



International Policy Governance Association

The Voice for Excellence in Owner-Accountable, Effective Governance

2016-2017
IPGA Board of Directors Annual Report

Policy Governance® is an internationally registered service mark of John Carver. Used with permission. The authoritative website for Policy Governance is www.carvergovernance.com.

Organizational Information

About the Association

The International Policy Governance Association (IPGA) was incorporated in New York State on March 12, 2001 as a 501(c)(3) not for profit organization and officially launched in Toronto, Ontario, Canada on June 22, 2001. This year (20157) marks the Association's sixteenth full year of operation.

Administrative Address

5300 Lakewood Road
Whitehall, Michigan 49461 USA
USA Tel: +734-239-8002
Fax: +248 814 7151
Skype: mpalmer.treeline

Website

<http://www.policygovernanceassociation.org/>

Legal Address

5300 Lakewood Road
Whitehall, Michigan 49461 USA

2016-2017 Board members

Rose Mercier (Second Term Expiring 7/2018)

Email: rose@governancecoach.com

Chief Governance Officer

Hartger Wassink (First Term Expiring 7/2017)

Email: post@hartgerwassink.nl

Anne Dalton (Second Term Expiring 7/2019)

Email: adalton@ajli.org

Board Secretary

John Bohley (Second Term Expiring 7/2017)

Email: jpbohley@gmail.com

Joseph Inskeep (Second Term Expiring 7/2019)

Email: joseph.inskeep@gmail.com

Kay Stevens (First Term Expiring 7/2018)

Email: kstevens@wisconsinyouthcompany.org

Cam Brinsdon (First Term Expiring 7/2017)
Email: cam@boardclarity.co.nz
(Resigned March 2017)

This board benefits from representation from the USA, Canada, Holland, UK and New Zealand.

Biographies of all our board members are on the IPGA website.

List of Board Meetings

July 12, 2016	December 13, 2016	April 4, 2017 (extra)
August 9, 2016	January 10, 2017	April 11, 2017
September 13, 2016	February 14, 2017	May 1, 2017 (extra)
October 11, 2016	March 14, 2017	May 9, 2017
November 8, 2016	March 24, 2017 (extra)	June 13, 2017 (extra)
		June 22, 2017

Chief Executive Officer

Caroline Oliver (June 22, 2013 to current)
Email: ceo@policygovernanceassociation.org
Phone: + 44 (0) 7766 273 837
Skype: dawbarn

Leadership Teams

IPGA is immensely grateful for the immense contributions of all its volunteers. It is these contributions that are helping to grow our vision and keep it alive. It is impossible to acknowledge the huge variety of those contributions but much of that work can be seen below.

IPGA'S LEADERSHIP TEAMS - as at June 2017	
<p>Strategic Leadership Team This is IPGA's core Leadership Team. This year it has focussed on repositioning IPGA to fulfil its new Ends. We have been very grateful for the help of Toufic Hakim, Eve Wenger and Kathy Wiener of Group i & i.</p>	<p>Leadership Team coordinators - see below, plus: Caroline Oliver Michael Palmer Kathy Wiener (Team Coordinator)</p>
<p>Engine Room This is IPGA's core Administrative Team which, with the help of IPGA's Managing Director, Michael Palmer, and his association management team at Treeline Associates, ensures that all core functions are being performed including supporting the efficient functioning of all the IPGA Leadership Teams in fulfillment of IPGA's Ends.</p>	<p>Athens Kolas Caroline Oliver (Team Coordinator) Michael Palmer Kathy Wiener</p>
<p>Marketing Team Responsible for developing new marketing strategies for encouraging engagement with IPGA and its activities.</p>	<p>Athens Kolas Susan Mogensen Caroline Oliver Michael Palmer (Team Coordinator) John Williams</p>
<p>Conference Planning Team Advising IPGA's CEO on all aspects of the development and promotion of IPGA's Annual Conference.</p>	<p>Richard (Dick) Biery John Bohley Richard Biery A J Crabill (Chair) Athens Kolas, Pat McCarver, Janice Melanson Rose Mercier Jannice Moore Caroline Oliver Michael Palmer Kathy Wiener</p>
<p>Consistency Framework Committee Advising IPGA's CEO in order to support IPGA members having access to consistent and accurate information about the Policy Governance system.</p>	<p>Eric Craymer (Chair) Karen Fryday-Field Caroline Oliver Linda Stier Richard Stringham</p> <p><i>Advisory Group:</i> Richard (Dick) Biery</p>

	<p>Cam Brinsdon Bill Charney Jannice Moore Hartger Wassink</p>
<p>Consultants' Forum Planning Team Advising IPGA's CEO on all aspects of the development and promotion of IPGA's Consultants' Forums.</p>	<p>Andrew Bergen Richard (Dick) Biery Simon Canning Joseph Inskeep Rose Mercier Caroline Oliver (Team Leader) Michael Palmer</p>
<p>Demonstrated Impact Team Developing short and long-range research proposals to substantiate the difference that Policy Governance and other advanced governance systems make.</p>	<p>Sabirah Ariffin Richard (Dick) Biery Dolores Blueford Karen Fryday-Field (Chair) Sherry Jennings Kay Stevens Richard Taylor Kathy Weiner</p>
<p>Knowledge Team</p>	<p>Richard (Dick) Biery (Team Leader) Robert Ballantyne Toufic Hakim Joseph Inskeep Athens Kolas John Trewolla Ray Tooley Kathy Weiner</p>
<p>Professional Education Committee</p>	<p>John Bohley Cam Brinsdon Vicki Hawarden Caroline Oliver Rose Mercier (current Team Leader) Hartger Wassink (outgoing Team Leader)</p>
<p>PGP First Cohort Tutors</p>	<p>Caroline Oliver – Program Director Hartger Wassink – Moodle Manager Richard Stringham – Unit 1 Karen Fryday-Field – Unit 2 Eric Craymer – Unit 3 Susan Mogensen – Unit 4 Jannice Moore – Unit 5 Phil Graybeal – Unit 6 Susan Rogers – Unit 6</p>
<p>PGP Final Exam Team</p>	<p>John Bohley Caroline Oliver Richard Stringham Hartger Wassink (Team Leader)</p>

<p>Resource Development Team Building IPGA's future business model as a unique value provider and looking at short and long-term revenue sources.</p>	<p>John Bohley Toufic Hakim Joseph Inskeep (Team Leader) Athens Kolias Kathy Wiener</p>
<p>Social Media Team Managing the Policy Governors' Practitioners discussion group on LinkedIn (which is independent of IPGA) and advising IPGA's CEO on social media development issues including increasing use of IPGA's website.</p>	<p>Richard Baker Susan Mogensen Caroline Oliver Hartger Wassink (Team Leader) Jim Steele (Advisor)</p>
<p>International Young Governance Professionals</p>	<p>Lindsay Falt and colleagues</p>
<p>Hubs These are IPGA's Special Interest Groups used for networking and mutual learning.</p>	<p>Hubs Manager: Athens Kolias</p> <p>Hubs Leaders: Faith Based Organizations – Ted Hull Simplifying Policy Governance – Richard Stringham Education Organizations – Caroline Oliver Board Administrators – Shelley Farouse New to Consulting – John Bohley</p>

IPGA Board of Directors 2017 Annual Report to Members

Greetings from your Board of Directors. We are pleased to serve on your behalf in this future-inspired, Ends-oriented, hard working little jewel of a 5013 (C)(3) dedicated to governance excellence.

A great deal has happened since our last AGM in Toronto. The past year has been a particularly busy one for the IPGA, for the board but especially for our CEO and a wonderful group of committed members whose energy has proven indispensable in bringing IPGA forward. This report has been produced by the board but encompasses not only our own work but the day to day work of the organization as delegated in our Ends and Executive Limitations policies.

Over the past year, CEO Caroline Oliver and IPGA contributors worked to realize the new Ends focus formulated by the Board the prior year. An important new initiative related to our Global End (*worldwide benefit*) and to End 1.2 (*equipped to effectively use the Policy Governance system*) is the Policy Governance Proficiency Program (PGP). PGP provides a rigorous, web-based education for those who want to play a leadership role in the application of Policy Governance. The program is globally available and externally accredited to ensure quality and consistency.

The first cohort of fourteen participants began the inaugural online session on October 1, 2016. This June, following completion of seven modules, nine participants graduated, with another likely soon. The Board cheers this group's pioneering accomplishments and gratefully applauds the extraordinary contributions of our CEO (serving as program director) and her team of tutors and volunteers who together made this program possible.

IPGA's other key learning programs were also successful. Both this and last year's annual conferences, with their full roster of learning modules, were well attended and well reviewed. Two Consultant Forums were held during the year - a video-conference forum focused on Culture in September 2016 and a face-to-face forum on the subject of Ownership in Las Vegas this past February.

Our special interest group Hubs have been growing and providing highly valued networking and mutual learning, our CEO has been playing the role of primary governance expert in the development of the BSI proposal for an ISO on governance of organizations, the Demonstrated Impact Team have been conducting interviews for their research and our website has been further upgraded (although there is still much to do).

In order to better understand the governance marketplace, this past year the board reviewed three alternative governance models: the British Standard on Effective Governance of Organizations (BSI 135000), Coherent Governance, and Governance Excellence. This process reinforced our view that Policy Governance is indeed the best system currently available. The three other models were based on or heavily influenced by Policy Governance (the authors of two

acknowledge such). The exercise also highlighted the variety of ways that core Policy Governance principles are reflected in much of the current governance literature and being applied although not always acknowledged.

The Board also continued working on the outlines of a strategy for IPGA's future. We focused on two major threats to IPGA's existence:

- The shrinking pool of prospective IPGA Board members, the result of decreased participation in the Carver's Academy over the years and its discontinuation in 2015. As many readers will know, the Carvers require that all IPGA board members be Academy trained.
- Our dependency on the Annual Conference for financial sustainability.

The PGP program is an important initiative intended to address both concerns. The Board hopes, over time, to be able to recruit new board members from the graduates of the PGP program. However, this would require a Bylaw change, which would impact IPGA's use of the Policy Governance® service mark.

In January 2017, the board entered into discussions with the Carvers about concerns they said put our use of the service mark at grave risk. Most of these concerns involved the PGP program. The Carvers required us to meet the following demands by a set deadline:

- 1) Terminate the professional certification we were planning to award program participants.
- 2) Publicly recognise that "Certification of professional status is the exclusive prerogative of the holder of the PG service mark/Authoritative Source". *[Note: The Carver's website reads "Currently there is no certification available, though the International Policy Governance Association contemplates creating one in the future".]*
- 3) Eliminate the suggestion that our program is of an advanced/consultant training level.
- 4) Clearly state that the program is not a replacement of or alternative to the Academy.
- 5) Reflect all the above on the IPGA website and in all other relevant materials.
- 6) Provide board policies compelling the above for the future.
- 7) Continue to require the Academy as mandatory training for IPGA board members.

Our discussions with the Carvers were challenging for a variety of reasons. First, IPGA's sustainability is at risk due to a diminishing number of potential board candidates. With the Academy not currently being offered and no timeline as to when it may again be scheduled, no new candidates will be coming. Secondly, without the Academy our PGP program is the only robust training offered in Policy Governance. We do want the world to have access to advanced training in Policy Governance, we do want people from all over the globe to have access to it online, and we want our leadership to evolve from this educated, international pool.

But these seven issues were important to the Carvers and they were unwilling to negotiate on any of the points. The conversations were both challenging and illuminating for us. Because of our long ties with the Carvers and our commitment to Policy Governance, we dedicated extra time to board meetings and ownership linkage, and we sought legal advice on several occasions.

Discussions with the Carvers concluded in April, when we agreed to their requirements. The name of the PGP Program was changed to the Policy Governance Proficiency Program. The word "proficiency" was suggested as an acceptable replacement for the word

"professional." With the above requirements met, the Carvers were accepting of IPGA's providing a certificate of successful program completion.

Under these deadline constraints, the board complied with all requirements set by the Carvers. Over the long term however, in order to remain sustainable at all, let alone successful in terms of our vision and Ends, the board and leadership firmly believe that IPGA probably needs to be a fully self-determining organization.

We need to be able to develop our educational offerings so that increasing numbers of people from around the globe get access to high-level governance training. Secondly, we need to find a solution for the decreasing pool of future IPGA Board members. Both issues have service mark implications, and we are committed to operating without risk of violating service mark requirements.

We fully support the use of the Policy Governance service mark as it was originally publicly described: i.e. as a tool to ensure the integrity of the Policy Governance system. However, to the extent that use of the service mark now constrains our ability to design programs and train our leadership, the Board is concerned it may not be possible for IPGA to continue to use it.

In our view, IPGA is now at a critical crossroads in its history and needs to make important decisions related to its name and loss of service mark. The Board is considering and will present a proposal to change the name of the Association and resign the use of the Policy Governance service mark. We will discuss this proposal with the membership during the upcoming AGM in San Diego.

It is our strong hope that throughout this process and beyond we will continue to have a cordial and constructive relationship with the Carvers. We recognize the immense contributions that John and Miriam Carver have made to effective owner-accountable governance through the development, refinement, and teaching of the Policy Governance model. We will continue to appreciate any consultative assistance they can provide in support of our efforts to preserve Policy Governance model consistency in all our endeavors.

This is not an easy step to contemplate. As stated above, we have given it considerable time, and sought much advice and input from members. During the AGM, we will discuss our proposal and present more background material to explain our recommendation. We will also have informed the Carvers of our current and planned future consultations. In the limited time available for our AGM meeting, we look forward to your questions and comments. and we will also be seeking further input following the AGM before making our final decisions.

During these challenging last months, the board has been inspired by, and most appreciative of, our CEO and IPGA leaders, who along with Michael Palmer and his team at Treeline, have been relentless in carrying the PGP program forward and preparing for our Annual Conference. While grappling along with us on the big questions, they have also kept their eye on our immediate needs.

In closing this section, we want to restate points made in last year's Board report. We know that IPGA brings unique value to the world. It is the only mechanism for connecting all users of Policy Governance and all Policy Governance consultants in learning communities. It is the only source that produces credible evidence that Policy Governance works. IPGA is the only provider of a globally available, high level, accredited education program in Policy Governance.

Although these are uncertain times, we firmly believe that being accountable for our own future is the best way forward. We see success in the first run of the PGP program, in the continued attraction to our Annual Conference of people who are totally new to Policy Governance, and in the supportive comments received during ownership consultations.

By whatever name we are to be known, we will keep our commitment to owner-accountable, integrated and principled governance, and to make governance a force for good in the world. We look forward to working with each of you to that End.

What follows below will report on the following areas:

1. Policy development
2. Assurance of performance
3. Model consistency
4. CEO tenure and IPGA sustainability
5. Board Succession

Policy Development

The board is in the third year of a three-year schedule for monitoring and content review of Governance Process and Governance-Management Connection policies. This past year we completed monitoring and content review of the following:

GP 2.4	CGO Role
GP 2.5	Secretary's Role
GP 2.6	Code of Conduct
GP 2.2	Board Job Description
GP 2.1.5	Fulfillment of Commitments
GP 2.8	Cost of Governance
GP 2.7	Board Committee Principles
GP 2.13	Board Committee Structure
GP 2.10	Governance Evaluation
GP 2.1	Governing Style

There were no changes to the policy content with the exception of the following: GP 2.5 Secretary's Role (related to Secretary's accountability for integrity of board documents); 2.6 Board members' Code of Conduct (where we eliminated duplications in policies and revised policies related to Conflict of Interest); elimination of 2.13.1 Awards Committee. While not part of a scheduled content review, the Board amended its policy 2.11 Linkage with the Authoritative Source to reflect the current approach to this linkage.

This year, the board will start a new three-year cycle. The current version of the board's policies are available on the IPGA website.

Assurance of Performance

The board has continued regular assessment of CEO performance through monitoring reports that followed the schedule in our policies. In some instances, monitoring had to be deferred due to enormous challenges for the CEO related to the PGP program and complying with the Carver requirements. This has led to some instances of monitoring by direct inspection by the board. The board continued its practice of conducting regular meeting evaluations and discussing them briefly at the start of the subsequent meeting. We continued to refine our meeting practices so that the majority of our time was spent on those issues relevant to future sustainability.

During the year, Hartger Wassink began replacing Rose Mercier as acting board chair, in preparation for formally taking over the role as chair as of July 2017.

Policy Governance Consistency

The Board continued to work on refining its model consistent application of the Policy Governance principles. In this process the Consistency Framework committee plays a crucial role. In the past year, they have produced a white paper on the definition of any reasonable interpretation ownership, and started to work on refining ownership and the 'at what worth' clause in Ends policies.

CEO tenure and IPGA sustainability

Caroline Oliver has now generously served four consecutive years in the CEO position for which the board is incredibly thankful. Caroline's contributions in the past year have been extraordinary. In addition to leveraging the work of the leadership team, enrolling many knowledgeable and talented contributors, Caroline launched the successful first year of the organization's certificate program. She also invested enormous time and energy through the past few months as the IPGA navigated its recent turmoil. We are deeply thankful for her commitment. We are very pleased that she has (retroactively) extended her contract until 2018. Again this year, we acknowledge the significant contributions that Michael Palmer and the team at Treeline Associates have made in advising and supporting the organization.

We are confident that CEO and leadership team efforts to diversify the activities and leadership base of the association, combined with the efficient and committed support of Treeline Associates have set us on a realistic track to become an increasingly sustainable organization.

Board Succession

The first term of Hartger Wassink ends as of July 1, 2017. He has agreed to stand for a second term. John Bohley's second term ends this year (the limit of his tenure as director). We have appreciated his energy, attention to detail and exemplary contributions to the board – he will be

missed! Cam Brinsdon whose first term would have ended this year resigned for personal reasons in late April. While we missed his thoughtful approach on the board, he continues to contribute to the organization on CEO committees.

We have two excellent nominations for the upcoming year in David Gray (New Zealand) and Ray Tooley (Canada). We appreciate their willingness to join the board and contribute to what will be an important year in the organization's history.

And we each look forward to serving on your behalf.

A handwritten signature in black ink, appearing to read "Rose Mercier". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Rose Mercier

For the IPGA Board of Directors,

Please see our financial statements attached.