

## **Executive Committee level governance of Fleet Forum (including the role and responsibilities of Executive Committee members).**

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### **Background**

Today, all non-profit organisations (NPO) must not only be well governed, but they must also be seen to be well governed. This is of critical importance if they are to successfully meet the challenges created by:

- Reduced funding from traditional sources, such as governments, corporations and private donors;
- Competition from other NPOs facing similar funding difficulties;
- An increased demand for services, a result of downloading or program cuts by governments;
- The need to manage more complex and sophisticated entities, as many NPOs grow in size and complexity;
- Heightened accountability and expectations on the part of an expanding number of stakeholders, who may have conflicting expectations for the NPO
- Rapid dissemination of information through social media, which can quickly affect the way an organization is perceived; and
- Difficulty in recruiting quality Executive Committee members, who may choose not to join the NPO's Executive Committee for reasons of time constraints or concerns about liability.

The media has often reported cases of NPOs that have suffered from poor management, an ineffective Executive Committee or both. However, the objective of good governance is not just to avoid embarrassing headlines. Governance deficiencies can damage an NPO's reputation, detract from its fundraising ability and hamper its ability to meet its objectives. Increasingly, governments and corporate and private funders are asking NPOs to provide information on their governance system in order to demonstrate that their donated monies are being well spent and used for the purposes they intended.

In summary, the objective of good governance is to ensure that the organization achieves its objectives by being able to put forth its best efforts to implement its strategies and make the best use of its resources.

## **Executive Committee Responsibilities**

The Fleet Forum Association (FF) Articles of Association defines the Executive Committees mandate and the components that provide descriptions of the Executive Committees:

- Responsibilities;
- Composition, including the size of the Executive Committee, how Executive Committee members are identified and criteria for Executive Committee membership and Executive Committee committees;
- Key processes, including the number of Executive Committee meetings, procedures for setting agendas, minutes;
- Evaluations, accountabilities and required reporting;
- The requirement to implement well-designed controls and information systems that enable management – and the Executive Committee – to evaluate operational effectiveness and efficiency, compliance with laws and regulations, and the reliability of management and financial information; and
- To be fully cognizant of Fleet Forum’s operating environment and its risks.

Once approved, the Executive Committee will publish its mandate, and ensure it is available to all members of the Executive Committee, management and other stakeholders.

Because operating environment in which FF works is dynamic, the Executive Committee should review its mandate annually in order to reassess its responsibilities and to ensure they are appropriate for the circumstances being faced.

## **Risk Management**

Although FF Management has the primary responsibility for assessing risk, the Executive Committee is responsible for overseeing the process management puts in place for identifying, assessing and mitigating risks to the organization.

The Executive Committee will ensure that management:

- Determines the specific risks that might arise as a consequence of the organization’s business model, strategy and operations, thereby identifying and prioritizing risks in the context of its unique characteristics and operating environment;
- Assesses the potential impact of each identified risk on the integrity of financial reporting, as well as on the organization’s strategy, operations and compliance activities;

- Aligns each risk with the organization's objectives for creating and preserving value, including specific processes or functional areas in which that risk may occur;
- Assigns responsibility for monitoring, responding to, and controlling each risk, or set of risks, to the appropriate individuals;
- Monitors and reports on changing risk conditions; and
- Establishes formal communication and escalation protocols regarding risk response, control performance, and changes to the organization's risk profile.

### **Strategy**

Executive Committee members have a responsibility to understand the key factors responsible for the organization's success. Particularly since one of the Executive Committee's primary responsibilities is to ensure that the organization has developed a strategy that aligns its mission with the short and long-term vision of its stakeholders.

In Fleet Forum strategic planning is a collaborative effort between the Executive Committee and management. The Executive Committee has a responsibility to satisfy itself that a planning process has been established for the organization, that the process is used to develop a strategic plan and that the plan is being implemented effectively.

The Executive Committee will also provide independent challenge of management's key objectives and assess whether our strategy is reasonable in relation to the risks involved, the resources required, and the benefits to be achieved.

Once the Executive Committee has approved management's plan, a process to monitor its implementation will be established, including the provision for amendments in response to changing circumstances. The Executive Committee must also be cognizant of the expectations of the stakeholders, which must be considered in the all Fleet Forum strategic planning.

### **Performance**

The Executive Committee must take an active role in reviewing the annual operating and financial plans designed to achieve our strategic objectives.

In its review of the organization's annual plans and the ongoing execution of them, the Executive Committee will ensure that the appropriate resources are being

applied to achieve the objectives, associated risks are being managed effectively, and that the organization is making progress towards achieving its annual goals.

The Executive Committee also has the responsibility to implement well-designed controls and information systems that enable management – and the Executive Committee – to evaluate operational effectiveness and efficiency, compliance with laws and regulations, and the reliability of management and financial information.

Through the completion of an annual self evaluation, the Executive Committee measures its own progress towards excellence in Governance.

### **Talent Management**

Since the Executive Committee delegates the task of running Fleet Forum to management, it is the Executive Committee's responsibility to ensure that the right Executive Director and management team are in place.

The Fleet Forum President of behalf of the Executive Committee will ensure that the expectations of the Executive Director are formally and clearly defined, including, but not limited to:

- The setting clear objectives;
- defining the Executive Director's responsibilities;
- setting out performance measures and targets;
- monitoring performance against those targets; and
- reviewing and determining the Executive Director's remuneration package.

### **Responsibilities of individual Executive Committee Members**

#### *President of the Executive Committee*

The President must possess all the traits and capabilities of a good Executive Committee member. In addition, the President is responsible for providing effective leadership in order to convey the Executive Committee's "vision" to both management and stakeholders.

In addition, the President of Fleet Forum has the responsibility to ensure:

- the Articles of Association and the Code of Conduct of Fleet Forum are upheld;
- suitable preparations and an agenda are made for Executive Committee meetings in collaboration with the Executive Director;

- Executive Committee meetings are convened and chaired in a timely and effective manner;
- monitoring and reporting to the Executive Committee on the performance of the Executive Director is completed;
- recommendations to the Executive Committee on the Executive Directors remuneration are made as applicable.

### *Fleet Forum Executive Committee members*

Fleet Forum Executive Committee members are expected to:

- Be accountable for their actions and those of the organization;
- Be aware of the operations of Fleet Forum;
- Provide their expertise willingly;
- Show assertiveness in questioning issues and in challenging management;
- Ensure their availability, in terms of their time, to attend meetings and help carry out the business of the Executive Committee,
- actively promote Fleet Forum and the organisations work; and
- be fully cognizant of Fleet Forum's operating environment and its risks.

### *Board Advisors to the Executive Committee*

The Fleet Forum Advisory Board's purpose is to provide a conduit for those organizations/individuals to advise and counsel Fleet Forum without taking a formal leadership role. The duties of the Advisory Board and therefore the expectations placed on Advisory Board members shall be the same as the Executive Committee members.