Transform Management Consulting Inc.

Ottawa Public Library
Board Evaluation Report

7 November 2024

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Executive Summary

The ratings and findings from the questionnaires, interviews and meeting observations suggest that while the current situation is deemed to be good, there are opportunities for improvement. Our sense of <u>the most important actions</u> that would enhance your organization's governance effectiveness are shown below in grouped categories.

Committees

1. Establish three standing committees of the Board composed of Trustees with traditional mandates:
    - ➤ Finance, Facilities and Risk
    - ➤ Governance
    - ➤ CEO Performance

2. Eliminate the current ad hoc operational committees in favour of:
    - ➤ Ensuring staff present their developing plans and potential policies at an early stage to obtain the guidance of the Board prior to finalizing their proposals to the Board.
    - ➤ Enlisting selected Trustees to assist staff on projects for which they are particularly well suited (e.g. fund raising).

Orientation and Continuing Education

3. Change the current orientation to a shorter session at the beginning of the new term to deal primarily with Board procedures and budgeting and then offer additional orientation sessions on key subjects in the following 6 months.

4. Task the new standing Governance and HR committee with providing guidance to staff on the continuing education topics that should be provided to the Board and Trustees.

5. Provide regular continuing education to Trustees in small groups on topics balanced between understanding library policies and operations with governance related issues.

Meeting Processes

6. Structure the consent agenda to include only those topics that are not expected to require discussion or would not benefit the Trustees from a presentation or discussion.

7. Periodically include an agenda item for the Trustees to discuss how the Board is functioning and what changes might be appropriate for improvement.

Introduction

Transform Management Consulting (Transform) was retained by the Ottawa Public Library (OPL) to complete a Board evaluation. Assessment questionnaires were used to obtain the Trustee perspectives on, and ratings of, different aspects of the governance effectiveness and performance for the Board.

Jacques Levesque was the prime consultant on this project and his work included compiling and assessing the results of the survey, completing interviews, observing meetings, reviewing policies and developing this report. The evaluation primarily consists of the views and opinions of the participants, but also includes our own interpretation of the findings where appropriate as well as our recommendations for improvement.

Questionnaire Results

Analysis Criteria

The Board Assessment survey questions gauge the degree to which current governance best practices are used by your organization using a rating scale of 1 (Strongly Disagree) to 5 (Strongly Agree).

Based on our experience in working with other Boards, any mean (average) reading of 4.0 or greater is considered good or very good performance. For ease of reference, we have shaded survey ratings in different colours to provide a visual reference as follows.

Rating Range	Colour Shading
4.0 or higher	
3.5 to 3.99	
Less than 3.49	

A total of 7 Trustees completed questionnaires and all responses were useable. Most participants used a range of ratings in their responses, indicating no significant bias in the results.

Assessments by Trustees

The overall effectiveness rating of the Board by the Trustees (**Appendix 1**, Question 67) was **4.0,** which suggests that the Board is performing well overall. The individual questions that were rated weakly (less than 3.5) are listed below in numerical order.

Question	Rating
28. The Board or its Committees have an appropriate and effective role in succession planning for the Trustees.	2.3
29. The orientation process for new Trustees adequately prepares them to fulfill their responsibilities.	2.7

Many of the comments provided by the Trustees expanded on the specifics of their positive or negative ratings. Some of the more important or frequent concerns or suggestions for improvement included:

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- Opportunities to affect the succession planning of the Board are limited.

Interview Findings

Confidential individual interviews were completed with a total of 8 Trustees. The questions used to launch the interviews are shown in Appendix 2. The findings from the interviews are presented without attribution to protect anonymity.

What is Working Well

Many of the participants had similar views on the things that that are working well, including:

1. Most agree that there is good diversity on the Board and that most Trustees are engaged and generally come well prepared for meetings.

2. All indicated that the Board Chair is leading the Board effectively on most matters.

3. Most noted that the Trustee are very collegial and reach consensus relatively easily on most issues.

4. Most believe that the Board generally stays at a strategic / policy / oversight level, but a few noted that being a quasi-governmental / not-for-profit organization the discussions tend to be process focused and sometimes encourages operational discussions.

5. Most agree that the meeting materials are very good, and that staff is available to answer questions and provide support when requested, but that not all Trustees take advantage of this opportunity.

6. Most agree that Trustees ask good questions and challenge staff when appropriate.

7. All indicated that the orientation for Trustees is comprehensive.

8. Most appreciate the opportunities to meet as part of smaller groups during tours or other education sessions to get to know the OPL and their fellow Trustees better.

9. Most are comfortable with the hybrid model of meetings, but many are concerned that it limits the opportunity for Trustees to interact effectively with one another.

Improvement Opportunities

Participants were candid in identifying weaker aspects of the Board's governance or performance as follows (in no particular order).

1. Many agree that the initial orientation process can be overwhelming in one day and a few would prefer shorter sessions over time, but some do not see viable alternatives to the current approach given the election cycle and budget approval timing.

2. A few are not aware that they have electronic access to orientation and other policy documents with the ability to search for specific topics.

3. Many indicated that more input from the Trustees to develop a structured ongoing development program for the Board / Trustees would be beneficial, particularly to focus more on governance related issues rather than operations.

4. Many thought that a so called "buddy system" of experienced Trustees with new members would be useful in acclimatizing people to the Board, but some indicated this already occurs naturally.

5. Many would appreciate the opportunity to periodically have individual conversations with the Chair to discuss items of mutual interest.

6. Some are concerned that some Trustees do not fully review the materials ahead of meetings and take advantage of asking clarification questions of staff prior to the meeting.

7. A few would like to see additional background or contextual information on key decision topics to be included in the briefing materials.

8. Many are not aware of or could not recall the risk management process used by the organization and the reports they receive.

9. A few indicated that the Board should and is beginning to place greater emphasis on succession planning.

10. Many noted that some Trustee sometimes slip into operational details inappropriately.

11. Many are not clear on the role they play on the operational ad hoc committees and that they have an advisory role which staff consider, but do not get feedback on until a formal policy or plan is presented for the Board's considerations.

12. Many agree that adopting some standing committee of the Board would allow the Trustees to delve into governance related topics more comprehensively prior to providing the Board with their findings and recommendations.

13. Most noted that the Board rarely has opportunities to discuss how well it is adhering to its role and opportunities for improvement.

Board Meeting Observation Findings

A Board meeting held on 10 September 2024 was observed by Jacques Levesque with the resulting findings.

What Worked Well

1. The agenda was provided with topics and the expected action.

2. Meeting materials were provided ahead of time and included briefing notes for most topics.

3. Declarations of conflicts of interest was on the agenda and used appropriately.

4. A consent agenda approach was used for almost all agenda items.

5. Minutes from the previous meeting captured most meeting processes as well as motions or actions.

6. The Chair managed discussions and timelines well while allowing for what appeared to be sufficient time for discussion.

7. Standard approval processes for motions were utilized.

8. The Chair and CEO/CL provided verbal reports on current situation information.

9. Decision items were well presented by management and appropriate questions were asked by the Trustees without getting excessively granular.

10. Behaviour dynamics among Directors and with management were professional, collegial, and appropriate throughout the meeting.

11. The in camera session was not observed.

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Improvement Opportunities

1. The consent agenda process essentially allowed any item on the agenda to be included for consent rather than the generally utilized method of identifying the specific topics that would be considered for approval without discussion and ensuring other agenda topics would be discussed or presented.

2. No committee reports were provided to the Board.

Fund Development Ad Hoc Committee Meeting Observation

A Fund Development Ad Hoc Committee meeting on 27 September 2024 was observed by Jacques Levesque with the resulting findings.

What Worked Well

1. The meeting agenda and supporting materials were provided prior to the meeting.

2. The agenda included all typical best practice procedural elements but did not include Conflict of Interest declarations which is not unusual for an operational committee without Board decision-making powers.

3. The committee is chaired by staff member which is not unusual for an operational committee.

4. The minutes from the previous meeting provided a good summary of the content, questions and answers.

5. The discussions were focused on the mandate of the committee and dealt with current and future opportunity topics in significant operational detail.

6. The tracking information provided to the committee was well organized and detailed.

Improvement Opportunities

1. The committee deals with operational issues at a significantly detailed level which is an unusual practice for Trustees involved in a strategy / policy / oversight Board.

Committee Terms of Reference Review Findings

The Terms of Reference (TOR) for the Board Committees were reviewed with the following findings.

Governance Ad hoc Committee

- The general format of the TOR is appropriate and contains the key typical elements of composition, responsibilities, reporting relationships and meeting practices.

- The scope of work for this type of Committee, in keeping with best practices, would normally also include:
  - ➢ Periodically reviewing the structure of Committees of the Board and their TOR and make recommendations to the Board on potential changes.
  - ➢ Overseeing the onboarding and continuing education strategy and activities for Trustees.
  - ➢ Human resources related topics including CEO/CL performance management.

- The positioning of a Standing Governance Committee typically:

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- ➢ Is established as a standing rather than an Ad Hoc Committee for a Board that strives to operate in a strategy / policy / oversight role
- ➢ Reports directly to the Board, not the CL/CEO.
- ➢ Would be composed of Trustees with the Board Chair and CL/CEO as ex officio and support from staff as may be appropriate.
- ➢ Would deal with a broader range of topics than the current TOR.

Facilities and Finance Ad hoc Committee

- The general format of the TOR is appropriate and contains the key typical elements of composition, responsibilities, reporting relationships and meeting practices.

- The scope of work for this type of Committee, in keeping with best practices, would normally also include:
  - ➢ Reviewing and making recommendations to the Board on Financial Statements and annual budgets
  - ➢ Reviewing the finds the annual audit and making recommendations to the Board on the findings.
  - ➢ Risk management oversight.

- The positioning of a Facilities and Finance Committee typically:
  - ➢ Is established as a standing rather than an Ad Hoc Committee for a Board that strives to operate in a strategy / policy / oversight role.
  - ➢ Reports directly to the Board, not the CL/CEO.
  - ➢ Would be composed of Trustees with the Board Chair and CL/CEO as ex officio and support from staff as may be appropriate.
  - ➢ Would deal with a broader range of topics than the current TOR.

Branding Ad Hoc Committee

- The general format of the TOR is appropriate and contains the key typical elements of composition, responsibilities, reporting relationships and meeting practices.

- The branding strategy for a Board that strives to operate in a strategy / policy / oversight role is typically developed by staff and then presented to the Board for approval. A Branding Ad Hoc Committee would only be appropriate if the Board believes greater input from the Trustees is required at a detailed level prior to the strategy being presented to the Board for consideration.

- The reporting relationship to staff and then onto the Board is appropriate since it is an operational consideration.

Fund Development Ad Hoc Committee

- The general format of the TOR is appropriate and contains the key typical elements of composition, responsibilities, reporting relationships and meeting practices.

- The fund development strategy for a Board that strives to operate in a strategy / policy / oversight role is typically developed by staff and then presented to the Board for approval. A Fund Development Ad Hoc Committee would only be appropriate if the Board believes greater input from

the Trustees is required at a detailed level prior to the strategy being presented to the Board for consideration or to support staff in implementing the strategy due to their influence and relationships.

- The reporting relationship to staff and then onto the Board is appropriate since it is an operational consideration.

Service Channel Frameworks Ad Hoc Committee

- The general format of the TOR is appropriate and contains the key typical elements of composition, responsibilities, reporting relationships and meeting practices.

- The service channel framework and strategy for a Board that strives to operate in a strategy / policy / oversight role is typically developed by staff and then presented to the Board for approval. A Service Channel Frameworks Ad Hoc Committee would only be appropriate if the Board believes greater input from the Trustees is required at a detailed level prior to the framework / strategy being presented to the Board for consideration.

- The reporting relationship to staff and then onto the Board is appropriate since it is an operational consideration.

Service Strategies Ad Hoc Committee

- The general format of the TOR is appropriate and contains the key typical elements of composition, responsibilities, reporting relationships and meeting practices.

- The service strategies for a Board that strives to operate in a strategy / policy / oversight role are typically developed by staff and then presented to the Board for approval. A Service Strategies Ad Hoc Committee would only be appropriate if the Board believes greater input from the Trustees is required at a detailed level prior to the strategies being presented to the Board for consideration.

- The reporting relationship to staff and then onto the Board is appropriate since it is an operational consideration.

Hours of Operation Ad Hoc Committee

- The general format of the TOR is appropriate and contains the key typical elements of composition, responsibilities, reporting relationships and meeting practices.

- The hours of operation policy for a Board that strives to operate in a strategy / policy / oversight role is typically developed by staff and then presented to the Board for approval. An Hours of Operation Ad Hoc Committee would only be appropriate if the Board believes greater input from the Trustees is required at a detailed level prior to the policy / strategies being presented to the Board for consideration.

- The reporting relationship to staff and then onto the Board is appropriate since it is an operational consideration.

Key Findings

1. The committee structure that focuses on operational considerations is confusing to Trustees, does not address traditional important governance related issues and is not in keeping with a Board that wishes to operate in a strategy / policy / oversight role.

2. The current orientation process is overwhelming to Trustee and much of the provided information is not effectively retained.

3. Ongoing Board development seems to focus primarily on library operational topics and is not well balanced with governance related education.

4. The current consent agenda process increases the likelihood that important topics that should be presented to the Board for information or discussion are not explored.

5. Staff appear to be completing much of the typical best practice governance related work, but that the processes, status, and related oversight information is not communicated to the Board in an effective manner.

Improvement Recommendations

The ratings and findings from the questionnaires, interviews and meeting observations suggest that while the current situation is deemed to be good, there are opportunities for improvement. Our sense of the most important actions that would enhance your organization's governance effectiveness are shown below in grouped categories.

Committees

1. Establish three standing committees of the Board composed of Trustees with traditional mandates:
   - Finance, Facilities and Risk
   - Governance
   - CEO Performance

2. Eliminate the current ad hoc operational committees in favour of:
   - Ensuring staff present their developing plans and potential policies at an early stage to obtain the guidance of the Board prior to finalizing their proposals to the Board.
   - Enlisting selected Trustees to assist staff on projects for which they are particularly well suited (e.g. fund raising).

Orientation and Continuing Education

3. Change the current orientation to a shorter session at the beginning of the new term to deal primarily with Board procedures and budgeting and then offer additional orientation sessions on key subjects in the following 6 months.

4. Task the new standing Governance and HR committee with providing guidance to staff on the continuing education topics that should be provided to the Board and Trustees.

5. Provide regular continuing education to Trustees in small groups on topics balanced between understanding library policies and operations with governance related issues.

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Meeting Processes

6. Structure the consent agenda to include only those topics that are not expected to require discussion or would not benefit the Trustees from a presentation or discussion.

7. Periodically include an agenda item for the Trustees to discuss how the Board is functioning and what changes might be appropriate for improvement.

Appendix 1 – Board Assessment by Trustees

Note - ratings range from 1 (Strongly Disagree) to 5 (Strongly Agree)

Rating Description and Values

Strongly Disagree = 1

Strongly Agree   = 5

Low=lowest rating; **High** = highest rating; **n**= number of responses

Mean Colour Coding
Less than 3.49
Between 3.5 and 3.99
Greater than or equal to 4.0

Question	Mean	Low	High	n
1. The legal responsibilities of the organization, including provincial and municipal laws are well understood and the organization is in compliance.	4.0	2	5	7
2. The Board / Trustees are committed to being accountable for the results of the organization.	4.4	3	5	7
3. Effective processes exists to ensure the Board and its Trustees fulfill their fiduciary responsibilities.	4.1	2	5	7
4. The Board ensures it properly reviews the organization's by-laws regularly.	3.7	2	5	7
5. The Board plays an appropriate role in establishing and/or updating the organization's mission, vision, and values.	4.4	4	5	7
6. The Board plays an appropriate role in contributing to the development and then approval of the strategic / corporate plan in keeping with its governance model.	4.1	2	5	7
7. The Board has implemented appropriate techniques to ensure the mission and vision are understood by and integrated into the actions of employees.	4.3	1	5	7
8. The Board adopts appropriate policies governing ethics and behaviour, and ensures these are effectively communicated, applied and results monitored.	3.6	1	5	7
9. The Board has adopted and properly applies comprehensive conflict of interest and code of conduct policies for itself and the organization.	3.7	2	5	7
10. The Board ensures the management team is responsive to developing issues for the organization.	4.0	2	5	7
11. The Board reviews and approves the financial plans of the organization prior to their implementation.	4.3	2	5	7

12. The Board obtains all the financial and other information it requires to understand and assess the condition and performance of the organization.	4.6	4	5	7
13. The Board is diligent in verifying the integrity of the organization's internal financial controls and management information systems.	4.3	2	5	7
14. The Trustees are sufficiently financially literate to effectively discharge their financial oversight responsibilities.	4.0	2	5	7
15. The Board approves the annual objectives of the organization, regularly evaluates actual performance, and takes appropriate action as warranted.	3.9	2	5	7
16. The Board uses an appropriately broad range of indicators to measure various aspects of the organization's performance.	4.1	3	5	7
17. The Board does a good job of evaluating the performance of the CEO by measuring results against objectives.	3.9	2	5	7
18. The Board provides regular feedback to the CEO concerning performance, and opportunities for improvement and development.	4.6	4	5	7
19. The Board effectively links CEO performance to compensation in a manner consistent with established policies.	4.1	2	5	7
20. The performance assessment process for the Board as a whole is effective and promotes continuous improvement.	3.9	1	5	7
21. The Board addresses shortcomings in its performance or that of management expeditiously.	3.9	2	5	7
22. The Board has adopted an appropriate risk management framework and process.	3.7	2	5	7
23. The Board systematically assesses the management of principle internal and external risks.	3.7	1	5	7
24. The organization has an effective risk mitigation program.	3.7	1	5	7
25. The Board systematically assesses the identification and management of key opportunities.	3.7	1	5	7
26. The Board or its Committees have an appropriate and effective role in succession planning for the CEO.	3.6	1	5	7
27. The Board or its Committees have an appropriate and effective role in succession planning for the Chair of the Board.	3.9	1	5	7

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28. The Board or its Committees have an appropriate and effective role in succession planning for the Trustees.	2.3	1	4	7
29. The orientation process for new Trustees adequately prepares them to fulfill their responsibilities.	2.7	1	4	7
30. The Board has an effective ongoing education program for the Trustees.	3.7	2	5	7
31. The Board plays an appropriate role in the succession planning process for senior management (other than the CEO).	4.0	2	5	7
32. The organization has an emergency contingency plan for its succession of the corporation's Officers.	4.0	3	5	6
33. The Board / Chair have adequate opportunities for effective communication with the City of Ottawa / Council.	3.8	3	4	6
34. The Board ensures a comprehensive and candid annual report is provided to the City of Ottawa / Council.	4.6	4	5	7
35. The Board has identified its key stakeholders or stakeholder groups and has defined communication strategies for each.	4.6	3	5	7
36. The Board and Management are clear on the communication tactics to be used in various circumstances and have identified the prime spokes person(s).	3.7	2	5	7
37. The Trustees are clear on their role, if any, in communicating on behalf of the corporation.	4.0	1	5	7
38. The Trustees demonstrate a clear understanding of, and respect for the respective roles of the Board and the CEO / Management.	4.0	2	5	7
39. The Board has specifically delegated authority levels, in writing, to the CEO.	4.4	4	5	7
40. The Board thinks and acts independently of, and is not unduly influenced by, management.	4.0	3	5	7
41. The Board generally excels in providing strategic leadership to the organization.	4.1	3	5	7
42. The Board addresses all of its responsibilities in an organized manner and schedules regular reviews of key issues in its annual calendar of meetings.	3.6	1	4	7
43. The roles and responsibilities of the Chair, Trustees, and Ad hoc working groups are well documented and understood.	4.0	2	5	7

44. The size of the Board is appropriate for its mandate.	4.1	2	5	7
45. The composition of the Board provides for an effective mix of representation, expertise, and experience.	4.3	4	5	7
46. The term of individual Trustees are well staggered to allow for orderly transitions of experienced vs. new Trustees.	4.0	2	5	7
47. The relationship between the Board and the CEO is appropriate and effective.	4.3	4	5	7
48. There is a high level of trust and respect among the Trustees.	4.3	3	5	7
49. There is a high level of trust and respect between the Trustees and Senior Management.	4.3	3	5	7
50. The Trustees have adequate opportunities to influence the structure and content of Board meeting agendas.	4.4	3	5	7
51. The number and length of Board meetings is appropriate.	3.6	2	5	7
52. Meetings are well attended and achieving quorum is not an issue.	4.0	3	5	7
53. Board meeting agendas are well structured and address an appropriate range of issues for consideration.	4.1	2	5	7
54. The amount and type of information received for Board meetings is appropriate, timely, and properly focuses discussion and decision-making.	4.1	3	5	7
55. Trustees arrive at Board meetings well prepared by having read the materials and are ready to address the issues on the agenda.	4.3	3	5	7
56. The Chair does an effective job of planning and running meetings, and leading the Board.	4.0	3	5	7
57. Management is candid and direct in responding to questions.	4.4	4	5	7
58. Management respond to Trustee requests for information in a reasonable time frame.	4.3	3	5	7
59. The Board's culture promotes candid communications and rigorous decision-making.	4.7	4	5	6

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60. All Trustees are appropriately involved in Board discussions.	4.0	2	5	7
61. The reporting of Committee work to the Board is done in an appropriate and effective manner	3.9	2	5	7
62. The Board is effective in following through on agenda items from previous meetings.	3.9	2	5	7
63. The Board speaks with one voice after a vote is taken.	4.3	4	5	6
64. The Trustees are able to effectively discharge their fiduciary duties to the OPL regardless of other positions they might hold.	4.0	3	5	6
65. There are sufficient opportunities for the Board to meet in-camera (without the public, the CEO and / or members of management).	4.3	4	5	7
66. The minutes of the Board meetings adequately capture all relevant issues, discussion, and decisions.	4.7	4	5	7
67. What is your overall rating of the effectiveness of the Board?	4.0	2	5	7

Comments and suggestions

Succession planning for the Board is done at the city level without input from returning trustees. There is no opportunity for a citizen trustee to become chair. With regard to in camera meetings, the topic determines participation of CEO/CL and OPL members.

Board succession planning - I am not aware of these plans so feel unable to comment on it. Regarding stakeholder communication, I think generally OPL is proactive however we continue to see some stakeholders regularly engaging with us and I would encourage us to continue considering how we can proactively anticipate their concerns or work collaboratively to address their concerns.

Many of the 68 questions are comprised of "and" statements which make it difficult to answer in a meaningful way. There is significant room for improvement in both how the Committees, Board and CEO work together.

Appendix 2 – Interview Questions

1. What things do you think the Board and its Trustees do particularly well?

2. How could the orientation process for new OPL Trustees be improved?

3. What continuing education opportunities, such as tours, presentations during meetings, industry webinars, etc., would be most helpful for you?

4. Do the Trustees ask for and receive the right information from management and if not, what kinds of things should they ask for, in your opinion?

5. Do the Trustees ask management the "right types" of questions?

6. Do the Trustees generally focus on strategy, policy, risk and objectives and leave operations to management in keeping with a Policy or Strategy Model of governance?

7. Is there any area or topic on which the Board should spend more time?

8. What ad hoc Committees do you sit on and do you believe ad hoc Committees are an effective extension of the role of the Board?

9. What suggestions might you have to make the "hybrid" model of meetings more effective?

10. What could the Board do differently to improve its governance and/or performance?

11. What have we not discussed that you think it would be important for me to know to provide the Board with the maximum benefit from this process?

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