



Prescription Drug Affordability Board
Governance Capacity Building Project – Policy Development



Governance is:

“Governance exists in order to translate the wishes of an organization’s owners into organizational performance.”

– *Dr. John Carver*

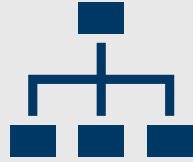
“Governance is the coming together of a group of elected or appointed individuals to act as one for the purpose of guiding the organization of which they hold trusteeship toward the accomplishment of its ends, while establishing appropriate boundaries for accountability.”

– *attributed to Dr. John Carver*

Three unique ways in which governing boards add value to organizations



Proactively
engaging with
those they
represent to be
fully accountable.



Crafting policies to
guide the
organization's
behavior and
decisions as well as
that of the governing
board itself.



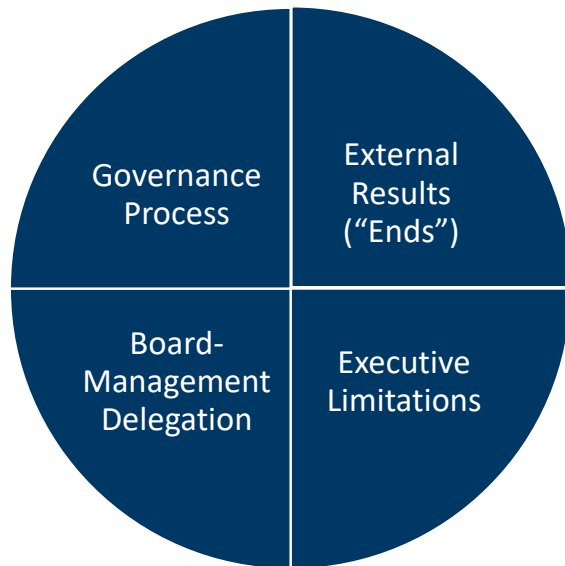
Monitoring that the
organization and governing
board comply with their
policies.

Craft governing policies to guide behavior and decisions

By-laws are the foundational rules necessary to operate as a governing body.

A **policy** sets high-level expectations for behavior or results.

A **procedure** focuses on how to accomplish a policy, whether at the governing or administrative level.



Policy Development – set the administrative playing field

Ends policies

These policies define the external results the organization is to achieve, who the recipients of the results are, and how much the organization will extend in resources to secure those results.

There is no template for Ends policies. We will start from scratch (and your statutory requirements!) to develop your policies.

Executive Limitation policies

These policies define the constraints on executive authority that establish the prudence and ethical boundaries within which all executive activity and decisions must take place.

- Global Executive Constraint
- Protection of Proprietary Information
- Treatment of External Organizations, Agencies, and Community Group Stakeholders
- Emergency Executive Director Succession
- Ongoing Organizational Financial Health
- Financial Planning and Budgeting
- Asset Protection
- Treatment of Staff
- Employment Practices
- Others as determined necessary

Policy Development – Define relationships and operating agreements

Board-Executive Director Delegation policies

These policies define how authority is given to the Executive Director and organizational performance is monitored.

- Global Governance – Executive Director Linkage
- Unity of Control
- Accountability of the Executive Director
- Delegation to the Executive Director
- Monitoring Executive Director Performance

Governance Process policies

These policies define the board's governing approach, output, and various logistical concerns.

- Global Governance Commitment
- Governing Style
- Governing Board's Job Products
- Annual Governance Planning
- Chairperson's Role
- Member Code of Conduct
- Governing Committee Principles
- Governing Committee Structure
- Governance Investment

Plan for your policy development initiative

- Stacy produces draft policies in batches, sometimes with additional expert assistance.
- Drafts sent to policy development **work group** 2 weeks before board meeting for their individual review.
- **Work group** meets to finalize the policy batch before Vernon includes them in the board meeting packet.
- **Board members are** encouraged to review policy drafts prior to meeting and come to the meeting with clarifying questions.
- The work group leads board through review discussion.
- **Individual Board members have 1 week following meeting to provide more specific feedback. Send feedback directly to Vernon.**
- All policies will be approved in one batch in June.
- Policies will be activated starting July 1, 2026. Compliance monitoring commences at the following meeting.