

Cut to the Chase

Ontario public library governance
at-a-glance



Definitions

Public library boards

are governing boards, legal corporations with the authority to make policy and to govern the library's affairs under the Public Libraries Act, RSO 1990, c. P.44.

Governing

is different from managing. Boards don't run an organization, but ensure that it is properly run.

Governance

is the entire framework set by the board to direct the organization, that identifies how a board will conduct business, how power will be divided and delegated and what processes will be set up to achieve accountability.

Richard P. Chait, William P. Ryan and Barbara E. Taylor in *Governance as Leadership: Reframing the Work of Nonprofit Boards*

"Leadership and governance are closely related... two intertwined plot lines... Boards of trustees are supposed to be the ultimate guardians of institutional ethos and organizational values... charged with setting the organization's agenda and priorities, typically through review, approval and oversight of a strategic plan."

Cut to the Chase is a quick reference guide for Ontario public library trustees. For more information, see www.accessola.com/olba/oneplacetolook.

Ten principles guiding effective library governance

- Build a solid governance framework that includes by-laws, policy and an achievable plan that is based on why you exist: your mission.
- When you've built it, make sure it works and keep it in shape.
- Know who you are there to represent and how to connect with them.
- Make good decisions on their behalf.
- Know what it is that you need to achieve.
- Assess what you have accomplished and report progress regularly.
- Know what information you need and where and how to get it in order to manage risk.
- Know who you need on the board and who you need to run the library.
- Know where and how to get the resources you need.
- Remember, you are not there to manage – you are there to govern.

The Board's authority

3 Major Responsibilities

A board's duty is to provide comprehensive and efficient public library service that reflects the community's unique needs. A board must submit budget estimates and audited financial statements to municipal council and must report statistics and finances to the province annually to receive its grant.

The Public Libraries Act, RSO 1990, c. P.44 governs the operation of libraries in Ontario and is special legislation that overrides certain sections of other acts such as the Municipal Act.

A library board is an independent body and cannot become a committee of council without special legislation being passed that suspends the Public Libraries Act in that municipality.

Membership

- Members are appointed by municipal council according to rules set out in the Act.
- Minimum size for a library board is five members; the maximum is 15.
- The number of municipal councillors on library boards may not exceed one less than the majority; county boards may have a bare majority of councillors.
- Library or municipal employees may not be board members.

Municipal integration

Ontario public libraries enjoy varying levels of integration with their municipalities. One library may operate with separate financial policies and processes, while another may simply adopt its municipality's policies. Many boards have forged closer ties with their municipality to maximize their effectiveness and to collaborate in achieving common goals. While the library board is an independent body, aligning agendas and streamlining business processes can be advantageous. Both the library and the municipality serve the same public and address issues common to both bodies.

Fiduciary duty

As a member of a library board, your fiduciary duty is to act honestly and in good faith and in the best interests of the library. This means that the interests of the library take precedence over your personal interests or those of any other group with which you are associated.

Meeting requirements

The Public Libraries Act, RSO 1990, c. P.44:

- Board must hold 10 regular monthly meetings: January-June and September-December inclusive.
- Meetings are open to the public.
- Majority of members must be present.
- Chair may vote with other members.
- Tie vote is deemed to be negative.

Power to oversee the library's finances

Financial oversight involves:

- Understanding the implications of a budget and a financial report;
- Recognizing if the allocation of monies aligns with board priorities;
- Ensuring that financial policies are in place to control receiving, processing and disbursing money, to ensure fiscally-sound budgeting, to comply with current municipal legislation with respect to purchasing and hiring, to manage risks, and to limit liability to the library and the board.

Financial oversight does not mean...

- Simply approving a budget or financial report;
- Approving a cheque register;
- Challenging a miniscule amount on a budget line.

Power to make policy

Policies provide the necessary framework for all of the operations and priorities of the library and allow for a smooth transition from old to new boards. Library policies include:

- Advocacy
- Children's services
- Circulation
- Collection development
- Community information
- Customer service
- Facilities use
- Internet use
- Personnel and hiring*
- Purchasing*
- Volunteers
- Youth Services

Policies must be framed within the limitations set out in government legislation and regulations. * Required under the Municipal Act.

The Public Library Board and the Chief Executive

LEGAL ISSUES	Board Responsibilities	CEO Responsibilities
Existing local and provincial laws	Knows local and provincial laws	Knows local and provincial laws
New legislation affecting libraries	Responds to new legislation	Responds to new legislation
Library records	Ensures records are kept Approves annual report for Government of Ontario	Keeps complete and accurate records re finance, personnel, inventory, insurance, annual statistics Prepares, submits annual report to Government of Ontario
Accountability	Municipal council and Government of Ontario	Board
Board meetings	Attends/participates in all	Attends/participates in all Records and maintains minutes of meetings Reports regularly on finance, personnel and services
COMMUNITY DEVELOPMENT	Board Responsibilities	CEO Responsibilities
Understanding the community	Understands local issues, the implication of community demographics and the contributions of community groups Identifies community needs and concerns	Understands local issues, the implication of community demographics and the contributions of community groups Identifies community needs and concerns
Community relationship-building	Builds a strong and communicative relationship with municipal council Maintains a dialogue with the community Is aware of the municipal planning context Develops strategic partnerships with community groups and leaders Demonstrates accountability to the community	Builds solid relationships with municipal staff Promotes library services in the community Forges relationships with community groups and leaders
Library's role in the community	Establishes the library as an essential community service Builds community pride in the library Advocates library's role in the community	Establishes the library as an essential community service Builds community pride in the library Advocates library's role in the community
POLICY DEVELOPMENT	Board Responsibilities	CEO Responsibilities
Library policy	Analyzes CEO policy recommendations Debates policy issues and implications Approves policy Reviews and revises policies as necessary	Recommends policies needed Advises board on policy development framework and format Provides information sources and policy examples Establishes procedures for implementing policies Interprets policies and procedures to library staff and public Maintains policy manual
PLANNING	Board Responsibilities	CEO Responsibilities
Community needs for library service	Assesses needs	Assists board to assess and understand needs Carries out a formal assessment as necessary
Mission and overall direction	Defines mission and overall direction	Analyzes library strengths and weaknesses
Library goals and objectives	Develops and approves	Advises board and facilitates in development
Plan for meeting goals and objectives	Approves plan	Recommends programs, services and activities Formulates plan Administers library in accordance with plan
Monitoring and evaluation	Evaluates library performance annually or more often if appropriate Revises plan accordingly	Provides necessary data to demonstrate progress Participates in ongoing evaluation Adjusts plan accordingly

Power to set fees

The Public Libraries Act, RSO 1990, c. P.44, sec. 23 (1-3) ALLOWS boards to charge for:

- some services not outlined in regulations;
- use of parts of the library building not being used for library purposes;
- library services to non-residents.

A board is NOT permitted to charge for:

- admission to the library;
- using library materials in the library;
- reserving or borrowing circulating materials specified in Regulations.

Power to hire the CEO

The Public Libraries Act, RSO 1990, c. P.44 gives library boards the sole right to hire the library's chief executive officer.

Standard of care

A library board member is required to carry out his duties with the same care and attention that would reasonably be expected from someone of his or her knowledge or experience.

Officer: Who Does What?

FINANCE	Board Responsibilities	CEO Responsibilities
Annual budget	Analyzes preliminary budget and proposes necessary changes Officially adopts budget	Consults with municipal staff and advises board on municipal budget policy requirements and procedures Prepares preliminary budget in conjunction with board based on present and anticipated needs and board's plan
Budget presentation to Council	Presents budget to council in accordance with municipal budget policy and procedures	Participates in budget presentation, supplying facts and figures, analysis and comments as requested
Sustainable resources	Determines revenue sources in relation to special project needs and/or funding gaps	Identifies options for generating additional revenue to support special project needs and/or funding gaps
Financial control measures	Ensures safe financial control measures are in place to expend budget with due diligence and according to board priorities	If the CEO is Treasurer, oversees all accounting functions and prepares regular financial statements Monitors the budget Identifies and addresses problems as they arise
PERSONNEL	Board Responsibilities	CEO Responsibilities
CEO selection	Hires CEO	
Board-CEO relationship	Builds a strong relationship that recognizes board authority and respects CEO expertise	Builds a strong relationship that recognizes board authority and respects CEO expertise
Staff selection		Hires and directs subordinate staff, adhering to board policies. May seek board input on senior staff selection
Employee performance appraisal	Evaluates CEO performance annually	Ensures that annual performance appraisals are conducted on all staff under CEO's supervision
Salary scales and union contracts	Approves	Negotiates salary and working conditions for staff including union contracts as applicable
Grievances	Ensures that appropriate steps are in place to handle any grievances that have not been satisfactorily resolved by the library's grievance procedures	Handles all grievances and keeps the board informed
CEO succession management	Ensures that there is provision for succession management	Contributes input to succession management
GOVERNANCE PROCESS	Board Responsibilities	CEO Responsibilities
Board orientation and development	Board chair supports and participates in planning and delivery Board members engage and participate	Supports and facilitates planning and delivery
Board performance	Evaluates regularly Individual board members conduct annual self-appraisal	Contributes input to evaluation process
Succession planning	Identifies the skills and competencies necessary for the incoming board to meet new term challenges	Liaises with municipal staff on board appointments
Legacy planning	Summarizes highlights, successes and challenges of the term to provide the incoming board with a framework for moving forward	Provides input and support to the board for developing a legacy plan

Legislation to consult

The Public Libraries Act, RSO 1990, c. P.44
http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/90p44_e.htm
 The Municipal Act, 2001, SO 2001, c. 25
http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/01m25_e.htm
 The Municipal Conflict of Interest Act, RSO 1990, c. M.50
http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/90m50_e.htm
 The Municipal Freedom of Information and Protection of Privacy Act, RSO 1990, c. M.56
http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/90m56_e.htm

Relevant federal laws (e.g., the Criminal Code, Charter of Rights and Freedoms) and certain local by-laws.

Leadership

The stakeholders of today's libraries expect strong leadership. Consequently, modern governance must reach beyond budget oversight and a regular strategic planning exercise to embrace new ideas, probe an organization's basic values and raison d'être and forge relationships that will generate more effective organizations.

To be an effective board member...

1. Know your job.
2. Be open to continuous learning.
3. Recognize that only the board has the authority to act on behalf of the library; individual board members have no authority to act on their own.
4. Share in the responsibility for the effective functioning of the board by ensuring full discussion of issues and making reasoned decisions.
5. Build your knowledge and understanding of the broader library community.

Your Board's Path to Library Leadership by Design

Each column highlights the fundamental responsibilities in achieving effective leadership and sound library governance. Below each responsibility are the component tasks. Use this chart to find the resources your board needs in OLBA's "*Leadership by Design – One Place to Look*" database.

www.accessola.com/olba/oneplacetolook

BOARD ORGANIZATION	BOARD PERFORMANCE	PLANNING	LIBRARY MANAGEMENT	STEWARDSHIP	COMMUNITY DEVELOPMENT	ACCOUNTABILITY
Size	Duties and responsibilities	Vision	CEO selection	Legislative compliance	Reciprocal dialogue with community members	Conflict of interest disclosure
Composition	Orientation and smooth transition from old to new	Mission	Board-CEO relationship	Intellectual freedom	Clear understanding of who does what	Transparency
By-laws	Board development	Commitment to library principles	Defined board-CEO roles and responsibilities	Board commitment	Board-council relationship	Response to changing needs based on sound evidence
Succession management	Performance assessment Whole board Individual members	Community needs assessment	Delegation of authority	Sound policy framework	Participation in community-wide planning processes	Performance measures
Committee structure	Code of conduct Boardroom decorum Confidentiality Decision-making process Conflict resolution	Strategic direction	CEO performance appraisal	Risk management Asset protection Liability Finance Health and safety	Advocacy	Annual report
	Effective meetings	Annual budget	CEO succession	Monitoring policy compliance	Demonstration of the library's value to the community	Information privacy
	Effective chairmanship	Securing resources			Connections with broader library community	
		Monitoring and evaluation				

Ontario Library Boards' Association

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