. Now we're into less urgent. So that [last] one was “strategic and urgent.” This is “not urgent, but strategic.”

These are the planning and prevention activities. These are the cornerstones of what the board is ideally doing in the credit union.

They're looking at future planning, longer term planning. "How do we prevent problems from happening? What is our strategy? How are we dealing with that? How do we make sure risk is mitigated?"

There isn't always a specific timeline on these. There's nothing saying that we need to update our risk management policy, necessarily. But it's something that we always have to be looking at. We have to spend some time on that on a regular basis. So, really value-added work gets done in this section, here.

When we move to the bottom, we're looking at items that are least or less strategic. It doesn't mean that they're completely unimportant, but they have a different level of strategic, forward-looking, long-term sustainability about them.

Here, we might see things that are "Urgent, but not Strategic." Those could be routine items and deadlines.

Again, we've talked a few times in this session about financial statements. Sometimes I consider financial statements a routine item in a deadline, simply because if things in the context of the organization—again, context is everything—in the context of the credit union, everything's normal. Normal, nothing's weird. Everything's on track. There's nothing really to worry about.

Is that a particularly really routine item? Yeah, to some degree, certainly more routine than something that is a game changer. So, I would look at it in that view.

Then of course, things that are "Neither urgent, nor strategic." I know I'm trying to be funny with the cat videos, but sometimes the board is given things that are [just for] more information, or they're deep-dive information about things that the management team has done and that are maybe not adding a lot of value. The board isn't expected to do anything with them, so we want to make sure that we're managing that as we develop our agenda.

On this one you see here, "Do First," those urgent and strategic items, ideally, I'm going to put them close to the front of the agenda. It depends on what they are. They might get a lot of time. They might get a medium amount of time. But I'm going to think about that.

The second item that I'm going to populate is where I want, ideally, the board to focus. So, *ideally* a governance board is spending a good portion of their time here. And *ideally*, they're looking at these items early in the agenda, and they're given lots of time for discussion and focus and engagement on those items.

The "Urgent, but not strategic," we want to do them last and do them fast. If there's no reason to spend a whole lot of time on them, then we are going to try and minimize the amount of time we spend on those.

Then, of course, things that are not strategic, we ideally avoid them. Maybe these are updates from the management team on various things that are not really critical to the board, or not something that

the board needs direct oversight over. Maybe those come off of agendas and are, instead, provided in just a quick monthly update or things like that.

So, the organizations are finding different ways to deal with this area that we're avoiding. At the very least, if we're doing it, we're doing it also, last and fast.

Context is everything. I've talked about that before. I just want to go through some items that I see often on an agenda and talk about where I would ideally put them, but of course depending on context.

“Approving minutes of the last meeting,” I'm almost always going to do that very near to the end. I know this flips on its head the way we've normally done everything. There's no requirement that we approve the minutes of the prior meeting before we start with the business of this meeting.

Now, if there was something really significant in there, that the next decision is dependent on it, that context might make me move that forward. Most of the time, that's not the case, so we can move that toward the end.

“Approving the quarterly financial statements,” I've talked about a few times. Sometimes, that's going to be more of that binary, routine kind of item. It might be much less strategic, and it might, again, start to slip down the order.

“Our risk management report.” As a credit union, if the risk management report was on track last quarter, and we're still on track this quarter, it might move down a bit. More often than not, that's likely to be something that we might want to talk about earlier in the meeting.

“The CEO's report on finance and operations.” Again, it's important, but it's backward looking. Now, if it informs that we're going to try and approve a budget later, and it's important to know where that is, I'm going to think about that order and that context, and decide where I'm putting it. Sometimes, this might go a little bit lower on the agenda than something like the risk management report would.

“Approve expenditure for new office facilities (budgeted, but over the delegated authority provided to the executive officer)” Again, it's going to be a little bit contextual, as everything is. If it's an understood project, and it's been discussed with the board before, it can probably move lower down in the agenda. If this is the first time it's being presented, and there's a lot of information to go through, it might come up a little bit higher.

“Report from the audit committee.” Typically, I'm going to keep it somewhere near the financial statements, so those things might go together. They might come a little bit further down in the agenda.

These last two here are things that I would move toward the top of the agenda. One of the board's most critical roles is the hiring, firing, and compensation of the executive officer, their only direct employee, typically. Looking at that person's performance for the prior year, and their

accountabilities for the coming year—what are they going to be responsible for—that's a really, *really* strategically important job for the board.

I want them to have some time for discussion, and I want to have this earlier in the meeting, when they're fresh and ready to talk about it. There may be contexts under which we move that down a little bit further. But for the most part, I would consider that one to be one of those things that falls into the planning, prevention area that we would want to include.

The same thing with the board performance evaluation. Most of the time that a board performance evaluation is done, particularly if it's a third party one, there are a lot of items that come out of that for the board to discuss and determine. “What are we prioritizing? What are we going to address?”

This is talking about the governance of the organization and the effectiveness of the board. There might be a context where there really wasn't much that came up, and I'd put it further down in the agenda. But most of the time, I would probably move this further up.

It's not about what is item number one, and what is item number two. It's, “Which is the most important given our current context? What is the next most important strategic thing?” Then, we go down from there.

If this one is urgently required, [for example,] something happened to our office facilities very suddenly, and we have to do something right away to approve this expenditure—even though we knew we were going to get new offices this year, we're having to do it more quickly—that might be an urgent thing that then comes to the top of the agenda.

Again, we're always thinking about the context. When we're creating the agenda, we know kind of a time amount for each item. Now, we're going to put them in an order that is going to be most valuable, most effective, at engaging our board.

Okay, I'm going to briefly talk about consent agendas. The consent agendas are basically where we gather up a number of items that don't need discussion, and we put them all together.

Maybe there's three, four, or nine items. We say, “This is on the consent agenda, and we're going to pass one resolution near the end of the meeting that says we approve, receive, or accept all of these items on the consent agenda.”

There are two important things to note. We can put anything on the consent agenda, but use it thoughtfully. Don't use it for really critical things, like whether your credit union does a dividend to members. That's something that should always be thought through. [It] should be a separate item. It shouldn't be included on a consent agenda.

We need to think about whether it's being used to *mask* underlying issues. Is it simply that our board's meetings aren't going effectively? We're spending too much time on some things and not enough on others? Are we just using the consent agenda to get rid of items, onto something that is not discussed, when really, they ought to be discussed. We need to think about that.

You might have various reports, no action items. You might have just quick updates. So maybe you've got an update from your governance professional on a quarterly basis, "What are the current trends?" There's nothing that needs to be done with that. If your board receives the committee minutes, they might be in there, as received.

All of these items can go on there, and any individual director can ask for an item to be pulled off the consent agenda, so that it can be discussed. So, it doesn't prevent discussion of items. It's just a little bit different process.

Again, these can be really, really helpful, used *thoughtfully*, to make sure that the time is being managed and the board is engaging on the critical issues and not spending their time on things that sometimes will attract a lot of discussion, if they're allowed to attract a lot of discussion.

Okay, now we've talked about the consent agenda. The carry forward list is another tool that's in the toolkit. You're going to have a format for that, as well as, of course, for the work plan 2.0.

The carry forward list addresses one of the most common complaints I hear from directors. That is this idea that we talk about something, it's agreed that the management team is going to do something about it and come back to us, and nothing ever came back to us. Now, I remember a year later. "Wait a minute, there was that item. Whatever happened to that?"

It's just simply fallen off the table and disappeared. I promise you, this happens in organizations of every kind, every sector, every size, from the smallest to the largest. It happens from time to time.

As a management team, and ideally with the assistance of a governance professional within the organization, we can make sure these items get tracked. They're going to stay on our list until they're fully dealt with.

We're going to track things like, who's the management member responsible for taking care of this? When do we expect or plan to bring it back to the board? What kind of items need to go onto the agenda for our next meeting, or the meeting after that?

This carry forward list should gather up all of the action items that came out of the board meeting, or the board and committee meeting cycle, and make sure everybody knows what they are.

This is just again, a sample. There is this format in the toolkit in Excel. Again, there's some color coding available. It talks about the meeting date. It talks about the body. Was it the board, or was it a specific committee, an audit committee, etc?

This particular one has some different categories. Is it a matter arising? It's something that came up but needs further discussion or resolution. It came up during the meeting, and it needs to come forward for some discussion and resolution.

Action items might be those things that are completed without a further report to the board. Maybe it was agreed that the financial officer was going to send an article that they found that was of interest to all of the members of the finance committee or the audit committee, as the case may be. That might just be done without any report to the board.

Decision updates are things that need to be dealt with. Or, there may be progress or status reports until completion. For example, it might be that the organization approved a project and the project is ongoing, but it's going to take a year or two to finish this project for the credit union. We're going to make sure that the board gets updated on a regular basis until the project is complete.

You can use those categories. You can decide if there are some others that make more sense for your credit union. But then, we go on to a description of the item, the due date. If we've agreed specifically with the board that something's going to happen by a certain date, we're going to make sure we put a due date in there.

Or, if it's ongoing, we're going to notice that it's ongoing and who's going to be responsible. Is it the executive officer? "CS" on this one means corporate secretary or the governance professional. In this case, they've also got an outside consultant.

Then again, we can do "date completed," so we've got this auditable record. Once I complete an item, I don't delete it off the sheet. I have a second sheet in the Excel workbook that I would use this in, that's for an archive. Everything that's been completed, I'm going to move over to our archive page.

If anybody comes back to me a year from now and says, "Yeah, we have that thing, do you remember what happened with that?" I can go look in the carry forward tracking archive sheet, find out exactly where that was, and be able to answer that for them.

This can be really helpful. There are some notes on how you can use and adapt this form of spreadsheet, so that we're keeping track of those items that come out of meetings, and we're making sure that they get finalized, dealt with, and completed.

Quickly, the agenda development process. Ideally, we've got the work plan 2.0. Our initial drafting can be done by our governance professional, particularly if we've got a trained governance professional board support person. They're going to have some feedback from the management team, [such as] does the CEO, the executive, the financial officer, or anybody else have other items that need to go on for discussion for that board or committee.

Then, we're always going to make sure that the chair of the board or the committee has final input and say. They might move things around a bit. We might have a discussion with them about what order things are going in and the timing of various items. They have final say over the agenda. That's part of their responsibility.

Quite often, it will be signed or simply distributed by the governance professional board support person. That's a good process to ensure that there's good consistency throughout the organization.

Now, sometimes there may be other members of management that are doing agendas for the various committees. I would suggest this same process. Maybe it's the initial drafting by the governance professional or by the person within the credit union that is responsible to that committee. We want to make sure that we're doing it in a thoughtful manner. We're not missing steps. Two efforts.

Meeting timelines are really, really helpful, particularly with the management team, to set expectations as to when documents are required. They should be provided to the board in enough time that the board can read them, think about them, make some decisions about them, and figure out what their questions are about them well in advance of the meeting. That way, the board can carry out the duties it has under law.

Oftentimes, a meeting timeline will address things like, when are the draft agendas—the ones prepared by the governance professional—going to go to the management team. We'll talk a bit about an organization meeting. We might have a date that draft packages are going for review internally, a date that we send out final packages to the board. [This is] typically about a week or five business days, seven days total—out to our board, ideally. And then, any additional documents that come in late, how are we going to manage those?

Part of the toolkit is a timeline format. It's not anything magical. This one could be done in Excel. It could be done in Word. Usually, we're not having more than three columns, so it's a lot easier to keep this document in Word, if that's your preference.

What date are we going to do something? What is that item and how many days prior? Is there a timeline?

I will often keep this in my meeting timeline, this idea of the days prior and time due. Then, every time I'm coming up to a new meeting, I'm going to go, "What's meeting, minus 19 days?" I'm going to figure out what that is, or if it has to be adjusted by a day one way or another, because that's a weekend date, etc.

So, [I'm] going through, figuring out when things are going to happen, and putting that all into a timeline. I then make sure this gets communicated to the management team, so they know what the expectations are on that.

The way I like to communicate that timeline and the draft agendas is through an organizational meeting—a pre-cycle organizational meeting. However many committees [there are] in the board, ideally, this is logged by that governance professional reviewing the draft agendas.

So, what are on the agendas of the committees that are meeting this time? What is on the board's agenda? What new items, additional information, does management want us to look at?

Am I switching the timing, providing more or less time for some of the committee meetings? Am I switching the order of some of the items, based on the discussion we have in this meeting?

So, [that's the pre-cycle organizational meeting,] led by the GP, with all of the key personnel in the credit union that are responsible for the reports going up to the board or committees.

Of course, we would also review the meeting timeline to make sure that everybody's on the same page, everybody understands the critical deadlines that need to be met in order to ensure the board is getting the materials it needs to do the jobs that it has, [as] set out in law.

01:19:54:20 WRAP UP

All right. With that, we're going to do a quick wrap up, talking about some strategy forward agenda tips.

Make sure we're using work plan 2.0. If we've got work plans, let's adapt them. Let's start to build them out into a work plan 2.0.

When we're doing our agendas, let's prioritize the urgent and strategic items. Then next, prioritize the most strategic items that are not urgent—again, those top two boxes.

We can use that governance matrix, right? We can use that as a reference tool. It doesn't tell us exactly where stuff is going to go, but it helps us to think about where we might want to consider putting it in the agenda.

Where can we use consent agendas, if we're not already using them? Are we using them effectively, if we *are* using them? Do we have all of our items getting pulled off the consent agenda? Is there a discussion to happen there?

The idea of the consent agenda is that we don't have a lot of pull off. Are we putting too much on it to begin with? Maybe [we're] figuring some of that out.

Then, create a shared understanding. These tools around strategy forward agendas help us create a shared understanding—not just at the board level, but between the board, the committees, the members of management, the governance professionals. Everybody basically has a relatively good idea—even if it's not their particular area of expertise—of what is going to happen leading up to the next cycle of committee and board meetings, and how those are going to occur.

01:21:51:04 TOOLKIT CONTENTS

The toolkit contents. There's quite a lot of good stuff in this particular toolkit. There's a quick reference guide, which is a two pager, a quick reminder that you can look at before setting up the strategy forward agendas, to help you get in the right frame of mind.

There's a guidebook that goes through in detail, most of the information in the webinar—again as a reference tool for you.

There is a strategy forward agenda format for regular board and committee meetings. Again, items on there might not be in the order that you end up putting them in, because we always have to think about context. Context can shift things that are normally routine into something strategic. And, it can shift things that might normally be strategic into something that's more routine. We're always considering our context.

Then, the bonuses in this toolkit are the board and committee work plan 2.0 formats in Excel and a sample meeting timeline in Word. You've got all of those tools and some guidance on how to adapt them and make them useful in your credit union.

01:23:10:08 CLOSING & CONTACT DETAILS

Today's session has been brought to you by CUES, in collaboration with Stabilization Central Credit Union and Governance Studio.

I'd like to thank everyone for their time and attention today. I'm glad you could be at the webinar on strategy forward agendas—another way that we can use fiercely practical governance to really add value for the boards of our credit unions.

Again, my contact details and a link for my fiercely practical governance newsletter are included on this slide.

Thank you, everyone. I look forward to joining you again for the final module, module five, on minutes. Thanks, everyone. Bye for now.

Copyright 2025, Stabilization Central Credit Union, Governance Studio Inc., and Credit Union Executives Society.
All rights reserved.

This document may not be shared outside of the purchasing credit union.