

# The Ten Principles of Policy Governance

*Looking for a precise description of the 10 principles of the Policy Governance model?  
This official document that lays out what IS and IS NOT Policy Governance.*

POLICY GOVERNANCE® SOURCE DOCUMENT

## Why a Source Document?

A “source” is a point of origin. A source document is a “fundamental document or record on which subsequent writings, compositions, opinions, beliefs, or practices are based.” (Websters)

Without a simply expressed clear point of source, interpretations, opinions, writings and implementations may intentionally or unintentionally diverge from the originating intent and ultimately be undifferentiated. The point of source (“authoritative source”) is John Carver, the creator of Policy Governance, with Miriam Carver his fellow master teacher.

Without a simply expressed clear source document, Policy Governance is not reliably grounded and not transferable as a paradigm of governance. It is left vulnerable to interpretation, adaptation and impotence. This document has been produced by the International Policy Governance Association and approved by John and Miriam Carver as being true to source.

## What Policy Governance is NOT!

1. Policy Governance is not a specific board structure. It does not dictate board size, specific officers, or require a CEO. While it gives rise to principles for committees, it does not prohibit committees nor require specific committees.
2. Policy Governance is not a set of individual “best practices” or tips for piecemeal improvement.
3. Policy Governance does not dictate what a board should do or say about group dynamics, methods of needs assessment, basic problem solving, fund raising, managing change.
4. Policy Governance does not limit human interaction or stifle collective or individual thinking.

## What Policy Governance IS!

Policy Governance is a comprehensive set of integrated principles that, when consistently applied, allows governing boards to realize owner-accountable organizations.

Starting with recognition of the fundamental reasons that boards exist and the nature of board authority, Policy Governance integrates a number of unique principles designed to enable accountable board leadership.

## Principles of Policy Governance

1. **Ownership:** The board connects its authority and accountability to those who morally if not legally own the organization—if such a class exists beyond the board itself—seeing its task as servant-leader to and for that group. “Owners,” as used in the Policy Governance model, are not all stakeholders, but only those who stand in a position corresponding to shareholders in an equity corporation. Therefore, staff and clients are not owners unless they independently qualify as such.
2. **Governance Position:** With the ownership above it and operational matters below it, a governing board forms a distinct link in the chain of command or moral authority. Its role is commander, not advisor. It exists to exercise that authority and properly empower others rather than to be management’s consultant, ornament, or adversary. The board—not the staff—bears full and direct responsibility for the process and products of governance, just as it bears accountability for any authority and performance expectations delegated to others.
3. **Board Holism:** The board makes authoritative decisions directed toward management and toward itself, its individual members, and committees only as a total group. That is, the board’s authority is a group authority rather than a summation of individual authorities.
4. **Ends Policies:** The board defines in writing the (a) the results, changes, or benefits that should come about for (b) specified recipients, beneficiaries, or other targeted groups, and (c) at what cost or relative priority for the

various benefits or various beneficiaries. These are not all the possible benefits that may occur, but are those that form the purpose of the organization, the achievement of which constitutes organizational success. Policy documents containing solely these decisions are categorized as Ends in the terminology of the Policy Governance model but can be called by whatever name a board chooses, as long as the concept is strictly preserved.

5. **Board Means Policies:** The board defines in writing those behaviors, values-added, practices, disciplines, and conduct of the board itself and of the board's delegation and accountability relationship with its own subcomponents and with the executive part of the organization. Because these are non-ends decisions, they are called board means to distinguish them from ends and staff means. All board behaviours, decisions and documents must be consistent with these pronouncements. In the terminology of the Policy Governance model, documents containing solely these decisions are categorized as Governance Process and Board-Management Delegation but can be called by whatever name a board chooses, as long as the concept is strictly preserved.

6. **Executive Limitations Policies:** The board makes decisions with respect to its staff's means decisions and actions only in a proscriptive way in order simultaneously (a) to avoid prescribing means and (b) to put off limits those means that would be unacceptable even if they work. Policy documents containing solely these decisions are categorized as Executive Limitations in the Policy Governance terminology, but can be called by whatever name a board chooses, as long as the concept is strictly preserved.

7. **Policy "Sizes":** The board's decisions in Ends, Governance Process, Board-Management Delegation, and Executive Limitations are made beginning at the broadest, most inclusive level and, if necessary, continuing into more detailed levels that narrow the interpretative range of higher levels, proceeding one articulated level at a time. These documents are exhaustive, replacing or obviating board expressions of mission, vision, philosophy, values, strategy, and budget. They are called policies in the terminology of the Policy Governance model but can be

called by whatever name a board chooses, as long as the concept is strictly preserved.

8. **Delegation to Management:** If the board chooses to delegate to management through a chief executive officer, it honors the exclusive authority and accountability of that role as the sole connector between governance and management. In any event, the board never delegates the same authority or responsibility to more than one point.

9. **Any Reasonable Interpretation:** In delegating decisions beyond the ones recorded in board policies, the board grants the delegatee the right to use any reasonable interpretation of those policies. In the case of Ends and Executive Limitations when a CEO exists, that delegatee is the CEO. In the case of Governance Process and Board-Management Delegation, that delegatee is the CGO (chief governance officer) except when the board has explicitly designated another board member or board committee.

10. **Monitoring:** The board monitors organizational performance solely through fair but systematic assessment of whether a reasonable interpretation of its Ends policies is being achieved within the boundaries set by a reasonable interpretation of its Executive Limitations policies. If there is a CEO, this constitutes the CEO's evaluation.

All other practices, documents, and disciplines must be consistent with the above principles. For example, if an outside authority demands board actions inconsistent with Policy Governance, the board should use a 'required approvals agenda' or other device to be lawful without compromising governance.

Policy Governance is a precision system that promises excellence in governance only if used with precision. These governance principles form a seamless paradigm or model. As with a clock, removing one wheel may not spoil its looks but will seriously damage its ability to tell time. So in Policy Governance, all the above pieces must be in place for Policy Governance to be effective. When all brought into play, they allow for a governing board to realize owner accountability. When they are not used completely, true owner accountability is not available.

Policy Governance boards live these principles in everything they are, do and say.

*Produced by International Policy Governance Association in consultation with John and Miriam Carver, 2005-2007-2011.*

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