

Policy Type: Board-General Manager Relationship (B-GM)

Policy Title: B-GM3 - Monitoring of Operational Performance

Adopted: March 13, 2024

- B-GM 3. **Monitoring of Operational Performance.** We systematically and rigorously monitor the General Manager's operational performance against previously stated Ends and Executive Limitations policies.
- 3.1. **Schedule.** We regularly monitor these policies according to an annual schedule established in our Board calendar, and we authorize policy monitoring at any other time we deem necessary.
 - 3.2. **Reports.** We use monitoring reports to determine if the General Manager is in compliance with these policies. Monitoring reports are acquired by one of three methods: internal report, external report, or direct inspection.
 - 3.2.1. Internal reports are produced by the General Manager according to a format consistent with Policy Governance®, and provide reasonable interpretation of our policies and sufficient evidence to demonstrate operational compliance.
 - 3.2.2. External reports are produced by a disinterested third party selected by the Board, and provide sufficient evidence for their independent assessment of operational compliance with our policies.
 - 3.2.3. Reports by direct inspection are produced by a Committee or Director authorized by the Board and provide sufficient evidence for us to assess operational compliance with our policies.
 - 3.3. **Compliance.** We consider the General Manager to be compliant if they present a reasonable interpretation of our policy and there is adequate evidence that operations have met that standard. We only hold the General Manager accountable for policies that were in effect during the time period being monitored.
 - 3.3.1. We always serve as the final arbiter of the "reasonable interpretation" standard, whereby we accept any interpretation that a reasonable person could have made given the same situation.
 - 3.3.2. We either approve a report as compliant, approve it as non-compliant with a reasonable plan for correction, or extend the monitoring process if Director concerns over evidence or interpretation merit a deeper look. Concerns over the policy itself are referred to the Policy Committee for further inquiry.