


Global Executive Constraint Monitoring Report

Service Committee: January 3, 2023

Board Meeting: January 19, 2023

INFORMATION TYPE:
Decision
RECOMMENDED ACTION:
That the Board review this monitoring report and consider accepting it as (B), in compliance, except for items noted.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
The Board monitored organizational performance through set executive limitations in FY 2022.
ISSUE SUMMARY:
<p>All scheduled monitoring reports for FY22 were submitted to the Board for review and their results are provided in the evidence section of this monitoring report.</p> <p>I certify that the information in this report is true and complete to the best of my ability, and I request that the Board accept this as indicating an acceptable level of compliance.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="text-align: center;"> <p>CEO's Signature</p>  </div> <div style="text-align: center;"> <p>Date</p> <p>12/16/2022</p> </div> </div>
BACKGROUND:
Executive limitation policies limit the unilateral authority of the CEO and address what the Board values as imprudent or unethical conditions or actions. Although sections and subsections are numbered, the numbering is not intended to indicate the importance or weight of the underlying section, unless otherwise stated.
ATTACHMENTS:
Global executive constraint monitoring report.

Preliminary CEO Interpretations and Evidence

POLICY 2.0

The CEO shall not cause, allow, or fail to address any practice, activity, decision, or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business practices or professional ethics.

Degree of Compliance: Partially compliant

Interpretation

Compliance with this policy will be demonstrated when the board reviews all monitoring reports for executive limitations in the specified monitoring period, finds the interpretations reasonable, evidence verifiable and accepts them at level A (In Compliance). This is reasonable because total compliance with set limitations demonstrates prudent, lawful, and ethical organizational performance as defined in Board policies (2.1 to 2.11).

Evidence

A review of Board packets (Njuki 12/15/22) confirm the following:

	Scheduled for FY22?	Policy monitored?	Level of compliance accepted by Board	Notes
2.1 Treatment of The Traveling Public	Yes	Yes	B. Is in compliance except for items noted.	.
2.2 Treatment of Staff	Yes	Yes	B. Is in compliance except for items noted.	
2.3 Compensation & Benefits	Yes	Yes	A: Is in compliance	
2.4 Financial Planning/ Budgeting	Yes	Yes	A: Is in compliance	
2.5 Financial Condition & Activities	Yes	Yes	B. Is in compliance except for items noted	
2.5.12 Fares	Yes	Yes	B. Is in compliance except for items noted	
2.6 Cash & Investments (July -Dec 20)	Yes	Yes	A: Is in compliance	
2.6 Cash & Investments (Jan -June 2021)	Yes	Yes	A: Is in compliance	
2.7 Asset Protection	Yes	Yes	B. Is in compliance except for items noted	
2.8 Emergency CEO Succession	Yes	Yes	A: Is in compliance	
2.9 External Relationship	Yes	Yes	A: Is in compliance	
2.10 Communication & Support To The Board	Yes	Yes	B. Is in compliance except for items noted	
2.11 Construction	Yes	Yes	D: Cannot be determined	There was no construction in FY22 therefore no evidence to report

All monitored reports are available [online here.](#)

Compliance timeline: Compliance with this policy will be achieved when all the policies above are compliant. A compliance timeline has been provided in the monitoring reports where the acceptance level is at level B and below.

Policy trendlines				
This policy was accepted at a level B (Is in compliance, except for items noted) in FY 20 and 21. It was provided to the Board in FY22 but not monitored.				
The acceptance level for FY23 is preliminary, a final decision will be made by the Board after reviewing this policy report				
Policy	FY 20	FY 21	FY 22	FY 23
2.0				

LEGEND	
	Policy is partially compliant
	Policy not monitored

Guidance on Determining “Reasonableness” of CEO Interpretations

The International Policy Governance Association has developed the following guidance for Board members to use in deciding whether a CEO’s interpretation is “reasonable”:

An interpretation is deemed to be reasonable when it provides an operational definition which includes defensible measures and standard(s) against which policy achievement can be assessed...

Defensible measures and standards are those that:

- *Are objectively verifiable (e.g., through research, testing, and/or credible confirmation of observable phenomena.)*
- *Are relevant and conceptually aligned with the policy criteria and the board’s policy set.*
- *Represent an appropriate level of fulfillment within the scope of the policy.*

- “What makes an Interpretation Reasonable and What are the Expectations for the Operational Definition: Policy Governance Consistency Framework Report Number 2”. International Policy Governance Association. June 11, 2016. Available on the IPGA website.

Board’s conclusion on monitoring report

The Board has received and reviewed the CEO’s Monitoring Report references above. Following the Board’s review and discussion with the CEO, the Board makes the following conclusions:

The Board finds that the CEO:

- A. Is in compliance
- B. Is in compliance, except for item(s) noted.
- C. **Is making reasonable progress toward compliance.**
- D. Is *not* in compliance or is *not* making reasonable progress toward compliance
- E. Cannot be determined.

Board notes: (If applicable)

The Board found the CEO is (C) making reasonable progress toward compliance.