



DIRECTOR TRAINING AND QUALIFICATIONS: SAMPLE SELF-ASSESSMENT TOOL

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Deposit Insurance
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Société ontarienne
d'assurance-dépôts

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INTRODUCTION

This purpose of this tool is to help determine competency levels, identify potential gaps in competency requirements and highlight areas where additional training and development may be required. Institutions are free to adapt this tool to meet their specific needs and to reflect the scale and scope of their operations, and the nature of their Board. Some institutions may also wish to use other assessment tools in conjunction with this one. This tool is primarily qualitative in nature. It is recommended that it is used in conjunction with other indicators and observations relating to the capabilities and attributes of directors. For example, a strong competency level in Financial Literacy or in Risk Management Oversight should be supported by a director's demonstrated expertise, knowledge and contribution to discussions and deliberations in these areas at Board meetings. Full details of competency level descriptions are set out in DICO's Guidance Note: Director Training and Qualifications (Refer Table 3 below).

SECTIONS

Directors should answer all questions in each of the sections including the questions relating to education, training and experience.

1. Overall Director Competency Assessment

This section provides directors an opportunity to indicate their current competency level in each of the nine core competencies. This should reflect the full extent of education, work experience, board experience and training completed in each of those areas to date.

Table 1: Sample Responses – Education, Experience and Training

DEFINITIONS	LIMITED	MODERATE	CONSIDERABLE	EXTENSIVE
EDUCATION	No post secondary	Some post secondary	Degree	Professional designation
WORK EXPERIENCE	<1 year	1-5 years	5-10 years	>10 years
BOARD EXPERIENCE	<1 year	1-3 years	3-6 years	>6 years
TRAINING	Introductory basic training of concepts	A higher level of training including some practical application of less complex concepts and tools.	More advanced training with a sound understanding of the topic or subject matter. Concepts, analytical tools and methodologies learned can be applied to solving problems and effectively resolving issues	Certification/ Accreditation

Training Credentials

Certificate/Certification of Completion or Achievement:

This is generally awarded by a recognized training provider to acknowledge completion of a structured or coordinated program in a certain discipline.

Masters Certificate:

This is generally awarded by a recognized training provider to acknowledge completion or satisfaction of the requirements to achieve a certain standard of knowledge and comprehension of a certain discipline often in conjunction with an institution of higher learning.

A Masters certificate may also confer a credit that can be applied to other courses of study (e.g. a continuing education program at a university)

Accreditation:

This is generally awarded by an institution of higher education (e.g. a university) for a training program which is considered to confer equivalency to a university credit in a given discipline.

PLEASE NOTE

There is NO requirement for certification or accreditation for director competencies. These are credentials offered by the training providers and partnering educational institutions.

The decision to pursue certification or accreditation is entirely that of the individual director or the Board of the institution (credit union)

2. Individual Competency Assessment Questionnaire

This section outlines a series of questions for each competency level for the nine core competencies. Directors should respond to each question.

Sample descriptions of potential responses for each competency level are outlined in Table 2 below:

Table 2: Sample Responses – Core Competency Levels

CHARACTERISTICS /ATTRIBUTES	COMPETENCY LEVEL			
	BASIC	GOOD	STRONG	EXPERT
	SAMPLE ASSESSMENT RESPONSES			
- Has minimal knowledge or experience of the competency and specific competency elements.	Limited	Limited	Limited	Limited
- An intermediate level of understanding and knowledge about the competency element - Some understanding of more complex factors - Basic to good skill levels related to competency	Considerable	Moderate Considerable	Limited	Limited
- A reasonably wide range of understanding and knowledge about the competency - Capable of understanding more intricate issues which demand an appreciation and comprehension of various complexities, issues and implications.	Extensive	Considerable Extensive	Considerable	Moderate
- A comprehensive range of knowledge and understanding about the competency gained through higher levels of education, experience and cumulative expertise - A sophisticated global perspective about various aspects of related issues and circumstances - Ability to analyze quantitative and qualitative parameters in order to predict and evaluate outcomes and implications.	Extensive	Extensive	Extensive	Considerable Extensive

Competency Level Descriptions

Table 3 below outlines the competency level descriptions as set out in DICO’s Guidance Note: Director Training and Qualifications.

Table 3: Competency Level Descriptions.

Competency Level	Description (Experience/Qualifications)
Basic	<ul style="list-style-type: none"> • Some knowledge of the competency • Understands terminology and can identify skills and attributes associated with the competency
Good	<ul style="list-style-type: none"> • Good understanding of the fundamentals of the competency gained through an appropriate combination of education, working knowledge, previous board experience and completion of introductory director training • Sufficient knowledge and experience to apply concepts to less complex issues
Strong	<ul style="list-style-type: none"> • Significant understanding and expertise of the competency gained through an appropriate combination of education, practical work experience, previous board experience and completion of advanced director training • Participates fully in board analysis, discussion and debate on more complex issues • Ensures sufficient information is provided to support analysis and recommendations • Uses knowledge to mentor new directors and provide greater understanding of competency • Challenges management’s assumptions when needed and speaks out appropriately at board meetings • Makes significant contributions to long-range planning
Expert	<ul style="list-style-type: none"> • Expert understanding of the competency gained through an appropriate combination of direct practical working experience in a senior position or function, previous board experience, professional designation, qualification or degree in the subject matter and completion and accreditation of a director training program • Participates fully in board analysis, discussion and debate on more complex issues • Ensures sufficient information is provided to support analysis and recommendations • Uses knowledge to mentor new directors and provide greater understanding of competency • Interprets complex data to contribute new knowledge in the competency areas • Provides expert analysis and advice on complex issues • Challenges management’s assumptions when needed and speaks out appropriately at board meetings • Makes significant contributions to long-range planning

Acknowledgement

This Sample Director Self-Assessment Tool was developed in conjunction with the Director Training and Qualifications Working Group. We would like to take this opportunity to thank the Working Group for its valuable input which helped to refine this document.

The working group members are:

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Diane Kocet	The Energy Credit Union Ltd.
Kim Leak	Ontario Civil Service Credit Union Ltd.
Luc Racette	L'Alliance des caisses populaires de l'Ontario
Janet Taylor	Libro Credit Union Ltd.
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OVERALL DIRECTOR COMPETENCY ASSESSMENT

This tool contains questionnaires for nine core competencies as set out in DICO Guidance Note: Director Training and Qualifications.

The purpose of this section is to help directors indicate their competency level for each of the competencies based on their overall combination of education, work experience, board experience and training. This information will help confirm competency levels and identify opportunities for further development and training. For example, a director may have very rudimentary formal training in finance, but have extensive experience on the job as a comptroller or accountant, which would likely indicate a higher (e.g. good) overall competency level.

PLEASE REFER TO TABLE 1 FOR DEFINITIONS OF SAMPLE RESPONSES

OVERALL COMPETENCY ASSESSMENT

1. My combined level of education, work experience, Board experience and training in each of the competencies below is:

	Limited	Moderate	Considerable	Extensive
AUDIT AND COMPLIANCE	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
BOARD AND CEO PERFORMANCE	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
CREDIT UNION OPERATIONS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FINANCIAL LITERACY	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
GOVERNANCE AND ETHICS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
LEADERSHIP	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
REGULATORY ENVIRONMENT	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
RISK MANAGEMENT OVERSIGHT	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
STRATEGIC PLANNING	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

AUDIT & COMPLIANCE

INTRODUCTION - AUDIT AND COMPLIANCE

Directors must have an understanding of the risks facing the institution, the ways in which management addresses and mitigates those risks and ensures that the financial statements accurately reflect the activities of the credit union. These functions are assessed through the activities which are carried out by a combination of internal and external auditors which involves systematically reviewing key risks and ensuring that any identified weaknesses or deviations from policy and legislative requirements are rectified by management.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of monitoring and auditing processes required to ensure compliance with the credit union's policies, standards of sound business practices and regulatory requirements.

AUDIT & COMPLIANCE

BASIC LEVEL

1. The extent to which I understand the following is:

	Limited	Moderate	Considerable	Extensive
The Role of the Audit Committee and to whom it reports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The External Audit Process and role of the external auditor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role and nature of the internal audit function	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
DICO's Examination process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role of the compliance officer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

AUDIT & COMPLIANCE

GOOD LEVEL

2. The extent to which I understand the following areas is:

	Limited	Moderate	Considerable	Extensive
The key functions of the external auditor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The steps taken when the external auditor discovers non-compliance with the Act	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The reports of the External Auditor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The reports of the Internal Auditor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The reports of the Compliance Officer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. The degree to which I can describe the responsibilities of the following is:

	Limited	Moderate	Considerable	Extensive
Audit Committee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governance Committee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nominating/Nominations Committee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. The extent to which I understand the following is:

	Limited	Moderate	Considerable	Extensive
The purpose of DICO By-law #5 and how compliance is assessed.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Who approves the Internal Audit program and why internal controls are important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Who evaluates and recommends the appointment of the External Auditor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

AUDIT & COMPLIANCE

5. The degree to which I undertake the following is:

	Limited	Moderate	Considerable	Extensive
Ask appropriate questions about credit union policies, practices and reports.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Contribute to the development of policies to improve controls and compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ensure that key decisions made by the Board align with established policies, standards of sound business practices and regulatory requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Follow up to ensure that corrective action is taken to rectify deficiencies noted in reports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

AUDIT & COMPLIANCE

STRONG LEVEL

6. The degree to which I undertake the following is:

	Limited	Moderate	Considerable	Extensive
Analyze results and reports and contribute to board discussion and debate on complex issues and any material variances or weaknesses relating to audit and compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interpret and confirm that corrective action taken by management to address material non-compliance situations and regulatory audit is appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. The degree to which I can explain the following is :

	Limited	Moderate	Considerable	Extensive
When it is necessary to challenge management for additional information to support conclusions or recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How compliance to regulatory and audit requirements is monitored	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Identification of material audit and compliance irregularities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How concerns regarding operational policies and procedures are raised	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. The extent to which I can describe the following is:

	Limited	Moderate	Considerable	Extensive
When a professional, independent opinion is required	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compliance and audit "red flags"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How the Board sets its priorities in addressing issues raised regarding operational policies and procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

EXPERT LEVEL

9. The extent that I can describe the following is:

	Limited	Moderate	Considerable	Extensive
How significant business activities of our institution are affected by legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role of directors in the on-going development and refinement of DICO By-law #5	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

BOARD AND CEO PERFORMANCE

INTRODUCTION - BOARD AND CEO PERFORMANCE

The Board is required to conduct an assessment of its performance and that of the CEO. The Board is ultimately responsible for the success and viability of the credit union through the skills and capabilities of its directors. It supervises the affairs of the credit union through its oversight responsibilities and appoints a CEO to manage the day to day operations. An objective evaluation and assessment of the Board and the CEO are important requirements to ensure that responsibilities are effectively undertaken and that any deficiencies are appropriately and quickly identified and addressed. Directors contribute as board members in ensuring that the compensation package of the CEO rewards only prudent risk taking behaviour that promotes the on-going viability of the credit union.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the tools and methodologies for assessing the Board's performance and also for monitoring the performance and development of the CEO to determine strengths, deficiencies and areas for improvement.

BOARD AND CEO PERFORMANCE

BASIC LEVEL

1. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
The reporting relationship between the Board and the CEO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The frequency and purpose of CEO and Board assessments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Why Board and CEO performance evaluation is important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. The CEO is recruited and appointed by (select one):

- The Human Resources Committee
- The Governance Committee
- The Board
- The Board Chair

BOARD AND CEO PERFORMANCE

GOOD LEVEL

3. The salary and compensation of the CEO is established by (select one):

- The Human Resources Department or the HR Committee of the Board
- The Board
- The Board Chair
- The Executive Committee of the Board

4. The responsibility for establishing and developing the succession plan for the CEO position is that of (select one):

- The CEO
- The Board
- The Executive Committee of the Board
- The Human Resources Department

5. The extent to which I can describe the following is:

	Limited	Moderate	Considerable	Extensive
The tools used to help assess director performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ways in which the Board can improve its performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ways in which individual directors can improve their performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The tools used for Board assessments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

BOARD AND CEO PERFORMANCE

STRONG LEVEL

6. The extent to which I do the following is:

	Limited	Moderate	Considerable	Extensive
Encourage other Board members to communicate effectively with the CEO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Actively get involved in the Board performance planning and assessment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. The extent of my knowledge about the following is:

	Limited	Moderate	Considerable	Extensive
How director and Board assessment criteria are reviewed and evaluated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The communication of the results of the CEO's performance assessment to the CEO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How CEO performance gaps are identified and resolved	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
How CEO performance is aligned with the strategic plan and objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When a third party is helpful in the Board performance planning and assessment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The steps a Board takes in succession planning for the CEO position	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

BOARD AND CEO PERFORMANCE

EXPERT LEVEL

9. The extent to which I can describe the following is:

	Limited	Moderate	Considerable	Extensive
Appropriate strategies or approaches to help build a cohesive Board-CEO relationship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The key attributes of a cohesive and productive Board-CEO relationship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How Board oversight responsibilities can impact relationships and communication with the CEO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. The degree to which I contribute to the following is:

	Limited	Moderate	Considerable	Extensive
Resolving conflicts and performance gaps on the Board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resolving conflicts with and gaps in performance of the CEO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommending improvements so that the Board and CEO can function more effectively or productively	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

CREDIT UNION OPERATIONS

INTRODUCTION - CREDIT UNION OPERATIONS

It is important that directors have a good understanding of the nature of the co-operative business model and that of the credit union and sector, the way the credit union functions and the financial, human and technological resources the credit union uses in delivering its services.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of how the credit union's infrastructures inter-relate and how they enable the effective and efficient delivery of services while managing risk and regulatory requirements.

CREDIT UNION OPERATIONS

BASIC LEVEL

1. The extent to which I can describe the following is:

	Limited	Moderate	Considerable	Extensive
The nature and extent of the credit union's operations and services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The service delivery infrastructure of the credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The differences between a credit union and a bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The impact of operational weaknesses on member satisfaction and financial performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

CREDIT UNION OPERATIONS

GOOD LEVEL

2. The extent to which I understand the following fundamental elements of operations is:

	Limited	Moderate	Considerable	Extensive
The credit union's operational infrastructure and how its components interrelate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The credit union's business powers, major lines of business and service delivery channels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The credit union's membership profile and the nature and profile of major business segments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. The responsibility of day to day operations at the credit union is that of (select one):

- The Audit Committee
- The Board
- The Operations Manager or VP of Operations
- The CEO

4. The extent to which I understand the following is:

	Limited	Moderate	Considerable	Extensive
The impact of strategic plans and objectives on service delivery infrastructure, operational effectiveness and operational efficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The purposes of a business continuity and disaster recovery plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How our operational efficiency can be compared against industry standards and best practices.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What deposit insurance covers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. The extent to which I undertake the following is:

	Limited	Moderate	Considerable	Extensive
Ask questions and evaluate information and recommendations with respect to costs, benefits and risks involved in major operational decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

CREDIT UNION OPERATIONS

STRONG LEVEL

6. The extent to which I can describe the following is

	Limited	Moderate	Considerable	Extensive
The nature and extent of non-core business activities including any subsidiaries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The importance of aligning human resource policy with strategic direction.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. The degree to which I understand the following is:

	Limited	Moderate	Considerable	Extensive
The application of policies related to human resource practices, including competency requirements for senior management personnel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How employee evaluation and performance affect operational efficiency and member satisfaction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. The extent to which I can analyze/evaluate the following is: .

	Limited	Moderate	Considerable	Extensive
Strategies, data and/or recommendations to improve operational effectiveness or resolve operational weaknesses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Policy recommendations with respect to their impact on operations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

CREDIT UNION OPERATIONS

EXPERT LEVEL

9. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
Why innovations in service delivery are important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How planning and budgeting can help identify operational efficiencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

FINANCIAL LITERACY

INTRODUCTION - FINANCIAL LITERACY

Financial literacy involves understanding financial reports and statements, accounting standards and assumptions and legislative requirements in order to effectively oversee the financial performance and condition of the credit union. A critical element of the success and viability of the credit union is the development of an annual business plan and budget which are approved by the Board. Directors are required to understand how these are developed and the types of analysis required to effectively monitor results and variances.

To achieve this competency, directors should demonstrate an appropriate level of financial knowledge and understanding and be able to interpret financial reports and statements, and monitor corrective action to ensure financial goals and regulatory requirements are met.

FINANCIAL LITERACY

BASIC LEVEL

1. The extent to which I understand the following is:

	Limited	Moderate	Considerable	Extensive
How to read financial reports, financial statements, business plans & budgets prepared by management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The importance and necessity of asking questions for clarification when certain areas are not understood	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The purpose of the balance sheet and income statement and what they show	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The basics of the budgeting process and the purpose of financial objectives and targets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The key assets and liabilities of the credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
Statutory requirements for financial reporting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The purpose of capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How capital is accumulated and the main components of capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The two measures of capital adequacy for Ontario credit unions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

FINANCIAL LITERACY

GOOD LEVEL

3. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
The nature and purpose of the financial reports prepared by management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The main components of revenue and expenses on the income statement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What the efficiency ratio indicates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. The degree of understanding that I have of the following is:

	Limited	Moderate	Considerable	Extensive
The purpose and uses of key financial ratios, financial trends, performance indicators, performance benchmarks and system/group comparison reports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The concept of materiality with respect to financial statement information and variances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How loan yields would affect the financial margin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations to address material variances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. The extent to which I can undertake the following is:

	Limited	Moderate	Considerable	Extensive
Identify variances between actual financial performance and established budgeted amounts and targets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ask for clarification and additional information on material variances, including action plans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Who prepares and approves budgets and business plans (select one):

- Prepared by the Board and approved my management
- Prepared by the CFO and approved by the CEO and the Board
- Prepared by management and approved by the Board
- Prepared by the CEO and approved by the Audit Committee

STRONG LEVEL

7. The extent to which I can interpret the following is:

	Limited	Moderate	Considerable	Extensive
Financial results to help ensure that the Board conducts sufficient oversight and discussion on recommended strategies to address material variances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The inter-relationships of financial ratios and how they impact other areas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. The "loans to assets" ratio and the "non-interest income to total income" ratio are lower than peer group comparisons. What advice or recommendation could you reasonably provide based on this observation? (select one)

- There may be a need to increase fees and service charges to compensate for lower loan interest income
- Loan demand is decreasing and loan rates may need to be lowered to remain competitive
- Interest rates on loans may need to be increased to generate more loan income
- Management must increase the quality of both loans and investments

9. The extent to which I can describe the following is:

	Limited	Moderate	Considerable	Extensive
The impact of growth on capital and earnings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The determining factors when risk weighting assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How the risk weighted capital ratio can be increased	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

FINANCIAL LITERACY

10. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
When to recommend the use of external resources to investigate any significant issues or "red flags" that may arise or to validate the credit union's financial policies, plans, controls and procedures where material weaknesses persist	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Off balance sheet assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The purpose for risk weighting of assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

EXPERT LEVEL

11. The degree to which I understand and can explain the following is:

	Limited	Moderate	Considerable	Extensive
The complexities and purpose of various financial instruments used by the credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. The latest strategic plan of the credit union identifies three key strategic goals:

1. Move to a "virtual" expansion of market presence through 24/7 access to on-line services, increasing technological capabilities to achieve this goal

2. Increase product fluency across the organization to enable all front-line staff to become conversant in all product lines

3. Minimize brick-and-mortar facilities to control operating costs

	Limited	Moderate	Considerable	Extensive
To what extent can you explain how these goals would be reflected in the business plan and the budget?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

GOVERNANCE AND ETHICS

INTRODUCTION - GOVERNANCE AND ETHICS

Governance includes understanding and contributing to the development and articulation of strategic plans, goals, policies and processes which govern and guide the way the credit union is directed and managed. Directors are expected to provide prudent, independent and objective oversight to effectively guide and monitor the implementation of strategic initiatives, oversee risk management activities and to participate with the Board as a whole in communicating a cohesive approach and position. Effective corporate governance is an essential element in the safe and sound functioning of a credit union. Structures, policies and processes only work in practice where there are knowledgeable and competent individuals, with a clear understanding and strong commitment to their roles. Ethical actions are those that are made in accordance with established laws, rules, and organizational values that are supported by reasoned and objective evidence without any bias of self-interest. Directors are expected to perform their responsibilities in a prudent and objective manner with due regard to the best interests of the credit union.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the critical elements of good governance and ethics.

GOVERNANCE AND ETHICS

BASIC LEVEL

1. My understanding on the following areas is:

	Limited	Moderate	Considerable	Extensive
The governance structure of credit unions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The responsibilities of the credit union Board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Board activities that cannot be delegated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ethical behaviour and its role in effective governance practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The roles and interrelationships between the Board, senior management and regulators	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. The degree to which I can explain the meaning of the following is:

	Limited	Moderate	Considerable	Extensive
Due care and diligence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Independence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accountable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transparency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prudent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fiduciary	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. The Board of Directors is accountable to (select one):

- The Executive Committee
- The members
- The stakeholders
- The regulatory agency

GOVERNANCE AND ETHICS

GOOD LEVEL

4. The degree to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
The governance framework, related policies and practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The tools used to assist the Board in overseeing the credit union's performance (e.g. goals, objectives, strategies, financial)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restricted party transactions and what special treatment is required of Board members	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ethical considerations that directors must consider when supporting decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The duties and responsibilities of the Board Chair	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. The degree that I encourage Board and governance practices in the following areas is:

	Limited	Moderate	Considerable	Extensive
Asking appropriate questions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Identifying material variances or deficiencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being prepared for meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Seeking independent advice or expertise where appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supporting Board decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing sound input into the credit union's strategic direction and plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. The principle(s) that should guide most Board decision making is (select one):

- Financial frugality
- Moral suasion
- Prudent person approach
- Equality and justice for all

GOVERNANCE AND ETHICS

7. If a director has a conflict of interest, he or she must (select one)

- Resign from the Board with two weeks notice
- Declare the conflict of interest
- Abstain from discussions or voting on any issue related to the conflict of interest
- Continue on the Board in all discussions and voting after providing written assurance to the Board of objectivity on any topic related to the conflict of interest

GOVERNANCE AND ETHICS

STRONG LEVEL

8. The degree to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
Why it is important that individual directors understand governance requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How a director can demonstrate "independence"	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The benefits of strong governance structures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. The degree to which I contribute in the following areas is:

	Limited	Moderate	Considerable	Extensive
Overseeing the Board's governance structures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Independently assessing the impacts of decisions related to business strategic opportunities and risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mentoring Board members to enhance their governance competencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

GOVERNANCE AND ETHICS

EXPERT LEVEL

10. The degree that I can describe the following is:

	Limited	Moderate	Considerable	Extensive
How our credit union and our Board can contribute to the betterment of governance practices in the credit union sector	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Key attributes of effective governance best practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role that individual directors have in developing governance practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

LEADERSHIP

INTRODUCTION - LEADERSHIP

Leadership encompasses the ability to influence discussions while building consensual solutions. Effective leaders recognize the importance of all participants in deliberations and the importance of constructive discussion and debate. Leaders are effective communicators. Leadership involves approaching initiatives from a strategic perspective, championing new initiatives and working towards their achievement to deliver quality services to the members and improve the longer term viability of the credit union.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the attributes of leadership to motivate, influence and support others to accomplish organizational goals and encourage on-going education to further develop competencies.

LEADERSHIP

BASIC LEVEL

1. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
Key leadership attributes and characteristics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How leadership skills can affect performance and success	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The importance of effective leadership skills for directors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

LEADERSHIP

GOOD LEVEL

2. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
How a leader builds consensus	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How to promote and participate in open dialogue and debate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The process to achieve a consensus	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. The Board sets the "tone at the top" for high standards of leadership by (select one or more):

- Setting a clear strategic direction for the credit union
- Establishing or confirming organizational values and setting an example by putting them into practice
- Through an effective combination of monitoring, assessing and mentoring CEO performance
- By setting high standards for itself and assessing its own performance on an annual basis
- All of the above

LEADERSHIP

STRONG LEVEL

4. The extent to which I can describe the following is:

	Limited	Moderate	Considerable	Extensive
How leadership can improve the effectiveness and viability of the credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Why it is important to have strong leaders on the Board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. The extent to which I can I can explain the following is:

	Limited	Moderate	Considerable	Extensive
Why it is important to promote the credit union within the community and how this is best achieved by the Board and Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What types of actions are likely to have a negative impact on the credit union within the community	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. The extent to which I undertake the following is:

	Limited	moderate	Considerable	Extensive
I encourage debate and diverse opinions and mediate discussions and deliberations to reach consensus	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I promote the importance of continuous learning and director development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

LEADERSHIP

EXPERT LEVEL

7. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
What and how our credit union can contribute to the advancement of the credit union sector with respect to its profile and competitiveness in the financial services industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How strategic options can be explored and evaluated to help the sector move forward	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The importance of debating strategic options and regulatory issues with industry stakeholders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. The extent to which I undertake the following is:

	Limited	Moderate	Considerable	Extensive
Network strategically to stay on the leading edge of new developments and partnership opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lead the conceptualization of large scale changes in industry direction through participation on provincial legislative and regulatory advisory bodies and national system committees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

REGULATORY ENVIRONMENT

INTRODUCTION - REGULATORY ENVIRONMENT

Credit unions operate in a regulated environment and are governed by the Act (including Regulations), DICO By-laws, other legislation and its by-laws. The Act sets out how credit unions are structured and the special nature of the credit union governance structure, business powers and lending and investment restrictions and limitations. Further clarification and guidance is provided in DICO By-laws including By-law #5 covering sound business and financial practices.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the regulatory environment, policy development and the policies required to meet legal, regulatory and governance requirements.

REGULATORY ENVIRONMENT

BASIC LEVEL

1. The extent to which I understand and can describe the role and key responsibilities of the following is:

	Limited	Moderate	Considerable	Extensive
The Ministry of Finance (MOF)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Financial Services Commission of Ontario (FSCO)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Deposit Insurance Corporation of Ontario (DICO)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Directors related to policy creation and monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Board's role in policy creation and monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. The extent of my knowledge about the following is:

	Limited	Moderate	Considerable	Extensive
Why and how credit unions are regulated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What key documents form the key regulatory framework for the credit union system in Ontario	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

REGULATORY ENVIRONMENT

GOOD LEVEL

3. The extent of my understanding of the following is:

	Limited	Moderate	Considerable	Extensive
The purpose of credit union by-laws	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The difference between the Act and Regulations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
The tools that are used to monitor regulatory compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The purpose of DICO's examination program	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Why it is important to understand the regulatory environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What sound business and financial practices are and how they are implemented	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role of a director and the Board within the regulatory environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

REGULATORY ENVIRONMENT

STRONG LEVEL

5. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
The difference between prescribed regulatory standards and prudent person considerations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Why it is important to ensure that the Regulator is aware of all material activities and deficiencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. The extent to which I can describe the following is:

	Limited	Moderate	Considerable	Extensive
How the relationship with the Regulator can be improved	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How and why policies are developed and modified	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

REGULATORY ENVIRONMENT

EXPERT LEVEL

7. The extent of my understanding of the following is:

	Limited	Moderate	Considerable	Extensive
The type of knowledge and experience of the Act, Regulations and regulatory environment that is necessary in order to articulate potential regulatory changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How changes in the regulatory regime can be fostered to ensure the recognition of emerging practices in essential guidelines, corrective measures and assessment of credit union performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

RISK MANAGEMENT OVERSIGHT

INTRODUCTION - RISK MANAGEMENT OVERSIGHT

The Board is responsible for the oversight of the credit union's risk management practices, including Enterprise Risk Management. Risk management involves identifying, measuring and managing significant risks and events that may impact an organization's objectives. It encompasses policies, procedures and controls and how risks are managed.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the risk management framework for identifying, measuring and managing significant risks and events that may impact the credit union's objectives

RISK MANAGEMENT OVERSIGHT

BASIC LEVEL

1. The degree to which I understand the following is:

	Limited	Moderate	Considerable	Extensive
The typical risks of a credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The purpose of DICO's By-law #5	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. The extent to which can explain the following is:

	Limited	Moderate	Considerable	Extensive
How risks are managed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role of the Board in risk management oversight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

RISK MANAGEMENT OVERSIGHT

GOOD LEVEL

3. The extent to which I understand the types of risk related to the following is:

	Limited	Moderate	Considerable	Extensive
Capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit Risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operational Risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Market Risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Structural Risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liquidity Risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Risks are managed through four basic strategies or approaches. These are (select one):

- Passive, Active, Progressive intervention and Monitoring (e.g. areas of significant exposure identified in management reports)
- Active investigation, Analytical mitigation, Elimination and Acceptance
- Resource Allocation, Analytical attenuation, Avoidance and Sharing
- Avoidance, Transfer (or Sharing), Acceptance (or Retention) and Mitigation (or Reduction)

5. The extent to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
The significant risks of the credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What risk management policies establish	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How the Board monitors risk and risk management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Why it is important to identify and address significant risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

RISK MANAGEMENT OVERSIGHT

STRONG LEVEL

6. The extent of my understanding of the following is:

	Limited	Moderate	Considerable	Extensive
Enterprise Risk Management (ERM)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Board's basic role in ERM	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk appetite and risk tolerance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How and why risk tolerances are established	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Why it is important to establish risk appetite and risk tolerances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. The degree to which I undertake the following is:

	Limited	Moderate	Considerable	Extensive
Interpret risk management policies and know when to recommend changes to mitigate excessive risk exposures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Participation and discussion in risk management oversight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mentor new directors to help improve their understanding of risk management oversight practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

RISK MANAGEMENT OVERSIGHT

EXPERT LEVEL

8. The extent of my understanding of the following is:

	Limited	Moderate	Considerable	Extensive
Tools and approaches that can be used to identify and manage inherent long term risks to the sector	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Potential long term opportunities for the credit union sector and how those can be developed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. The extent to which I undertake the following is:

	Limited	Moderate	Considerable	Extensive
Actively contributing to the development of Board risk oversight practices such as monitoring of risk management and establishing risk appetite and risk tolerances in conjunction with management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promoting the development of risk oversight practices such as monitoring of risk levels and risk management strategies in conjunction with management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

STRATEGIC PLANNING

INTRODUCTION - STRATEGIC PLANNING

Strategic planning is part of a regular process that helps determine or confirm the credit union's overall longer term direction or vision. It includes an analysis of results, existing plans and strategies and an assessment of the current business and operating environment. Strategic planning initiates the annual business planning process. Directors are expected to contribute to strategic planning by understanding the strategic planning process and strategy formulation. This includes having a good knowledge of the credit union's business and operating environment, and being prepared for planning deliberations. It also requires collaboration and teamwork in developing an appropriate and effective strategic plan, and monitoring implementation of the plan.

To achieve this competency, directors should demonstrate an appropriate level of knowledge and understanding of the strategic planning process and contribute to the development of the strategic direction, core values and the strategic goals and objectives for the credit union.

STRATEGIC PLANNING

BASIC LEVEL

1. The extent to which I can describe the following is:

	Limited	Moderate	Considerable	Extensive
The strategic direction, (e.g.vision, mission) of the credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The core values or guiding principles of the credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The strategic planning process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. The degree to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
Why a credit union needs a strategic plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The relationship between a strategic plan and a business plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Board's key responsibility in strategic planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

STRATEGIC PLANNING

GOOD LEVEL

3. What is the most important aspect of the Board's role in strategic planning? (select one)

- Commenting on the business plan
- Setting business objectives and targets
- Setting strategic direction (e.g. vision, mission, strategic intent, etc.)
- Identifying priority issues

4. The degree to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
How strategic plans and initiatives are evaluated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Why strategic planning is critically important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. What three fundamental questions does strategic planning answer? (select one)

- What is our objective, how do we achieve it and what is our action plan?
- What is our vision, what is our mission and what are our values?
- Where are we, where do we need to go, how do we get there?
- What are our strengths, what are our weaknesses, what are our challenges?

STRATEGIC PLANNING

STRONG LEVEL

6. The extent to which I can explain and identify the following is:

	Limited	Moderate	Considerable	Extensive
Key strategic success indicators and measures for the credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The actions required to address strategic and operational inconsistencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The key items the Board should address when monitoring the implementation of its strategic plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. My level of participation and discussion in strategic planning (pre-planning analysis and the planning session) is:

- Limited Moderate Considerable Extensive

STRATEGIC PLANNING

EXPERT LEVEL

8. The degree to which I can explain the following is:

	Limited	Moderate	Considerable	Extensive
Concepts that are often considered for strategic direction other than vision and mission	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How our credit union, our Board and I as a director can contribute to the improvement of the profile, image, competitiveness and financial success of the sector	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How the Board (often with the help of senior management) can make the strategic direction of the credit union compelling and inspiring to the staff and members of the credit union	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>