



**MERIDIAN HOUSING FOUNDATION  
2019 GOVERNANCE REVIEW RECOMMENDATIONS**

Enclosed is a summary of SAGE Analytics' recommendations. Notes from Meridian Housing Foundation's administrative team and Board of Directors are included.



## 7.4 Financial Reporting and Financial Practices

### 5. Financials

Financial practices involved the Board in operational matters for reviewing and “Authorizing” accounts payable invoices. This level of Board oversight is inconsistent with best practices. Internal controls are important, such as dual signatures on cheques; however, the financial policies and practices should be updated to ensure greater role clarity, segregation of duties, internal controls, and expedient payment of accounts.

**SAGE Recommendation:** Legislation does not require board approval of invoices but does require signatures of two persons authorized by the Board on cheques and negotiable instruments (MBOAR s.28). A signing authority matrix is recommended to easily summarize levels of delegated authority, responsibility and accountability for financial matters and contracts.

**ADMINISTRATION RECOMMENDATION:** The recommended matrix has been developed and added to BG 7.02 “Signing Authority” and was approved by the Board on September 30, 2019 at the special board meeting.

## 10.1 Document: Board Governance – Policies and Procedures, File No. 8.03

### 1. Parliamentary Authority

MHF has adopted Robert’s Rules of Order (RONR) for meeting procedures “Meetings of the Board follow Robert’s Rules of Order.” This policy does not refer to which edition of the parliamentary authority and does not account for special rules of order that the board may adopt.

**SAGE Recommendation:** Amend the policy to replace the RONR reference with the statement “The rules contained in the current edition of Robert’s Rules of Order Newly Revised shall govern the Board in all cases to which they are applicable and in which they are not inconsistent with rules of a higher rank and any special rules of order the Board may adopt.”

**ADMINISTRATION RECOMMENDATION:** The BG 8.03 “Board Meetings, Records and Minutes” policy has been updated with the recommended changes and was approved by the Board on September 30, 2019 at the special board meeting.

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## 2. Meeting Date & Location

The policy states that regular meetings will be held on the fourth Thursday of each month, at the Central office board room. Meeting minutes show that meetings were not always held at this time or location. Administration indicated that only one meeting was held on the fourth Thursday of the month so far this year.

**SAGE Recommendation:** Amend the policy to allow flexibility for meeting date changes with the consent of the board of directors.

**ADMINISTRATION RECOMMENDATION:** The BG 8.03 “Board Meeting, Records and Minutes” policy has been updated with the recommended changes and was approved by the Board on September 30, 2019 at the special board meeting.

## 3. “In-Camera”

The term “in-camera” is referenced in the policy. This term is outdated and not in accordance with RONR.

**SAGE Recommendation:** Amend the policy by striking out the term “in-camera” in and inserting the term “executive session” or “closed session.”

**ADMINISTRATION RECOMMENDATION:** The BG 8.03 “Board Meeting, Records and Minutes” policy has been updated with the recommended changes and was approved by the Board on September 30, 2019 at the special board meeting.

## 4. Quorum

The MHF is contemplating adding members to the Board. If there is a change in the number of board members, the policy would need to be updated to ensure that it is in compliance with the Regulation.

**SAGE Recommendation:** Amend the policy by striking out “three board members” and inserting “a majority.”

**ADMINISTRATION RECOMMENDATION:** The BG 8.03 “Board Meeting, Records and Minutes” policy has been updated with the recommended changes and was approved by the Board on September 30, 2019 at the special board meeting.

## **10.2 Document: Meeting Agenda Packages & Minutes**

### **1. Regular Financial statements**

The minutes reflected the acceptance of monthly unaudited financial statements. In accordance with RONR, when these unaudited reports are presented, they are considered “received” and require no action (motion) of acceptance (no endorsement).

**SAGE Recommendation:** That the Board take no action on the unaudited financial statements presented to the Board and that the report be reflected in the minutes as “Report received and filed”. That the Board *accepts* (endorses) only the annual, audited financial statements.

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

### **2. Organizational Meetings**

The annual organizational meeting minutes reflect nominations for the positions of chair and vice-chair; however, the minutes do not reflect an election to these positions by either a vote or acclamation.

**SAGE Recommendation:** That the Board use proper procedures for the election of chair and vice-chair; and that after the chair is elected/acclaimed, the minutes reflect who assumed the role of chair for the remainder of the meeting.

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

### **3. Appointment of auditor**

The organizational meeting minutes reflect the action of appointing the auditor. The annual organizational meeting is held months after the acceptance of the audited financial statements. Policy 8.11, states “The Board appoints an auditor annually following the presentation of the audited statements.” The actual practice and the policy could be more consistent.

**SAGE Recommendation:** That the Board comply with the policy of appointing the Auditor at the same meeting at which the audited financial statements are presented.

**ADMINISTRATION RECOMMENDATION:** BG Policy 8.11 “Appointment of Auditor” has been updated to reflect SAGE recommendation and was approved by the Board on September 30, 2019 at the special board meeting.

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## 4. Signature lines

Meeting minutes included signature lines; however, there is no indication on the document as to the date the minutes were approved.

**SAGE Recommendation:** Insert above the signature lines the statement and date of approval: “These minutes were approved on the \_\_\_ day of \_\_\_\_\_, 20\_\_.”

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

## 5. Standard Order of Business

Agendas and minutes reflect the inclusion of reports under the headings of Unfinished Business and New Business, rather than under a “Reports” section which is a more appropriate and proper use of headings.

**SAGE Recommendation:** That board meetings align with the RONR standard order of business as follows:

- 1) Approval of Minutes
- 2) Reports of Officers, Board, Standing Committees
- 3) Reports of Special Committees
- 4) Special Orders
- 5) Unfinished Business and General Orders
- 6) New Business

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

## 6. Reports

The minutes reflected the acceptance and/or approval of reports; however, a board should not act on a report unless it wishes to endorse every word such as for the organization’s published annual report. The minutes did not reflect whether accompanying written reports were presented and/or distributed.

**SAGE Recommendation:** That meeting minutes reflect that reports presented at the meeting as the action “Report received” and when the written documents are distributed as well, the minutes reflect the action as “Report received and filed.”

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

## 12.1 Governance

### 1. Board Composition:

**RESOLUTION # 020/2019**

**MOVED** by Councillor Chantal McKenzie that the management body shall be governed by a board comprised of a maximum of seven (7) members appointed as follows: each member municipality shall appoint one Elected Official and up to three (3) members of the board shall be appointed by the members of the board in the manner each determines appropriate.

**Carried Unanimously**

**SAGE Recommendation:** That the MHF continue with their application to seek Ministerial approval to expand the Board composition by including 3 public Board members; And that these public Board members be recruited based on qualifications; And that the voting rights for the public Board members exclude significant financial matters.

**ADMINISTRATION RECOMMENDATION:** will continue to move forward with the motion and will submit to AB Seniors & Housing for Ministerial approval.

### 2. Governance Structure

**SAGE Recommendation:** That the MHF maintain the existing governance structure as a management body, operating under the authority of the *Alberta Housing Act*.

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

### 3. Partnerships

**SAGE Recommendation:** That the MHF explore options for strategic project partnerships.

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

### 4. Board Meeting Protocols

**SAGE Recommendation:** That the MHF consider the various recommendations in improve Board meeting procedures as provided in the Board Meeting Protocol section of this report.

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendations.

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### 5. Strategy

**SAGE Recommendation:** That the MHF ensure that a clear connection exists between key planning documents: Strategic plan, business plan, project plans, and budget.

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

### 6. Communications

**SAGE Recommendation:** That the MHF propose an annual collaborative strategy session for all the member municipalities to determine shared objectives, needs and expectations; And to foster solutions-focused reciprocal dialogue among key stakeholders.

**ADMINISTRATION RECOMMENDATION:** That Meridian Housing Foundation coordinate a collaborative strategy session for all the member municipalities in the 1<sup>st</sup> quarter of 2020.

## 12.2 Financial

### 1. Financial Reports

**SAGE Recommendation:** That high-level, consolidated and summarized financial reports be provided to the Board to show the financial impact of MHF’s strategic direction so Board members can ensure that the organization’s resources can sufficiently accomplish future plans.

That a budget to actual report be provided for the full year (currently provided for 11 months).

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation of presenting high level financial reporting.

### 2. Project Planning:

**SAGE Recommendation:** That financial information for project planning is presented under GAAP whenever possible.

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

### 3. Financial Policies

**SAGE Recommendation:** That the signing authority policy be updated to include a signing authority matrix describing the levels of authority, accountability and responsibility.

**ADMINISTRATION RECOMMENDATION:** A signing authority matrix has been created and added as an attachment to BG 7.02 “Signing Authority” and was approved by the Board on September 30, 2019 at the special board meeting.

### 4. Budgeting

**SAGE Recommendation:** That the MHF approve a capital budget in addition to the operating budget for each year. That business plan components are reflected in the annual budget.

**ADMINISTRATION RECOMMENDATION:** has taken note and will proceed with the recommendation.

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### 5. Unrestricted Net Assets

**SAGE Recommendation:** That the MHF develop a strategy to strengthen the financial position of the organization, including achieving an eventual surplus in the unrestricted net assets account.

**ADMINISTRATION RECOMMENDATION:** Meridian Housing Foundation is audited annually by an independent accounting firm with no concerns brought forward regarding the financial position of the organization.

### 6. Capital Campaign ToR

**SAGE Recommendation:** That the terms of reference for the capital campaign committee include a reference to the MHF fundraising policy, and internal controls.

**ADMINISTRATION RECOMMENDATION:** Has completed and submitted a final draft of the Terms of Reference for Board approval which was approved by the Board on September 30, 2019 at the special board meeting.

### 7. Investment Income

**SAGE Recommendation:** That investment interest rates be reviewed periodically to ensure that the organization is maximizing investment income from cash assets.

**ADMINISTRATION RECOMMENDATION:** Meridian Housing Foundation has reviewed and confirmed that we are getting the best possible interest rate for all investments.

### 8. Equalization Assessment

**SAGE Recommendation:** That the MHF engage the member municipalities to explore advantages and disadvantages of alternate requisition percentage options other than the default requisition formula that is proportionately based on equalized assessment.

**BOARD RECOMMENDATION:** The Board is supportive of municipalities exploring advantages and disadvantages of alternate requisition percentage options.