
5. Board Terms of Reference

1. Role

The CLBC Board of Directors (the “Board”) has a primary responsibility to foster CLBC’s short and long-term success in fulfillment of its mandate, vision, core values and goals. The Board is responsible for acting in the best interest of CLBC, in accordance with applicable Government direction and law, and giving consideration to the company’s positive and negative impacts on the environment and stakeholders, including the public, Government, employees, customers, service providers, suppliers and communities.

Governing in the Public Interest:

As outlined by the Crown Agencies and Board Resourcing Office of the Province of B.C. (“CABRO”) in its Foundational Training for B.C. Public Sector Appointees, Boards of public sector organizations have a responsibility to govern in the public interest and to adopt practices that reflect a citizen-centred approach to governance. In carrying out its governance role, the CLBC Board keeps in mind how its decisions can maintain, protect and enhance the safety, economic, social and environmental well-being of all British Columbians, and those whose lives are directly and indirectly affected by the quality of service delivered by the organization.

The Board is responsible for managing the affairs of CLBC. The Board discharges its responsibilities by delegating certain duties to Committees of the Board and to management.

2. Responsibilities

The fundamental responsibilities of the Board are set out below.

2.1. Strategic Oversight

Management formulates the strategic plan and other plans and the Board assesses and ultimately approves them. The Board has responsibility to:

- a) adopt a strategic planning process;
- b) participate with management on the development of, and approve, CLBC’s strategic plan;
- c) review and approve CLBC’s Vision, Mission and Core Values;
- d) approve and monitor CLBC’s annual operating plan;

- e) review and approve, by resolution, CLBC's annual budget plan and capital plan;
- f) Provide input to, review and approve, by resolution, CLBC's service plan.
- g) direct management to develop, implement and maintain a reporting system that accurately measures CLBC's performance against the performance expectations set out in its strategic plan;
- h) monitor performance against strategic and business plans with a focus on key risks and strategies; and
- i) to revise and alter its directions through management, in light of changing circumstances

2.2. Financial Oversight

The Board has responsibility to:

- a) take reasonable steps to verify that management has established and is applying appropriate audit, accounting and financial reporting principles;
- b) take reasonable steps to verify that internal financial, business control and information systems are in place and functioning satisfactorily;
- c) review and approve the annual audited financial statements;
- d) approve the appointment and remuneration of any external advisors;
- e) approve the release of financial information that goes to the public; and
- f) take reasonable steps to ensure compliance with the financial requirements set out in [CLAA](#).
- g) approve financial or other commitments outside of the ordinary course of business that may have a material impact on CLBC;
- h) obtain reasonable assurance that CLBC has established a proper framework for all contracts;
- i) approve the commencement or settlement of litigation that may have a material impact on CLBC; and
- j) report annually on the financial position of CLBC by providing copies of CLBC's annual report to the Minister and such other reporting as is required by the Minister.

Pursuant to the CLAA, the Board may not acquire or dispose of real property, except by resolution of the Board and with the prior approval of the Minister.

2.3. Risk Oversight

The Board is responsible to oversee management's establishment and ongoing management of processes, procedures and mechanisms by which key matters of financial and non-financial enterprise risk are identified, and ensuring that strategies are developed to manage such risks.

The principal mechanisms through which the Board oversees risk are: individual Committees' reporting on the areas of risk relating to their mandates; management risk reporting; the annual strategic planning process; and an annual risk review by the Board, supported by the Board Committees as appropriate. The Finance and Audit Committee is responsible for oversight of the CLBC risk management function and supporting the Board's and Board Committees' fulfillment of their responsibilities for risk oversight.

The Board has responsibility to:

- a) Direct management to establish and implement an effective enterprise risk management program for the identification, assessment and management of short and long-term strategic, operational and emerging risks and opportunities, including financial, social and environmental risks;
- b) Establish and approve the mandate of the Director of Risk, the organizational Risk Charter and any amendments thereto;
- c) Approve significant risk management policies and any amendments thereto;
- d) After discussion with Management, agree on CLBC's risk appetite and tolerance levels'
- e) Oversee CLBC's risk profile, including its ongoing and potential exposure to short and long-term risks;
- f) Take reasonable steps to ensure, through regular reviews and assessments, that management has established appropriate systems to manage risks;
- g) Oversee the ongoing risk education of the Board and management;
- h) Ensure CLBC's material risks and opportunities are addressed in the Corporate Strategy and business plan;
- i) Require appropriate certification from management that CLBC is in compliance with laws, regulations and policies;
- j) Review and approve the business continuity/disaster recovery plans for CLBC following its review by the Finance and Audit Committee; and
- k) Receive regular reports on the management of material risks to CLBC.

2.4. Service Quality and Performance Oversight

The Board has responsibility to:

- a) Review and approve appropriate standards applicable to access to, and quality of, services provided by CLBC; and
- b) Receive advice from the Provincial Advisory Committee on improvements to policy and practice to enhance the quality of life for people served by CLBC.

2.5. Human Resources Oversight

The Board has responsibility to:

- a) appoint and replace the CEO, as appropriate, and monitor and evaluate the CEO's performance;
- b) approve the CEO Position Description and annual goals and objectives;
- c) approve the CEO's compensation;
- d) review the organizational structure and appointment of senior executive team members;
- e) approve the compensation philosophy and guidelines for CLBC;
- f) oversee CEO and management succession planning and ensure there is:
 - i) a process that would respond to an unplanned situation which required an immediate replacement of the incumbent CEO; and
 - ii) criteria and processes for recognition, promotion, development and appointment of management consistent with the future leadership requirements of CLBC; and
- g) provide advice and counsel to the CEO in the execution of the CEO's duties.

2.6. Board Governance Oversight

The Board retains responsibility for managing its own affairs including responsibility to:

- a) regularly review the Board's ability to be effective in fulfilling its roles and responsibilities;
- b) regularly review and update the mandates of the Board, Board Committees, the Provincial Advisory Committee, the Community Councils, the Board Chair and individual Directors;

- c) develop a plan for long term Board composition and maintain a Board Competency Matrix;
- d) maintain accountability of its own culture, and for setting the tone for organizational culture; maintains its independence from management, providing strong oversight and the consideration of diverse interests, perspectives and opinions in its deliberations;
- e) provide comprehensive orientation and development and education sessions for Directors; and
- f) implement processes to annually examine the effectiveness of the Board, individual Director, its Committees, and the Board Chair.

2.7. Board Code of Conduct, Conflict of Interest and Business Ethics

The Board has responsibility to:

- a) establish, and update from time to time as required, a Code of Conduct policy(ies) and a Conflict of Interest policy(ies) for Directors, CEO and senior management, other officers and employees, for the Minister's approval;
- b) obtain reasonable assurance that CLBC operates at all times within the Code of Conduct and within applicable laws, and to the highest ethical and moral standards; and
- c) approve and monitor through management, compliance with all significant policies that govern CLBC's operations.

2.8. Communications

The Board has responsibility to:

- a) ensure CLBC has a plan in place to communicate effectively with employees, stakeholders, the provincial government and the public;
- b) take reasonable steps to ensure financial results are reported fairly and in accordance with generally accepted auditing principles; and
- c) report annually on the Board's stewardship for the preceding fiscal year.

The CEO is the primary spokesperson for CLBC and the Board Chair is the primary spokesperson for the Board.

2.9. Board Administrative Support

The Board Liaison provides required administrative services for Directors in their capacity as Directors of CLBC.

2.10. Reliance on Management and Advisors

In carrying out its responsibilities, the Board:

- a) relies on management to provide it with accurate and fulsome information; and
- b) is entitled to retain and rely on external professional services firms, consultants and advisors as needed to fulfill its mandate.