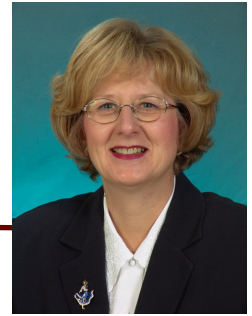


What is the DIFFERENCE between a dependent board, an interdependent board and a independent board?



by Brenda Kelleher-Flight Ph.D.

The following tables describe the characteristics of independent, interdependent and dependent boards:



Characteristics	Type of Board		
	Dependent	Interdependent	Independent
Mandate	Given by legal owner. Board cannot adjust or modify	Designed by legal owner. May be adjusted by board is resources permit and permission is granted by legal owner	Designed and modified by board
Lines of Business	Outlined in document used to setup the board; must be approved by the legal owner	Designed by the legal owner and can only be modified with the permission of the legal owner	Designs and approves own lines of business
Decision Making	Decisions approved by legal owner, and can be changed or modified by the legal owner	Decisions would only be changed or modified by the legal owner where they violate the policies of the legal owner	Final decision maker
Policies	Follows the policies of the legal owner	Designs policies which comply with those of the legal owner	Designs, implements, monitors and changes own policies.

What is the DIFFERENCE between a dependent board, an interdependent board and a independent board?

Characteristics	Type of Board		
	Dependent	Interdependent	Independent
<i>Fiscal Oversight</i>	Must comply with policies and reporting standards of legal owner	Complies with standards and policies of legal owner but may also set up own standards to meet other expectations	Designs and implements own standards and guidelines necessary to meet legal requirements
<i>Planning</i>	Plan designed to support the legal owner achieve its goals and objectives	Plan designed to support directions of the legal owner and outlines goals and objectives unique to the entity	Plan designed solely on the strengths and needs of the entity
<i>Risk Management</i>	Notes and reports all risks to the legal owner	Only reports to the legal owner those risks relevant to the legal owner. Handles all other risks internally.	Handles all risks
<i>Representation</i>	Represents legal owner at all times	Represents the legal and the moral owners (citizens) at all times	Represents the entity at all times.
<i>Accountability</i>	Accountable to the legal owner. Reports to the legal owner.	Accountable to the legal owner and the moral owners	Accountable to itself. Ensures it is complying with provincial and federal laws

It is essential for a board which is set up by another entity to ask to have its decision-making powers outlined in detail. This includes:

1. Its exact mandate;
2. The areas where it must seek final approval;
3. Risks it cannot deal with on its own;
4. Factors it shall consider when making decisions; and
5. Decisions which can be questioned and decisions which would not be questioned.

If you have a question or for more guidance in this area, please contact me at info@gdpconsulting.ca