

Client Agency Policy & Operations Manual

SECTION: 30 Management and Fiduciary Operations

NUMBER: SCS-30-010

TITLE: Board or Commission Member Guidelines

EFFECTIVE DATE: 5-6-02

APPROVED: Signature on file in State Controller's Division

PURPOSE and/or RESULTS DESIRED: To provide SCS Client Agency Board and Commission members with operational expectations for exercising reasonable due diligence in the performance of their management and fiduciary obligations.

AUTHORITY: [ORS 291.015](#) Fiscal responsibilities of department; delegation of fiscal functions.

APPLICABILITY: Client agencies assigned and/or contracting for accounting, budgeting, and financial reporting services with the State Controller's Division, DAS.

POLICY: Board and Commission members of agencies assigned and/or contracting for accounting, budgeting, and financial reporting services with the State Controller's Division of the Department of Administrative Services must recognize they are part of the governance structure of state government and should exercise reasonable due diligence in the performance of their management and fiduciary obligations.

GUIDELINES:

- I. A board/commission member must at all times act honestly in performing the functions of his or her office.
- II. A board/commission member must at all times exercise a reasonable degree of care and diligence in performing a member's functions, and in furtherance of this duty without limiting its scope, must:
 - A. Take reasonable steps to inform himself or herself about the institution, it's business and activities, it's financial condition and affairs, it's business risk and control mechanisms, and the circumstances in which it operates;
 - B. Take reasonable steps, through the processes of the board/commission, to obtain sufficient information and advice about all matters to be decided by the board/commission to enable him or her to make conscientious and informed decisions; and
 - C. Exercise appropriate judgment with respect to all matters to be decided by the board/commission.

- III. A board/commission member is required to exercise reasonable diligence in relation to:
 - A. The business of the board/commission; and
 - B. Preparation for and attendance at meetings of the board/commission and any committee to which the board/commission member is appointed; and
 - C. Participation in making or approving board/commission business decisions and transactions.
- IV. In determining the degree of care and diligence required to be exercised by a board/commission member, consideration must be given to the skills, knowledge or insight possessed by that member, and to the degree of risk involved in any particular circumstance.
- V. A board/commission member, or former board/commission member, must not make improper use of his or her position as a member or of information acquired by virtue of his or her position as a member to directly or indirectly benefit himself or herself or any other person, or to prejudice the institution.
- VI. This guideline must be interpreted as adding to, and not deviating from, any law relating to the criminal or civil liability of a member of a state board or commission and it does not prevent any criminal or civil proceedings being instituted in respect of such a liability.

PROCEDURES:

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Client Agency Head	Review this policy with and provide copies to each Client Agency Board and Commission member.
2.	Board/Commission Member	Review this policy with Client Agency Head.
3.	Client Agency Head	Develop, document, and publish board and commission operating policies and procedures that engage and enable agency board and commission members to faithfully execute their management and fiduciary board and commission member obligations.
4.	Client Agency Head	Execute board and commission operating policies and procedures in an accountable and responsible manner.
5.	Board/Commission Member	Hold Client Agency Head accountable and responsible for effectively managing board and commission member information flows, operating policies and procedures, and assisting board and commission members in carrying out their due diligence obligations.