



ETHICAL GOVERNANCE

LA COUNTY BOARD LEADERSHIP TRAINING



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- **ROBERT'S RULES OF ORDER FRAMEWORK (11:00AM - 12:30PM)**
- **LUNCH BREAK (12:30PM - 1:30PM)**
- **ETHICAL DILEMMAS CASE STUDIES (1:30PM - 2:30PM)**
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- **WORKSHOP: DEVELOPING ETHICAL GUIDELINES (3:00PM - 4:00PM)**
- **GROUP PROJECT: CREATING A BOARD OF ETHICS CHARTER (4:00PM - 4:30PM)**

A top-down view of a collaborative workspace. Several laptops and tablets are open on a wooden table, displaying a presentation titled "Discussion Outline" and "TODAY'S HIGHLIGHTS". The highlights include: "Real Introduction", "Financial Strategy", "Investment on Savings Agency", "Financial Health of Allowance", "Saving Money", "Planning for Retirement", and "Final Words". A person's hand is visible holding a white mug. Another person's hands are clasped in the bottom right. A small potted plant sits on the table. A large orange quotation mark graphic frames the central text.

**Everyone
Can
Succeed!**



Paul Ogaga

CHAIRMAN,
BOARD OF DIRECTORS
SAPPHIREAID INC

Bio



Paul Ogaga is a seasoned professional with a passion for international development and community empowerment. Paul also co-founded SapphireAid, an international nonprofit organization. With an MBA from Quantic School of Business and technology, and a Bachelor of Science in Real Estate, Paul has leveraged his expertise to become a respected board member of various international nonprofits, where he has spearheaded impactful initiatives across Africa and North America.

Introduction to Ethical Governance

Ethical governance principles:

- **Definition of Ethics and its importance**
- **Personal vs. professional ethics**
- **Role of ethical governance in organizations**
- **Key principles (transparency, accountability, fairness)**
- **Case studies illustrating ethical dilemma**



Overview of ethical governance principles

Legal Compliance and Public Disclosure

- **Laws and Regulations:** Understand and adhere to legal requirements relevant to nonprofits.
- **Code of Ethics:** Establish a clear code of conduct for board members, staff, and volunteers.
- **Conflicts of Interest:** Address and manage conflicts transparently.
- **“Whistleblower” Policy:** Protect individuals who report misconduct.
- **Document and Data Retention:** Maintain accurate records and data.





Legal Compliance

Definition of Ethics and its importance:
Ethics plays a crucial role in both personal and professional contexts for several reasons:

Guides Decision-Making: Ethics provides a framework for making decisions that are not only legally compliant but also morally sound. This helps individuals and organizations navigate complex situations where the right course of action may not be immediately clear.

Overview of Ethical governance principles



Overview of Ethical governance principles

Legal Compliance

Builds Trust:

Ethical behavior fosters trust and credibility. In the non-profit sector, maintaining trust with donors, beneficiaries, and the public is essential for sustaining support and achieving mission goals.



Legal Compliance

**Promotes Positive
Relationships:**

**Adhering to ethical principles
helps in building and
maintaining positive
relationships with
stakeholders, including
employees, volunteers, and
the community.**

Overview of Ethical governance principles



Overview of Ethical governance principles

Legal Compliance

Enhances Reputation:

Organizations known for their ethical practices are more likely to attract and retain talent, secure funding, and enjoy a positive public image.



Legal Compliance

Contributes to Society:

Ethical behavior contributes to the overall well-being of society by promoting fairness, justice, and respect for individuals' rights.

Overview of Ethical governance principles

PERSONAL VS. PROFESSIONAL ETHICS

Personal Ethics

Personal ethics refer to the moral principles and values that guide an individual's behavior in their personal life. These are shaped by one's upbringing, culture, and personal experiences. Examples include honesty, integrity, and respect for others.

Professional Ethics

Professional ethics, on the other hand, are the standards and principles that govern behavior within a professional context. These are often codified in professional codes of conduct and are essential for maintaining trust and integrity in professional relationships. Examples include confidentiality, transparency, and accountability.

ROLE OF ETHICAL GOVERNANCE IN ORGANIZATIONS

Ethical governance plays a crucial role in organizations by ensuring that decisions and actions align with moral and ethical standards.



HERE ARE SOME KEY ASPECTS OF ITS IMPORTANCE:



Trust and Credibility

Ethical governance builds trust among stakeholders, including employees, customers, donors, and the community. It enhances the organization's credibility and reputation.

Decision-Making

It provides a framework for making decisions that are fair, transparent, and accountable. This helps in avoiding conflicts of interest and ensures that decisions are made in the best interest of all stakeholders.

Compliance and Risk Management:

Ethical governance helps organizations comply with laws and regulations, reducing the risk of legal issues and penalties. It also helps in identifying and mitigating ethical risks.

KEY PRINCIPLES

Transparency

Open Communication: Ensure that information about the organization's activities, decisions, and financial status is openly shared with stakeholders. This builds trust and allows for informed participation.

Accountability

Responsibility: Clearly define roles and responsibilities within the organization. Ensure that everyone understands their duties and is held accountable for their actions.

Fairness

Equity: Treat all stakeholders fairly and without discrimination. Ensure that policies and practices promote equal opportunities and respect for diversity.

CASE STUDY



Conflict of Interest

A board member of a nonprofit organization is also the owner of a company that provides services to the nonprofit. The board member's company is selected for a lucrative contract without a competitive bidding process.



Ethical Dilemma

The conflict of interest arises because the board member stands to benefit personally from the decision, which may not be in the best interest of the nonprofit.

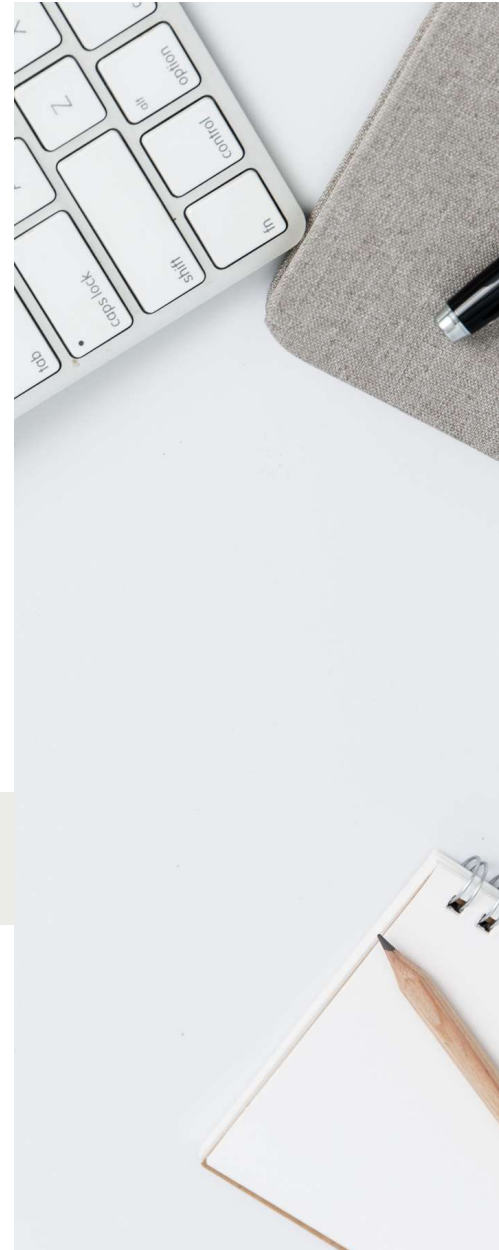


Resolution

The nonprofit should have a clear conflict of interest policy in place. The board member should disclose their interest and recuse themselves from the decision-making process. The organization should seek competitive bids to ensure fairness and transparency.

LAWS AND REGULATIONS

- 1- **Incorporation and Registration**
- 2- **Governance and Compliance**
- 3- **Financial Management**
- 4- **Fundraising and Donations**
- 5- **Employment and Labor Laws**
- 6- **Data Protection and Privacy**
- 7- **Lobbying and Political Activities**



STEPS TO DEVELOP A CODE OF ETHICS

CODE OF ETHICS

<div>Identify Core Values</div> <div>Start by identifying the core values that reflect your nonprofit’s mission and vision. These values will form the foundation of your code of ethics.</div>	<div>Engage Stakeholders</div> <div>Involve board members, staff, volunteers, and other stakeholders in the development process. This ensures that the code reflects the perspectives and needs of those it will govern</div>	<div>Draft the Code</div> <div>Write a draft that outlines the ethical principles and standards expected of everyone involved with the organization. Be clear and specific about what constitutes acceptable and unacceptable behavior.</div>
<div>Review and Revise</div> <div>Share the draft with stakeholders for feedback. Revise the code based on their input to ensure it is comprehensive and practical.</div>	<div>Approve and Adopt</div> <div>Have the final version approved by the board of directors. This formal adoption underscores the organization’s commitment to ethical behavior.</div>	<div>Communicate and Train</div> <div>Distribute the code to all board members, staff, and volunteers. Provide training to ensure everyone understands the code and how to apply it in their roles.</div>



CONFLICTS OF INTEREST

STEPS TO ADDRESS AND MANAGE CONFLICTS OF INTEREST

Develop a Conflict of Interest Policy:

Disclosure Requirements

Procedures

Regular Disclosures

Annual Statements

Ongoing Reporting

Conflict Review Committee

Evaluation Process

Recusal and Abstention

Recusal

EFFECTIVE GOVERNANCE:



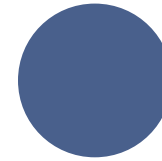
Board Responsibilities

- Clearly define roles and responsibilities for board members.



Board Meetings

- Conduct regular, well-organized board meetings.



Board Diversity

- Promote diversity in board composition.

EFFECTIVE GOVERNANCE:



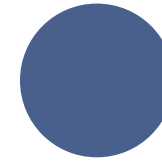
CEO Evaluation and Compensation

·Evaluate CEO performance objectively.



Board Education

Continuously educate board members.



Evaluation of Board Performance

Regularly assess board effectiveness.

STRONG FINANCIAL OVERSIGHT



Financial Records

Maintain accurate financial records



Expense Policies

Establish clear guidelines for travel and expenses.



Annual Budget and Financial Performance

Develop and monitor budgets.



Resource Allocation

Allocate resources wisely between programs and administration.

RESPONSIBLE FUNDRAISING

Accuracy and Truthfulness

Ensure fundraising materials are accurate.



Financial Records

Maintain accurate financial records.

Compliance with Donor's Intent

·Honor donor wishes and intentions.



RESPONSIBLE FUNDRAISING

Annual Budget and Financial Performance

Develop and monitor
budgets.



Resource Allocation

Allocate resources
wisely between
programs and
administration.



IMPORTANCE OF ETHICAL DECISION-MAKING



Public Trust and Reputation

- Nonprofits rely on public trust to fulfill their missions.
- Ethical behavior builds credibility and fosters confidence among stakeholders.
- A single instance of unethical behavior can erode trust, affecting donor support and organizational reputation.

IMPORTANCE OF ETHICAL DECISION-MAKING

Transparency and Accountability

Ethical practices involve transparency in financial reporting, governance, and operations.

Accountability ensures that nonprofits use resources responsibly and fulfill their obligations to beneficiaries and donors.

IMPORTANCE OF ETHICAL DECISION-MAKING

Employee Satisfaction and Retention

Employees prefer to work for organizations aligned with their values.

Ethical workplaces attract and retain talent, contributing to organizational success.

IMPORTANCE OF ETHICAL DECISION-MAKING

Donor Engagement and Support

Ethical conduct attracts new donors and supporters.

Donors want assurance that their contributions are used ethically and effectively.

IMPORTANCE OF ETHICAL DECISION-MAKING

Sustainable Development

Ethical decision-making ensures long-term sustainability.

It aligns with the organization's mission and fosters positive impact



SUMMARY

Ethical governance refers to the principles, practices, and processes that guide an organization's decision-making and behavior in an ethical and responsible manner. Specifically for nonprofits, ethical governance is crucial for several reasons as stated above in the presentation.

Robert's Rules of Order Framework

Robert's Rules of Order is a comprehensive manual of parliamentary procedure that governs most boards of directors and established groups. It was first created in 1876 by Henry Martyn Robert as an adaptation of the rules and practices of Congress.



01

Robert's Rules provides a framework for orderly meetings, allowing the majority to rule while ensuring minority voices are heard.

02

It helps nonprofit boards, committees, and other groups make decisions systematically



Purpose and Framework

TYPES OF MOTIONS

Main Motions

Propose actions or decisions (e.g., “I move to…”).

Amend a Motion

Change an existing motion (e.g., “I move to amend the motion on the floor.”).

Commit

Transfer a motion to a committee for further consideration.

Question

Members say, “I call the question” to end a debate or discussion. The motion must be seconded and voted upon without further discussion. A call for the question requires a two-thirds majority vote to pass. At this point, the members must immediately vote on the motion on the floor.

Voting and Quorum:

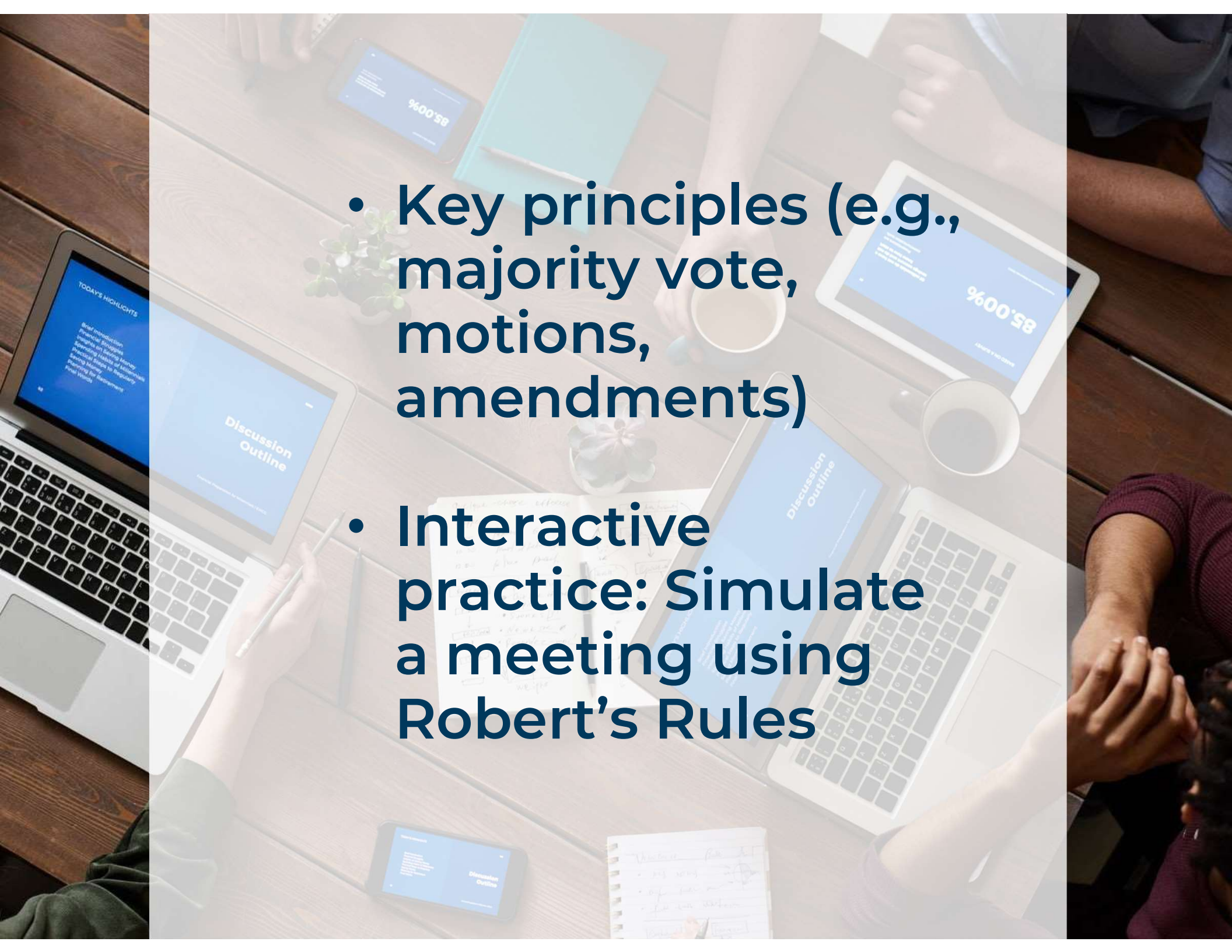
- **Motions pass by a majority vote or a quorum, as specified in the organization's bylaws.**

Importance for Nonprofits

Ensures order and productivity in meetings.

Upholds transparency, accountability, and ethical conduct.



- 
- Key principles (e.g., majority vote, motions, amendments)
 - Interactive practice: Simulate a meeting using Robert's Rules



Lunch Break

12:30pm – 1:30pm

Ethical Dilemmas Case Studies

Ethical Dilemmas Case Studies

- Present real-world scenarios (2 scenarios)
- Discuss ethical considerations
- Group discussion: How would you handle these dilemmas?

Ethical Dilemmas Case Studies

Whistleblowing in the Workplace

Ethical Considerations:

- **Public Safety and Environmental Protection:** The primary ethical concern is the potential harm to the environment and public health. The employee has a moral duty to prevent further damage.
- **Loyalty and Confidentiality:** The employee may feel a sense of loyalty to their employer and colleagues, and breaking confidentiality could be seen as a betrayal.

Ethical Dilemmas Case Studies

Whistleblowing in the Workplace

- Legal and Professional Repercussions: Whistleblowing could lead to legal action against the company and possible retaliation against the whistleblower, including job loss and damage to their career.
- Corporate Responsibility: Companies have a responsibility to adhere to environmental laws and ethical standards. The employee's actions could push the company towards more ethical practices.

Ethical Dilemmas Case Studies

Academic Integrity vs. Friendship

Ethical Considerations:

- **Integrity and Fairness:** Upholding academic integrity ensures that all students are evaluated fairly. Allowing plagiarism undermines the value of education and the institution's credibility.
- **Loyalty and Compassion:** The student may feel a strong sense of loyalty to their friend and may not want to cause them harm. Balancing compassion with the need for honesty is challenging.

Ethical Dilemmas Case Studies

Academic Integrity vs. Friendship

- **Consequences for the Friend:** Reporting the plagiarism could have severe consequences for the friend, including academic penalties and long-term impacts on their future.
- **Personal Responsibility:** The student has a responsibility to act ethically and honestly, even when it involves difficult decisions.

Ethical Dilemmas Case Studies

Academic Integrity vs. Friendship

These considerations highlight the complexity of ethical dilemmas, where multiple values and consequences must be weighed.

How do you think these factors would influence your decision-making in such situations?

Group Discussion

How do you think these factors would influence your decision-making in such situations?

How would you handle these dilemmas?

Q&A



- *Open floor for questions from participants.*
- *Address common queries related to ethical governance*



Workshop on Developing Ethical Guidelines

- Steps to create ethical guidelines
- Collaborative activity:
Draft ethical guidelines for
a fictional organization

Workshop on Developing Ethical Guidelines

- 1. Identify Core Values**
- 2. Formulate Ethical Principles**
- 3. Draft the Guidelines**
- 4. Review and Revise**
- 5. Implement the Guidelines**
- 6. Monitor and Enforce**
- 7. Review and Update Regularly**

WORKSHOP ON DEVELOPING ETHICAL GUIDELINES

Steps to create ethical guidelines

1. Identify Core Values

Action: Gather input from stakeholders to determine the core values that will guide the ethical guidelines.

Considerations: Reflect on the organization's mission, vision, and the principles that are most important to its culture and operations.

2. Formulate Ethical Principles

Action: Develop broad ethical principles based on the identified core values.

Considerations: Ensure these principles cover key areas such as honesty, integrity, fairness, respect, and responsibility.

WORKSHOP ON DEVELOPING ETHICAL GUIDELINES

Steps to create ethical guidelines

3. Draft the Guidelines

Action: Write detailed guidelines that translate the ethical principles into specific behaviors and actions.

Considerations: Make the guidelines clear, practical, and applicable to various situations employees might encounter.

4. Review and Revise

Action: Share the draft with a diverse group of stakeholders for feedback.

Considerations: Incorporate feedback to ensure the guidelines are comprehensive and address potential ethical dilemmas.

WORKSHOP ON DEVELOPING ETHICAL GUIDELINES

Steps to create ethical guidelines

5. Implement the Guidelines

Action: Communicate the guidelines to all members of the organization through training sessions, workshops, and written materials.

Considerations: Ensure everyone understands the importance of the guidelines and how to apply them in their daily work.

6. Monitor and Enforce

Action: Establish mechanisms for monitoring compliance and addressing violations.

Considerations: Create a system for reporting unethical behavior and ensure there are clear consequences for violations.

WORKSHOP ON DEVELOPING ETHICAL GUIDELINES

Steps to create ethical guidelines

7. Review and Update Regularly

Action: Periodically review and update the guidelines to reflect changes in the organization and its environment.

Considerations: Stay informed about new ethical challenges and ensure the guidelines remain relevant and effective.



Group Project:

Creating a Board Ethics Charter

a) Form groups

**b) Each group develops
an ethics charter for a
board**

**c) Present and discuss
charters**



THANK
YOU

FOR YOUR ATTENTION AND TIME