

**ITEM P.103
 FOR ACTION**

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
	A. Finance	E. Corporate Property, Legal, Finance	J. Board Nominating & Governance Subcommittee
	B. Justice	F. PC(USA), A Corporation	X P. Plenary
	C. Leadership	G. Audit	
	D. Worshiping Communities	H. Executive Committee	

Subject: Report of the Governance Task Force

Recommendation:

That the Presbyterian Mission Agency Board:

1. Set aside the structure of the Presbyterian Mission Agency Board as defined in the Presbyterian Mission Agency Board Manual of Operations Appendix 1C, Section I for July 2016 - July 2018, with the following exceptions:
 - a. Provisions regarding the size of quorums would remain.
 - b. Any necessary provision of Appendix 1C, Section I, not assigned in recommendation 2 below, will become the responsibility of the Presbyterian Mission Agency Board Executive Committee during this period.
2. Adopt the proposed governance model for the Presbyterian Mission Agency Board for July 2016 - July 2018:

a. Generative Discussions

A full day at each board meeting will be set aside for generative discussion regarding the Presbyterian Mission Agency and its work. This will be done in an environment that is less orderly than a normal “board meeting,” and does not rely on strict parliamentary procedures. Discussions will be led by an outside facilitator – not the Board Chair. There will be time for worship and Bible study as we listen for God’s calling. In these discussions, all are equal – and if votes are needed, all participate.

b. Strategic Teams

Strategic Teams are short-term, specifically-focused work groups. They address immediate matters of consequence to the organization and have limited duration. The source of the topics they address come from generative discussions, board members, staff or the ongoing work of the agency. A limited number of Strategic Teams shall be commissioned upon recommendation of Executive Committee and approved by the Board.

These teams are commissioned for a limited duration with regular required updates to the Board. A decision would then be made to discontinue or extend their work. They are comprised of voting members, at-large members, non-voting members and staff. All members (regardless of Board status) have voice and vote in the committee. Process and procedures for operation are more flexible (i.e., not necessarily parliamentary procedure).

Decisions and/or recommendations must come to a plenary session of voting board members for approval and authorization.

c. Ministerial Committees

Ministerial Committees are standing committees that address the fiduciary and corporate responsibilities of the Board. They would be responsible for the stewardship of tangible assets including financial, personnel, programmatic, etc. Ministerial Committees operate in accordance with parliamentary procedures. Membership is composed of Voting Members only. At-large members will continue to serve on the committees to which they were elected (Audit and Finance)

1) Specific committee responsibilities

i. Executive Committee

The Executive Committee is responsible for the coordinating the work of the Board, ensures the effectiveness of the committees and teams, and has the authority to act on behalf of the Board between Board meetings. This committee, acting on findings and recommendations from the Mission Effectiveness Committee, ensures optimal performance. Responsibilities include:

- Seek creative new ways to approach the work of the Board.**
- Ensuring integration between Committees (Ministerial and Strategic).**
- Monitoring performance of both Ministerial and Strategic Committees.**
- Recommending to the Board annual criteria that will be used to measure the effectiveness of the Board**
- Bringing to the Board recommendations for Board realignment and/or changes based on results.**
- Ensuring Board members are engaged and meeting expectations.**
- Evaluate effectiveness of the Board.**
- Collect, vet and determine, in consultation with the Executive Director, topics for generative discussions.**
- Propose topics and members to Strategic Teams.**
- Developing and approving Board Meeting Agendas.**
- Nominate members of the Personnel and Nominating Committee.**
- Interface with GA Nominating Committee in the recruitment of board members.**
- Ensure timely communications with the board.**

ii. Mission Effectiveness

The Mission Effectiveness Committee focuses on the impact and strategic alignment of the work of the Presbyterian Mission Agency and is responsible for the Board's oversight in this area. This committee is also helps develop theological expressions for the work of the agency. Responsibilities include:

- Working with the Presbyterian Mission Agency Executive Director and Leadership Cabinet to establish criteria that can be used to evaluate Agency effectiveness. Criteria will be evaluated each year to determine if changes are needed.**

- Working with the Executive Director and staff to develop theological expressions for the work of the agency which can be communicated to the broader church.
- Developing processes and procedures necessary for calculating measurement results.
- Recognizing and identifying work that cannot be measured in ordinary ways because it is too new and innovative or unusual circumstances are involved.
- Reviewing results on a scheduled basis to identify trends (positive and negative)
- Bringing to the Board recommendations for program and mission realignment based on results.

iii. Finance

The Finance Committee focuses on the work of the Presbyterian Mission Agency that undergirds its ministries with responsible stewardship and transparent reporting. Responsibilities include:

- Financial reporting and policies.
- Information Technology.
- Financial projections and financial monitoring.
- Other financial and legal matters not specifically related to individual programs.
- Oversight of the financial relationship with the Foundation of the Presbyterian Church (U.S.A.).
- Oversight of the financial relationship with the Presbyterian Investment and Loan Program (PILP).
- Oversight of budget development.
- Property.

iv. Personnel and Nominating

The Personnel and Nominating Committee reviews, provides advice and recommends for action to the Board employment-related policies, procedures and initiatives that effect the staff. This Committee is also responsible for working with the Executive Committee to supervise the Executive Director and any other personnel that reports directly to the Board. Responsibilities include:

- Personnel policies and procedures of the Board.
- Compensation guidelines within which salaries are administered.
- Equal employment and affirmative action guidelines.
- The evaluation of the Executive Director of the Presbyterian Mission Agency with final review and approval by the Board.
- Recruitment and leadership development of the Mission Agency.
- Developing nominations to those committees and Agencies that require Presbyterian Mission Agency participation and/or approval.
- Naming Board members to Ministerial Committees (except for Personnel and Nominating which will be done by the Executive Committee).
- Nominating Chair and Vice Chair of the Board and of the Ministerial Committees.

- Any other responsibilities assigned under the Employee Handbook, and any other employment-related assignment from the Executive Committee or the Board.

v. Audit

The Audit Committee is responsible for insuring the financial and ethical integrity of the Presbyterian Church (USA) A Corporation. Responsibilities include:

- Monitor the integrity of the financial reporting process and system of internal control regarding finance, accounting, legal compliance and ethics.
- Monitor the independence and performance of the Corporation's external auditors, internal auditing unit and management.
- Provide an avenue of communication among the external auditor, internal auditing unit, management and the Board.

The Audit Committee is responsible for pre-approving all auditing services and is directly responsible for the appointment, compensation, retention, dismissal and oversight of the work of any external auditing firm engaged. The Committee will resolve any disagreements between management and the auditor regarding financial reporting.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and in this regard, it has direct access to the external auditors as well as anyone in the organization.

Rationale:

The committee to review the Presbyterian Mission Agency included in their recommendations:

That the General Assembly direct the Moderator of the 222nd General Assembly, in consultation with General Assembly Nominating Committee, to name a committee of eight people to review the responsibilities of the Presbyterian Mission Agency Board to provide a plan for restructuring the Board so it can be better able to do the adaptive work necessary to provide leadership and guidance for the PMA and the Church, today and into the next generation.

In their rationale for this recommendation, they noted:

- The current Board size and structure are unwieldy and outdated
- The current composition hinders the body from the adaptive change required for today
- The strong emphasis on oversight and compliance has come at the expense of both the broader strategic work of vision-casting and the necessary commitment to communicating that vision

The Board, through its Executive Committee and the Nominating and Governance Subcommittee, had already begun conversations about the need to restructure the Board. We do not believe that we can wait for the General Assembly's actions, and we believe that it is important to enhance the work of the Board in its current size, structure and composition. We want to suggest a model that will allow for the adaptive change required now – an interim model – that will lead to a complete reorganization that can be adopted by the 2018 General Assembly. With that as our starting point, this proposal outlines short-term opportunities that can be implemented now.

Assumptions:

1. We need to make short-term changes (beginning in July 2016 and continuing over the next two years) in advance of more significant long-term changes at GA 2018.
2. We need to think, act and govern differently – even in the short-term – by moving toward a Board that can effectively operate in all three types of governance – fiduciary, strategic and generative. *¹
3. These changes need to work within the Board framework (Organization for Mission, Manual of Operations, and the 57 current members) that currently exists (and can only be changed by the General Assembly).
4. The current mix of voting, non-voting and at-large committee members is confusing – short-term changes need to ensure maximum value from each member and clearly address expectations of each group.
5. The changes must be substantive – simply renaming and re-chartering the current committee structure is not sufficient.

Primary Results from these Changes

- Significant time and energy in generative, adaptive discernment in a context of worship.
- Better utilization of the resource and wisdom that the corresponding members and their organizations bring to the table.
- Clear path and process to a better working relationship between the staff and the board members.
- Reduce the mundane.

Change #1: Intentional Focus on “God’s Calling to the Church” (Generative/Discernment)

The first responsibility of the Church is to listen to God’s calling. It is the task of the General Assembly; and as the board of the Presbyterian Mission Agency, it must also be where we begin. In effective governance, it is important to know where you are going and this is often called Generative Thinking. This work is ideally suited for the broader Board (voting and non-voting) membership. It is vital that we bring multiple perspectives and different frames together to ensure we are asking the right questions and finding the right answers to know where we are to go.

Just as Moses was used to call the children of Israel from Egypt through the wilderness toward the Promise Land, so this time should be viewed as a time of movement – a listening for the future, of where we need to be going as a church and as the Presbyterian Mission Agency.

*In Thy lovingkindness Thou has led the people
whom Thou hast redeemed;
In Thy strength Thou hast guided them to Thy Holy habitation.*

-Exodus 15:13

Change #2: Revised Committee Structure:

To support the Generative work, the Board would adopt a model which uses ad hoc committees as well as the current corporate or standing committees. The ad hoc or Strategic Teams would give practicality to the dreaming. They would answer the question of “How?” and “When?”

The Biblical parallel for such committees can be found in the time of Joshua. The children of Israel were ready to move into the Promise Land. The leader that God gave them after Moses died was strategic. Joshua called them to trust that when the priest stood in the waters of the Jordon, the people would cross on dry land. They followed the strategy of conquering Jericho by marching around it for seven days in a very specific fashion. The words of the Lord are as important for us as they were for the Israelites then:

*Have I not commanded you? Be strong and courageous!
Do not tremble or be dismayed, for the Lord your God is
with you wherever you go.*

-Joshua 1:9

¹ Governance as Leadership, Reframing the Work of Nonprofit Boards by Richard P. Chait, William P. Ryan and Barbara E. Taylor.

PRESBYTERIAN MISSION AGENCY BOARD
April 27-29, 2016
Governance Task Force

Change #3: The Structure of Meetings

Changes #1 and #2, as well as the effectiveness of the board, require that we handle Board meetings differently. This is one option which will need to be developed if the board agrees to these changes.

One possibility:

Day	What	Who Would Be Involved
Day 1 (1:00 – 9:00)	Generative <ul style="list-style-type: none"> • Worship/Bible Study • Discussion • Reports from Moderator, Board Chair, Stated Clerk 	<ul style="list-style-type: none"> • Voting Members • Corresponding, Ecumenical Advisory & At-Large Members • Outside Facilitator
Day 2 (8:00 – 5:00)	Strategic <ul style="list-style-type: none"> • Strategic Team meetings • Plenary focused on Strategic work 	<ul style="list-style-type: none"> • Board Members participating on Strategic Committees • Staff participating on Strategic Committees • Invited guests (staff, non-staff presenting during committee meetings)
Day 3 (8:00 – 5:00)	Ministerial (Fiduciary) <ul style="list-style-type: none"> • Ministerial Committees • Plenary focused on fiduciary work 	<ul style="list-style-type: none"> • Voting Members • At-Large Members • Staff presenting to a Ministerial Committees

How Would this Model Work?

- Voting Members (40) will ordinarily serve on one Ministerial Committee and one Strategic Team. (An exception would need to be made for the current Moderator of General Assembly.)
- At-Large Members (4) will continue to serve on the committees to which they were elected (Finance, Audit). They *may* be asked to serve on Strategic Teams IF that Team is related to their area of expertise. In general, at-large members could attend only the Ministerial portion of Board meetings unless they are serving on a Strategic Team when they would also attend the Strategic portion.
- Non-Voting Members (17) will not serve on the Ministerial Committees but may be asked to serve on a Strategic Teams if that team’s focus is related to the area they represent. In general, non-voting members will only need to attend the Generative and Strategic portion of Board meetings.
- Staff will be asked to serve on Strategic Teams as voting members since the goal is to tap into expertise that both staff and Board members bring to an issue.
- Strong committee leadership would be needed. Personnel and Nominations would be responsible for naming committee leadership.
- More committee work would need to be done via conference calls. Board members would have more responsibility for work products, deadlines. It would be a greater time commitment for voting Board members.
- Strategic Teams would need to explore new ways of sharing and collecting information and engaging the broader church (social media, on-line polls, comment sites, etc.). This would be a part of how we would work differently.
- Board meetings could / should be scheduled to ensure the right people are there at the right times – hopefully eliminating down time for non-voting members (and reducing costs).

A current version of the Presbyterian Mission Agency Board Manual of Operations, Appendix 1C, Section 1 is available as [Information Item H.200](#).