

# Directors' Forum

For Directors, By Directors

## Executive Summary for Director Discussion 2 - June 16, 2020 'Learning from Each Other: How Credit Unions Boards are Reacting to COVID-19'

### 1. Welcome, Introductions & Overview

Ken Chan, Alterna Savings, welcomed the group, introduced himself and his co-facilitator, Tim Foster, Northern Credit Union, and acknowledged Anthony Piscitelli, Your Neighbourhood Credit Union, for providing the tech support for today's session.

A [short video](#) by David R. Beatty, "How to Think about the Jobs of Board of Directors," was played, and Ken recapped the three pillars of a modern board:

Hindsight: Looking back at the pandemic/COVID-19 preparations – or lack of preparation

Oversight: Where are we now with COVID-19? How is the existing strategy working?

Foresight: Where do we want to be? How will we get there?

Ken noted that "Foresight" will be the focus of the June 30<sup>th</sup> Director Discussion.

### 2. Participant Poll #1: How well did your business continuity plan address the risk of a pandemic?

25 individuals participated in the poll with the following results:

- 53% saying "very well"
- 18% saying "somewhat well"
- 29% saying "poorly" or "not at all"

### 3. Open Question: Did anyone have a good continuity plan that was ready to go and put in place?

One participant shared:

- The Executive team was on top of the situation from a very early date
- Preparations to send employees home, as well as for PPE and other supplies to ensure employee and member safety, also in place early on
- Being prepared from the start enabled the credit union to operate as business as usual, and with minimal impact

#### 4. Poll question #2: Have you reviewed your risk profile and policies in the context of COVID-19?

25 individuals participated in the poll with the following results:

- 82% said yes
- 14% said no

#### 5. Open question #2: What was the biggest change that you needed to/will be making to your risk policies in response to COVID-19?

Several participants shared:

- No changes made to risk policies – we feel good about where we are right now and with close monitoring of the situation
- HR policies were renewed to fit better with COVID-19
- Weekly meetings with the Chair to examine the risks of both the retail and commercial aspects, including deferrals
- We took advantage of government programs to ensure mortgages to protect us against capital risk

#### 6. Breakout Rooms

The participants were separated into five groups/breakout rooms to discuss two topics:

**Topic 1:** *Polls in January and February showed most Canadians felt the Coronavirus was not being exaggerated by the media. As a board, given that issues are sometimes overblown by the media, how can we effectively ensure that we are responding appropriately to emergent risks?*

**Topic 2:** *Given the declaration of a pandemic, what actions did you take at your board?*

Below is a summary of the points from each group that were discussed in the breakouts, some of which were also shared with all the participants:

- It was of paramount importance to have our employees and members feel that they were safe. In the case of our staff, not only physical security but mental health was also discussed. Staff needs to feel secure in the knowledge that they have employment and that we are looking out for their safety.
- Budgets and what affect the pandemic will have. One credit union went to a break even budget which will be readjusted at a later date, which gives the perception that staff and management safety comes first.

- How will this affect the brick and mortar branches and whether branches will open or close, or change how we service out clients?
- Doing more digital and online, which may actually help us serve our clients better should this continue on for a longer time than expected
- Ramped up communication between senior management and board during the early stages
- Held virtual AGMs
- Staff safety – branches and Head Office were important considerations at the onset
- A credit union in a high risk area closed their branches and members had to make appointments
- Zoom Meetings seem to be the most popular and are working well
- Communications has improved between management and Board, staff and members
- Daily updates in the beginning and now we get weekly reports - there is a need for good informative reports to reduce questions and confusion
- Stakeholder awareness is important
- Regular and more frequent communications was expected and required
- Ensuring that the board continues to focus on looking forward – e.g., financial impacts are coming, so how can we best prepare for this during uncertain times?
- Understanding our membership’s makeup and how they are impacted (both individual and commercial)
- Constant monitoring of the situation from early on was key
- Increased communications between management and the board
- Moving from in-person to virtual meetings right away
- Training people to use ATMs and handle their business remotely
- Setting up our branches to ensure effective social distances measures were in place (e.g., plexi glass barriers, setting up tables, etc.)
- Staying in touch with and tracking what was happening globally, as this has affected us locally
- Audit committee and board reviewed ERMS for risk reporting
- Making sure the sources of data we were using was sound and solid – especially when feelings were running high
- Monitoring the emerging trends globally throughout the months of January, February and March
- Board discussions were held to discuss what this means for staff, members and business continuity
- Disaster recovery/business continuity plans had not been designed to deal with a global pandemic, as were focused on other risk areas
- Following declaration of pandemic, operational decisions were taken by CUs including reducing branch hours and/or closing branches temporarily
- Credit Unions purchased PPEs and issues guidelines to staff and members based on public health advice
- Board meetings and AGMs shifted to online meetings
- Boards reviewing ERM dashboards and business continuity policies

- Special committees of the board set up to monitor situation and provide governance oversight relating to pandemic response

Ken ended the session by thanking everyone for their participation, and Tim finished up by introducing the next [Director Discussion](#) on June 30: **“Strategic Planning for Credit Union Boards in a Virtual Environment.”** Directors will reflect on questions like: What do we need to change with respect to our strategy? What services do we no longer need to provide? What should we not bring back post pandemic?