



**DIRECTOR TRAINING AND  
QUALIFICATIONS:  
SAMPLE  
SELF-ASSESSMENT TOOL**  
February 2015



**Ontario**

Deposit Insurance  
Corporation of Ontario

Société ontarienne  
d'assurance-dépôts

# **DIRECTOR TRAINING AND QUALIFICATIONS SAMPLE SELF-ASSESSMENT TOOL**

## **INTRODUCTION**

The 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 1).

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

## **SECTIONS**

There are three sections in this sample tool

1. Director Information: Directors should provide a summary of their work experience, education, training, community involvement and credit union experience
2. Overall Competency Assessment: Directors should indicate their overall competency in each of the competencies based on their work experience, education, training and board experience.
3. Individual Competency Assessment: Directors should assess themselves based the questions provided. This assessment will help confirm the overall competency level and identify any gaps for which additional experience and/or training may be required.

**SECTION 1: DIRECTOR INFORMATION**

Director's Name >

To provide a background for your self-assessed competency levels, please list all relevant information.

**Education & Training (post-secondary education, designations, certificates, work and credit union related courses)**

	Degree/Designation/Certificate	Institution	Year Completed
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

**Work Experience (positions held, industries)**

	Position Held	Organization & Industry	Years in this Position
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

**Community / Other Experience (include Board and committee service for all companies and organizations other than this credit union)**

	Board/Committee & Position	Organization	Years in this Position
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

**Credit Union Representative Experience**

Position Held	Branch Council	Years in this Position
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

**Credit Union Board & Committee & Panel/Task Force Experience**

Position Held	Board/Committee/Panel/Task Force	Years in this Position
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

## SECTION 2: OVERALL DIRECTOR COMPETENCY ASSESSMENT

This section provides directors an opportunity to indicate their current competency level in each of the nine core competencies. Table 1<sup>1</sup> describes typical competency attributes for different competency levels.

**Table 1: Competency Level Descriptions**

Level	Description (Experience/Qualifications)
Basic (B)	<ul style="list-style-type: none"> <li>• Some knowledge of the competency</li> <li>• Understands terminology and can identify skills and attributes associated with the competency</li> </ul>
Good (G)	<ul style="list-style-type: none"> <li>• 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</li> <li>• Sufficient knowledge and experience to apply concepts to less complex issues</li> </ul>
Strong (S)	<ul style="list-style-type: none"> <li>• 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</li> <li>• Participates fully in board analysis, discussion and debate on more complex issues</li> <li>• Ensures sufficient information is provided to support analysis and recommendations</li> <li>• Uses knowledge to mentor new directors and provide greater understanding of competency</li> <li>• Challenges management's assumptions when needed and speaks out appropriately at board meetings</li> <li>• Makes significant contributions to long-range planning</li> </ul>
Expert (E)	<ul style="list-style-type: none"> <li>• 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</li> <li>• Participates fully in board analysis, discussion and debate on more complex issues</li> <li>• Ensures sufficient information is provided to support analysis and recommendations</li> <li>• Uses knowledge to mentor new directors and provide greater understanding of competency</li> <li>• Interprets complex data to contribute new knowledge in the competency areas</li> <li>• Provides expert analysis and advice on complex issues</li> <li>• Challenges management's assumptions when needed and speaks out appropriately at board meetings</li> <li>• Makes significant contributions to long-range planning</li> </ul>

<sup>1</sup> As set out in DICO Guidance Note: Director Training and Qualifications

Table 2 sets out sample competency characteristics based on various levels of experience and knowledge as a general guide in helping determine overall competency levels.

**Table 2: Sample Competency Characteristics**

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation

Table 3 sets out examples and descriptions of various training levels.

**Table 3: Sample Training Descriptions**

LEVEL	DESCRIPTION
<b>INTRODUCTORY</b>	Basic overview of competency skills. This may be arranged by individual credit unions or provided through leagues, Level 5 or CUSource.
<b>HIGHER LEVEL</b>	Higher levels of training of competency skills with additional focus on application. Often involves practical review of understanding of competency. This is typical of programs provided through leagues, Level 5 or CUSource.
<b>ADVANCED</b>	More comprehensive training of competency skills through additional exposure to specific competency requirements. May be provided through completion of additional levels of formal training programs.
<b>CERTIFICATION</b>	Generally awarded by a recognized training provider to acknowledge completion of a structured or coordinated program in a certain discipline
<b>MASTERS CERTIFICATE</b>	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)
<b>ACCREDITATION</b>	Generally awarded by an institution of higher education for a training program which may confer equivalency to a university credit in a given discipline.

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).

## 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 assessment 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, but have extensive experience on the job as a comptroller or accountant, which would likely indicate a higher (e.g. good) overall competency level.

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

PLEASE INDICATE "X" AS APPROPRIATE

### COMPETENCIES

AUDIT AND COMPLIANCE  
 BOARD AND CEO PERFORMANCE  
 CREDIT UNION OPERATIONS  
 FINANCIAL LITERACY  
 GOVERNANCE AND ETHICS  
 LEADERSHIP  
 REGULATORY ENVIRONMENT  
 RISK MANAGEMENT OVERSIGHT  
 STRATEGIC PLANNING

BASIC	GOOD	STRONG	EXPERT



## 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.

### COMPETENCY CHARACTERISTICS

The following table sets out various levels of experience and knowledge of audit and compliance and may be used as a general guide when considering possible responses and overall competency levels. Responses to individual questions may vary due to the nature of the subject matter.

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation

**PLEASE ASSESS YOURSELF BASED ON THE FOLLOWING QUESTIONS**

**Please Enter X below as appropriate**

<b>QUESTION #</b>	<b>RATING</b>	<b>BASIC</b>	<b>GOOD</b>	<b>STRONG</b>	<b>EXPERT</b>
1	I understand the role of the Audit Committee and to whom it reports				
2	I understand the external audit process and role of the external auditor				
3	I understand the role and nature of the internal audit function				
4	I understand DICO's Examination process				
5	I understand the role of the compliance officer				
6	I understand the steps taken when the external auditor discovers non-compliance with the Act				
7	I understand the reports of the external auditor				
8	I understand the reports of the internal auditor				
9	I understand the reports of the compliance officer				
10	I can describe the responsibilities of the Audit Committee				
11	I understand the purpose of DICO By-law #5 and how compliance is assessed.				
12	I understand who approves the Internal Audit program and why internal controls are important				

13	I understand who evaluates and recommends the appointment of the external auditor				
14	I ask appropriate questions about credit union policies, practices and reports.				
15	I contribute to the development of policies to improve controls and compliance				
16	I am satisfied that key decisions made by the Board align with established policies, standards of sound business practices and regulatory requirements				
17	I confirm that corrective action is taken to rectify deficiencies noted in reports				
18	I review results and reports and contribute to board discussion and debate on complex issues and any material variances or weaknesses relating to audit and compliance				
19	I confirm that corrective action taken by management to address material non-compliance situations and regulatory audit is appropriate				
20	I can explain when it is necessary to challenge management for additional information to support conclusions or recommendations				
21	I can explain how compliance to regulatory and audit requirements is monitored				
22	I can explain how material audit and compliance irregularities are identified				
23	I can explain how concerns regarding operational policies and procedures are raised				

24	I can explain when a professional, independent opinion is required				
25	I can describe examples of compliance and audit "red flags"				
26	I can describe how the Board address issues raised regarding operational policy and procedure concerns				
27	I can describe how significant business activities of our institution are affected by legislation				
28	I can describe the role of directors in the on-going development and refinement of DICO By-law #5				

## 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.

### COMPETENCY CHARACTERISTICS

The following table sets out various levels of experience and knowledge of Board and CEO performance and may be used as a general guide when considering possible responses and overall competency levels. Responses to individual questions may vary due to the nature of the subject matter.

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation

**PLEASE ASSESS YOURSELF BASED ON THE FOLLOWING QUESTIONS**

Please Enter X below as appropriate

<b>QUESTION #</b>	<b>RATING</b>	<b>BASIC</b>	<b>GOOD</b>	<b>STRONG</b>	<b>EXPERT</b>
1	I understand who recruits and appoints the CEO				
2	I can explain the reporting relationship between the Board and the CEO				
3	I can explain the frequency and purpose of CEO and Board assessments				
4	I can explain why Board and CEO performance evaluation is important				
5	I understand how the salary and compensation of the CEO is established				
6	I can explain who is responsible for developing a CEO succession plan				
7	I can describe the tools used to help assess director performance				
8	I can describe the ways in which the individual directors can improve their performance				
9	I can describe the tools used for Board assessments				
10	I can describe the ways in which the Board can improve its performance				
11	I encourage effective communication with the CEO				

12	I can explain how director and Board assessment criteria are reviewed and evaluated				
13	I understand how results of the CEO's performance assessment are communicated to the CEO				
14	I understand how CEO performance gaps are identified and resolved				
15	I can explain how CEO performance is aligned with the strategic plan and objectives				
16	I can explain when a third party is helpful in the Board performance planning and assessment process				
17	I can explain the steps a Board takes in succession planning for the CEO position				
18	I can describe appropriate strategies or approaches to help build a cohesive Board/CEO relationship				
19	I can describe the key attributes of a cohesive and productive Board-CEO relationship				
20	I can describe how Board oversight responsibilities can impact relationships and communication with the CEO				
21	I contribute to resolving conflicts or performance gaps on the Board				
22	I contribute to resolving conflicts with and gaps in performance of the CEO				
23	I recommend improvements so that the Board and CEO can function more effectively or productively				

## 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.

### COMPETENCY CHARACTERISTICS

The following table sets out various levels of experience and knowledge of credit union operations and may be used as a general guide when considering possible responses and overall competency levels. Responses to individual questions may vary due to the nature of the subject matter.

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation



**PLEASE ASSESS YOURSELF BASED ON THE FOLLOWING QUESTIONS**

**Please Enter X below as appropriate**

<b>QUESTION #</b>	<b>RATING</b>	<b>BASIC</b>	<b>GOOD</b>	<b>STRONG</b>	<b>EXPERT</b>
1	I can describe the nature and extent of the credit union's operations and services				
2	I can describe the service delivery infrastructure of the credit union				
3	I can describe the differences between a credit union and a bank				
4	I can describe the impact of operational weaknesses on member satisfaction and financial performance				
5	I understand the credit union's operational infrastructure and how its components interrelate				
6	I understand the credit union's business powers, major lines of business and service delivery channels				
7	I understand the credit union's membership profile and the nature and profile of major business segments				
8	I understand who is responsible for the day to day operations of the credit union				
9	I understand the impact of strategic plans and objectives on service delivery infrastructure, operational effectiveness and operational efficiency				
10	I understand the purpose of business continuity and disaster recovery plans				
11	I understand how the credit union's operational efficiency can be compared against industry standards and best practices.				

12	I understand what deposit insurance covers				
13	I ask questions and evaluate information and recommendations with respect to costs, benefits and risks involved in major operational decisions				
14	I can describe the importance of aligning human resource policy with strategic direction.				
15	I understand the application of policies related to human resource practices, including competency requirements for senior management personnel				
16	I understand how employee evaluation and performance affect operational efficiency and member satisfaction				
17	I can analyse and evaluate strategies, data and/or recommendations to improve operational effectiveness or resolve operational weaknesses				
18	I can evaluate policy recommendations with respect to their impact on operations				
19	I can explain why innovations in service delivery are important				
20	I can explain how planning and budgeting can help identify operational efficiencies				

## 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.

### COMPETENCY CHARACTERISTICS

The following table sets out various levels of experience and knowledge of financial literacy and may be used as a general guide when considering possible responses and overall competency levels. Responses to individual questions may vary due to the nature of the subject matter.

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation

**PLEASE ASSESS YOURSELF BASED ON THE FOLLOWING QUESTIONS**

**Please Enter X below as appropriate**

<b>QUESTION #</b>	<b>RATING</b>	<b>BASIC</b>	<b>GOOD</b>	<b>STRONG</b>	<b>EXPERT</b>
<b>1</b>	<b>I understand how to read financial reports, financial statements, business plans &amp; budgets prepared by management</b>				
<b>2</b>	<b>I understand the importance and necessity of asking questions for clarification when certain areas are not understood</b>				
<b>3</b>	<b>I understand the purpose of the balance sheet and income statement and what they show</b>				
<b>4</b>	<b>I understand the budgeting process and the purpose of financial objectives and targets</b>				
<b>5</b>	<b>I understand the key assets and liabilities of the credit union</b>				
<b>6</b>	<b>I can explain the statutory requirements for financial reporting</b>				
<b>7</b>	<b>I can explain the purpose of capital</b>				
<b>8</b>	<b>I can explain how capital is accumulated and the main components of capital</b>				

9	I can explain the two measures of capital adequacy for Ontario credit unions				
10	I can explain the nature and purpose of the financial reports prepared by management				
11	I can explain the main components of revenue and expenses on the income statement				
12	I can explain what the efficiency ratio indicates				
13	I understand the purpose and uses of key financial ratios, financial trends, performance indicators, performance benchmarks and system/peer group comparison reports				
14	I understand the concept of materiality with respect to financial statement information and variances				
15	I understand how loan yields would affect the financial margin				
16	I understand recommendations to address material variances against plan				
17	I can identify variances between actual financial performance and established budgeted amounts and targets				
18	I ask for clarification and additional information on material variances, including action plans				

19	I understand who prepares and approves budgets and business plans				
20	I can interpret financial results to help ensure that the Board conducts sufficient oversight and discussion on recommended strategies to address material variances				
21	I understand the inter-relationships of financial ratios and how they impact other areas				
22	I understand the potential impacts of a declining "loan to asset" ratio on earnings				
23	I can describe the impact of growth on capital and earnings				
24	I can describe the determining factors when risk weighting assets				
25	I can describe how the risk weighted capital ratio can be increased				
26	I can explain 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				
27	I can explain off-balance sheet assets				

28	I can explain the purpose for risk weighting of assets				
29	I understand the complexities and purpose of various financial instruments used by the credit union				
30	I can describe how strategic goals would be reflected in the business plan and the budget.				

## 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.

### COMPETENCY CHARACTERISTICS

The following table sets out various levels of experience and knowledge of governance and ethics and may be used as a general guide when considering possible responses and overall competency levels. Responses to individual questions may vary due to the nature of the subject matter.

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation



<b>PLEASE ASSESS YOURSELF BASED ON THE FOLLOWING QUESTIONS</b>	<b>Please Enter X below as appropriate</b>
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QUESTION #	RATING	BASIC	GOOD	STRONG	EXPERT
1	I understand the governance structure credit unions				
2	I understand the responsibilities of a credit union Board				
3	I understand which Board responsibilities cannot be delegated				
4	I understand ethical behaviour and its role in effective governance practices				
5	I understand the roles and interrelationships between the Board, senior management and regulators				
6	I can explain the meaning of due care and diligence				
7	I can explain the meaning of independence				
8	I can explain the meaning of accountability				
9	I can explain the meaning of transparency				
10	I can explain the meaning of prudent				

11	I can explain the meaning of fiduciary				
12	I understand to whom the Board is accountable				
13	I can explain the governance framework, related policies and practices				
14	I can describe the tools used to assist the Board in overseeing the credit union's performance (e.g. goals, objectives, strategies, financial)				
15	I can explain restricted party transactions and what special treatment is required of Board members				
16	I can explain what ethical considerations that directors must consider when supporting decisions				
17	I can explain the duties and responsibilities of the Board Chair				
18	I ask appropriate questions				
19	I can identify material variances or deficiencies				
20	I prepare in advance for meetings				
21	I seek independent advice or expertise where appropriate				
22	I support Board decisions				

23	I provide sound input into the credit union's strategic direction and plan				
24	I can explain the principle that should guide most Board decision making				
25	I can explain what a director must do where he or she has a conflict of interest				
26	I can explain why it is important that individual directors understand governance requirements				
27	I can explain how a director can demonstrate "independence"				
28	I can explain the benefits of strong governance structures				
29	I understand the Board's governance structures				
30	I independently assess the impacts of decisions related to business strategic opportunities and risks				
31	I help enhance Board member's governance competencies				
32	I can describe how our credit union and our Board can contribute to the betterment of governance practices in the credit union sector				
33	I can describe key attributes of effective governance best practices				
34	I can describe the role that individual directors have in developing governance practices				

## 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.

### COMPETENCY CHARACTERISTICS

The following table sets out various levels of experience and knowledge of leadership and may be used as a general guide when considering possible responses and overall competency levels. Responses to individual questions may vary due to the nature of the subject matter.

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation

<b>PLEASE ASSESS YOURSELF BASED ON THE FOLLOWING QUESTIONS</b>	<b>Please Enter X below as appropriate</b>
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QUESTION #	RATING	BASIC	GOOD	STRONG	EXPERT
1	I can explain the attributes and characteristics of a good leader				
2	I can explain how leadership skills can affect performance and success				
3	I can explain the importance of effective leadership skills for directors				
4	I can explain how a leader builds consensus				
5	I can explain how to promote and participate in open dialogue and debate				
6	I can explain how the Board sets the "tone at the top" for high standards of leadership				
7	I can describe how leadership can improve the effectiveness and viability of the credit union				
8	I can explain why it is important to have strong leaders on the Board				
9	I can explain why it is important to promote the credit union within the community and how this is best achieved by the Board and Management				
10	I can explain what types of actions are likely to have a negative impact on the credit union within the community				

11	I encourage debate and diverse opinions and mediate discussions and deliberations to reach consensus				
12	I promote the importance of continuous learning and director development				
13	I can explain 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				
14	I can explain how strategic options can be explored and evaluated to help the sector move forward				
15	I can explain the importance of debating strategic options and regulatory issues with industry stakeholders				
16	I strategically stay on the leading edge of new developments and partnership opportunities				
17	I promote the conceptualization of large scale changes in industry direction through participation on provincial legislative and regulatory advisory bodies and national system committees				

## 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.

## COMPETENCY CHARACTERISTICS

The following table sets out various levels of experience and knowledge of the regulatory environment and may be used as a general guide when considering possible responses and overall competency levels. Responses to individual questions may vary due to the nature of the subject matter.

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation

**PLEASE ASSESS YOURSELF BASED ON THE FOLLOWING QUESTIONS**

**Please Enter X below as appropriate**

<b>QUESTION #</b>	<b>RATING</b>	<b>BASIC</b>	<b>GOOD</b>	<b>STRONG</b>	<b>EXPERT</b>
1	I can describe the role and key responsibilities of The Ministry of Finance (MOF)				
2	I can describe the describe the key role and responsibilities The Financial Services Commission of Ontario (FSCO)				
3	I can describe the key role and responsibilities of the Deposit Insurance Corporation of Ontario (DICO)				
4	I can describe a director's role in policy creation and monitoring				
5	I can describe the Board's role in policy creation and monitoring				
6	I can explain why and how credit unions are regulated				
7	I can explain what key documents form the key regulatory framework for the credit union system in Ontario				
8	I understand the purpose of credit union by-laws				
9	I understand the difference between the Act and Regulations				
10	I can explain the tools that are used to monitor regulatory compliance				



11	I can explain the purpose of DICO's examination program				
12	I can explain why it is important to understand the regulatory environment				
13	I can explain what sound business and financial practices are and how they are implemented				
14	I can explain the role of a director and the Board within the regulatory environment				
15	I can explain the difference between prescribed regulatory standards and prudent person considerations				
16	I can explain why it is important to ensure that the Regulator is aware of all material activities and deficiencies				
17	I can describe how the relationship with the Regulator can be improved				
18	I can describe how and why policies are developed and modified				
19	I understand the knowledge and experience of the Act, Regulations and regulatory environment that is necessary in order to articulate potential regulatory changes				
20	I understand 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				

## 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.

## COMPETENCY CHARACTERISTICS

The following table sets out various levels of experience and knowledge of risk management oversight and may be used as a general guide when considering possible responses and overall competency levels. Responses to individual questions may vary due to the nature of the subject matter.

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation

**PLEASE ASSESS YOURSELF BASED ON THE FOLLOWING QUESTIONS**

**Please Enter X below as appropriate**

<b>QUESTION #</b>	<b>RATING</b>	<b>BASIC</b>	<b>GOOD</b>	<b>STRONG</b>	<b>EXPERT</b>
1	I understand the typical risks of a credit union				
2	I can explain how risks are managed				
3	I can explain the role of the Board in risk management oversight				
4	I understand the capital risks of a credit union				
5	I understand the credit risks of a credit union				
6	I understand the operational risks of a credit union				
7	I understand the market risks of a credit union				
8	I understand the structural risks of a credit union				
9	I understand the liquidity risks of a credit union				
10	I understand the four basic strategies for managing risks				
11	I understand the significant risks of the credit union				
12	I understand what risk management policies establish				

13	I can explain how the Board monitors risk and risk management				
14	I can explain why it is important to identify and address significant risks				
15	I understand enterprise risk management (ERM)				
16	I understand the Board's role in ERM				
17	I understand risk appetite and risk tolerance				
18	I understand how and why risk tolerances are established				
19	I understand why it is important to establish risk appetite and risk tolerances				
20	I interpret risk management policies and know when to recommend changes to mitigate excessive risk exposures				
21	I participate in discussion in risk management oversight				
22	I mentor new directors to help improve their understanding of risk management oversight practices				
23	I understand the tools and approaches that can be used to identify and manage inherent long term risks to the credit union sector				
24	I understand the potential long term opportunities for the credit union sector and how those can be developed				
25	I actively contribute to the development of Board risk management oversight practices such as monitoring of risk management and establishing risk appetite and risk tolerances in conjunction with management				

## 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.

### COMPETENCY CHARACTERISTICS

The following table sets out various levels of experience and knowledge of strategic planning and may be used as a general guide when considering possible responses and overall competency levels. Responses to individual questions may vary due to the nature of the subject matter.

Level	Competency Characteristics	Education	Work Experience	Board Experience	Training
Basic	aware of the basic concepts, understand terminology - "know about it"	no post secondary or	<1 year or	<1 year or	introductory level
Good	good understanding - "can explain it"	some post secondary or	1-5 years or	1-3 years or	higher level including practical application
Strong	excellent understanding and application of concepts - "can do it"	degree or	5-10 years or	3-6 years or	advanced level
Expert	comprehensive understanding and knowledge - "could teach it"	professional designation or	>10 years or	>6 years or	certification or accreditation

<b>PLEASE ASSESS YOURSELF BASED ON THE FOLLOWING QUESTIONS</b>	<b>Please Enter X below as appropriate</b>
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QUESTION #	RATING	BASIC	GOOD	STRONG	EXPERT
1	I can describe the strategic direction (e.g. vision, mission) of the credit union				
2	I can describe the core values or guiding principles of the credit union				
3	I can describe the strategic planning process				
4	I can explain why a credit union needs a strategic plan				
5	I can explain the relationship between a strategic plan and a business plan				
6	I can explain the Board's key responsibility in strategic planning				
7	I can explain the most import aspect of the Board's role in strategic planning				
8	I can explain how strategic plans and initiatives are evaluated				
9	I can explain why strategic planning is critically important				
10	I can explain the fundamental questions that strategic planning addresses				
11	I can explain the key strategic success indicators and measures for the credit union				

12	I can explain the actions required to address strategic and operational inconsistencies				
13	I can explain the key items the Board should address when monitoring the implementation of its strategic plan				
14	I participate in strategic planning discussions (pre-planning analysis and the planning session) and on-going discussions on the success of the plan				
15	I can explain the concepts that are often considered for strategic direction other than vision and mission				
16	I can explain 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 in our region, province and on a national level				
17	I can explain 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				