



THE  
COLLEGE  
CENTRE



# MANUAL FOR EFFECTIVE COLLEGE GOVERNANCE

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A Resource Manual for  
Ontario Colleges

2023 Edition



Welcome to the College Centre's *Manual for Effective College Governance*.

The College Centre is a collaborative partnership between the [College Employer Council](#) and [Colleges Ontario](#). The College Centre was formed to provide better support to governors, and to promote college excellence in board governance through the provision of high-quality education for the leadership of public colleges. Part of that education and training is this manual.

The *Manual for Effective College Governance* was developed in consultation with the sector. The original version, published in 2014, was written by Anne Corbett, then Senior Partner at Borden Ladner Gervais LLP and James Mackay, the Managing Partner of the Berkeley Consulting Group and an Adjunct Professor at the Schulich School of Business. Parts of the manual have been updated over the years. This updated version was prepared by Victoria Prince and Katherine Carre of Borden Ladner Gervais LLP, with considerable assistance from the resources at Colleges Ontario, College Employer Council, colleagues at BLG and others.

It should also be noted that, since this manual was first published, the world has witnessed seismic social and political changes, the effects of which have permeated both for-profit and not-for-profit organizations. As Colleges continue their commitment to broad and equitable access to education, and provide leadership on these issues, College governance also needs to keep pace and adjust to this evolving landscape.

With this in mind, the following resource provides board members of Ontario's 24 public colleges with an understanding of the key elements of good governance in the post-secondary sector and their fiduciary responsibilities.

In the manual, you will learn about good governance, the different legislation and binding policy directives that govern the colleges, and the roles and responsibilities of a college board and its members. There are also templates and tools to support you in the implementation of good governance practice, all of which can be customized to meet the specific requirements of each college.

A digital version of this manual is available on the [College Centre Resources webpage](#).

We believe you will find this resource helpful and informative as you serve your term on the board and continue to be efficient and effective stewards of public resources.

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# INTRODUCTION TO GOVERNANCE AND THE COLLEGE CORPORATION

## Introduction To Governance

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### What is Governance?

Governance is what a board of governors of a college (“board”) does – the areas in which the board exercises a governance role, and the approach the board takes to exercise its role.

Governance processes are how the board does its work: the processes and structure through which the board performs its governance role.

Governance can be described as “**what**”, “**who**” and “**how**”:

- **What** – The work the board does when it comes together as a board, including the areas of board decision and oversight, as well as the approach the board takes to the performance of its role;
- **Who** – The composition of the board, including the consideration of the skills, experience and qualities the board looks for in a governor; and
- **How** – This describes the processes and structures the board relies on to do its work effectively and efficiently, such as board committees, meeting frequency, agenda planning and reporting.

A board establishes good governance processes with the objective of ensuring that the board is able to fully perform its fiduciary role, which includes making decisions in the best interests of the college.

### Governance Guiding Documents

To understand the governance of a college, there are a number of sources of documentation to be considered that provide legal and procedural direction.

Examples of these guiding documents include:

- Applicable legislation: *Ontario Colleges of Applied Arts and Technology Act, 2002* (the “OCAATA”) and Ontario Regulation 34/03 (the “Regulation”);
- Corporate law of general application: the *Ontario Not-for-Profit Corporations Act, 2010* (the “ONCA”) and its regulations;
- The binding policy directives of the Minister of Colleges and Universities (the “Minister”); and



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- By-laws, board-approved policies, and procedural texts (rules of order) adopted by the board. While the provisions of relevant legislation will apply equally to all colleges, by-laws and governance policies may differ between colleges depending upon their needs and context. They might also change over time at a college.

A board establishes good governance processes with the objective of ensuring that the board is able to fully perform its fiduciary role, which includes making decisions in the best interests of the college.

By-laws serve a number of purposes, including providing a procedural code that applies to the board, as well as bringing forward and restating provisions of relevant legislation to provide a single source of reference for the board.

Governance processes may also be set out in policies approved by the board from time to time, including policies with respect to performance of governors, such as conflict of interest policies, codes of conduct and confidentiality policies. These may also include policies with respect to board processes, such as board agenda development, committee structures and terms of reference.

## Board is Accountable for Governance

The quality of governance is a core responsibility of the board.

The Minister's Binding Policy Directive: *Governance and Accountability Framework* provides:

*The board of governors of a college is to govern effectively and is accountable to the citizens of Ontario for the successful achievement of this mandate in view of the financial support provided by the province. Good governance requires that policies, processes and structures be put in place to promote effective operation of the college and to allow it to fulfill its mandate and meet its objectives. Essential elements include organizational integrity, financial management, communication with stakeholders and clients, electing and reporting information, and good management practices.*

The Minister's Binding Policy Directive: *Governance and Accountability Framework* also includes this description as one of the board's responsibilities:

*Assessing, periodically, the effectiveness of the board with respect to governance accountability, and the attainment of corporate goals and outcomes.*

There are many ways for a board to discharge its responsibility for assessing the effectiveness of its governance. The board may, for example, require its governance committee to review and assess governance practices on an ongoing basis. Alternatively, the board may from time to time undertake a more thorough review of its governance practices as part of a more formal governance audit. This is discussed in greater detail in Chapter 2.

## What is a College Corporation?

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A college is a corporation that is incorporated under the OCAATA.

The OCAATA provides that each college is a corporation without share capital. As a corporation, a college is a legal entity that is separate and distinct from its governors.

A college is a not-for-profit corporation from corporate law perspective. Not-for-profit corporations are distinguished from business corporations by the purposes for which they each exist. Business corporations exist for profit. Not-for-profit corporations exist for the purpose of carrying on a specific activity, usually referred to as the corporation's "objects".

The purposes of a college are set out in the OCAATA as follows:

The objects of the colleges are to offer a comprehensive program of career-oriented, post-secondary education and training to assist individuals in finding and keeping employment, to meet the needs of employers and the changing work environment, and to support the economic and social development of their local and diverse communities.

The OCAATA also provides that, in carrying out its objects, a college may undertake a range of education-related and training-related activities, including but not limited to:

- Entering into partnerships with business, industry and other educational institutions;
- Offering its courses in the French language where the college is authorized to do so by regulation;
- Adult vocational education and training;
- Basic skills and literacy training;
- Apprenticeship in-school training; and
- Applied research

## Legislative Framework – Corporate Governance Legislation

### *An Overview of the OCAATA*

The OCAATA came into force in 2003 and is the primary legislation with respect to the corporate governance of colleges.

The Minister is responsible for the administration of the OCAATA. The OCAATA is supported by the Regulation which contains some important provisions that are relevant to understanding the corporate governance of colleges and the role of the board, including:

- Provisions with respect to board size and composition;

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- Provisions with respect to board term;
- Specifications for quorum;
- Requirements for a chair and vice-chair;
- Requirements that records and minutes be kept;
- Requirements for meetings of a board to be open to the public, and for holding a portion of the meeting closed to the public;
- Requirements to pass a by-law with respect to removal of governors and filling vacancies;
- Requirements of the board to submit to the Minister a strategic plan, a business plan and an annual report or any combination of them, as the Minister directs;
- Requirements to compile key performance indicators (KPIs) as identified by the Minister, and publish such indicators as may be required by the Minister;
- Requirement that the board ensures that the college balances its budget each year;
- Authority for the board to approve allowances for board members for travel and living expenses while engaged in the business of the board; and
- Prohibition on paying remuneration to governors.

## *Binding Policy Directives and Policy Framework Documents*

The OCAATA empowers the Minister to issue binding policy directives.

Colleges are required under the OCAATA to carry out their objects and conduct their affairs in accordance with the Minister's policy directives. The Minister may issue a policy directive that is particular to a college or which applies generally to all colleges.

A number of binding policy directives have been issued by the Minister. The policy directives that are relevant for corporate governance include the following:

1. **Governance and Accountability Framework** – Minister's Binding Policy Directive: Issued April 1, 2003, revised September 2010; and
2. **Conflict of Interest** – Minister's Binding Policy Directive: Issued April 1, 2003.

There are other binding policy directives dealing with matters that are not strictly about governance, such as entrepreneurial activities and public college-private partnerships. A full list of all the binding policy directives can be found at the link below.

In addition to the Minister's binding policy directives, policy framework documents may be issued by the Ministry of Colleges and Universities (the "**Ministry**"). These additional documents include:

- Operating procedures that set out specific requirements and procedures to comply with the OCAATA, the Regulation and/or a Minister's binding policy directive; and

- Resource documents that set out suggested or best practices which colleges may choose to use at their discretion.

From a corporate governance perspective, the following policy framework documents have been issued (links to each of these can be found on [The College Centre Resources webpage](#)):

- An Appointment Processes for Lieutenant Governor in Council-Appointed College Governors – Ministry Memo dated October 12, 2010;
- College Board of Governors Lieutenant Governor in Council Appointment Cycle and Process – Ministry Memo dated August 15, 2022;
- 2022 Governors Appointment Assessment Form (for college use when submitting nominations for Lieutenant Governor in Council Appointment);
- Protocol for Board Nominations and Appointments issued by the Ministry on April 1, 2003, revised January 2011;
- Personal and Conflict of Interest Disclosure Statement;
- Board-President Relations”, Resource Document for Discretionary Use issued September 1, 2003, by the Ministry.

### *Authority of the Minister of Colleges and Universities*

The OCAATA gives the Minister authority to intervene into the affairs of a college or a subsidiary of a college in such manner, and under such conditions, as may be prescribed by regulation.

The Minister must be of the opinion that certain factors exist to exercise such an intervention. There are broad powers of intervention if this becomes relevant. The Minister has a broad authority to require that the college provide any financial or other information to the Minister on request.

### *Corporate Legislation*

Colleges are also subject to the legislation that applies generally to not-for-profit corporations in Ontario.

This means that colleges are subject to the ONCA, which is an important piece of legislation with respect to governance. The ONCA sets out some key governance concepts for colleges, such as the standard of care applicable to governors, the limits on the delegation of governor powers, the rules around electronic meetings and certain requirements for audit committees.

In the event of a conflict between the OCAATA, the Regulation, or a Minister’s binding policy directive and the ONCA, the provisions of the OCAATA, the Regulation or a Minister’s binding policy directive will prevail.

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## *Colleges are Crown Agents*

Colleges are agencies of the provincial Crown.

This special status is associated with additional legal obligations imposed on the Crown (and other public bodies) under legislation, such as the *Financial Administration Act*, *Ombudsman Act* and the *Freedom of Information and Protection of Privacy Act*. It also can result in exemption from other legal obligations. For example, various provisions of the *Employment Standards Act, 2000* do not apply to colleges because of their Crown agency status.

## *Colleges are Charities*

Colleges are registered as charities under the *Income Tax Act* (Canada) and designated as charitable organizations.

Registered charities are granted special income tax treatment in Canada – for example, they are exempt from income tax and, unlike other non-profit entities, they are able to issue tax receipts allowing donors to benefit from income tax credits or deductions. However, in part because of these advantages, charities are subject to statutory restrictions and obligations that do not apply to other organizations.

In Ontario, several statutes apply to charities operating in the province, including the *Charities Accounting Act* (Ontario) and *Trustee Act* (Ontario). The Ontario Office of the Public Guardian and Trustee has jurisdiction over enforcing these provincial rules.

## Governance Structure of Colleges

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### Colleges and Their Governors

The affairs of the college are governed by its board.

The term “governors” is used in the OCAATA to describe the members of the governing board of a college.

The Minister’s Binding Policy Directive: Governance and Accountability Framework describes the minimum responsibilities of a college board as including:

- Establishing governance structures to enable the achievement of expected institutional outcomes with clear lines of communication and internal accountability;
- Setting the college vision, strategic directions, and overall goals and outcomes within the context of the appropriate laws, government policy, and local need;
- Hiring the president, delegating to the president accountability for the operation of the college, and evaluating the president’s performance;

- Approving the college's annual business plan, budget and annual report;
- Assessing, regularly, the attainment by the president of corporate goals and outcomes, and the effectiveness of the board with respect to governance accountability; and
- Taking appropriate corrective action, as necessary, where expected outcomes or quality of performance are not achieved.

The board must include:

- The president;
- An even number of between 12 and 20 governors who are not employees or students (often referred to as the "**External Governors**"); and
- One student, one academic staff member, one administrative staff member, and one support staff member, each of whom is to be elected by the students or by the relevant staff group (often referred to as the "**Internal Governors**").

Of the External Governors, the Lieutenant Governor in Council ("**LGIC**") appoints one third and the balance is appointed by the members of the board in office at the time of the appointment. The External Governors (those appointed by the board itself or by the LGIC) are to be selected and appointed in accordance with the Protocol for Board Nominations and Appointments issued by the Ministry as a policy framework document (April 1, 2003, revised January 2011).

The Internal Governors are elected in accordance with procedures established by the board after consultation with the students and with the relevant staff. These election procedures are to be set out in a by-law approved by the board.

## Term of Office

Pursuant to the Regulation, governors (other than student governors) serve for an initial term not to exceed three years, and may not serve more than six consecutive years, but may be re-appointed or re-elected to the board after a two-year absence from the board.

A governor elected by the students shall hold office for a term not to exceed two years, and shall not serve for more than four years consecutively, but is eligible for re-election after two years of absence from the board for successive terms not to exceed four years.

## Board Officers – Chair and Vice-Chair

The Regulation under the OCAATA requires the board to, annually or every two years, in accordance with its by-laws, elect a chair and vice chair from among the External Governors.

The chair and vice chair are eligible for re-election, and no maximum term is required by the Regulation. The OCAATA does not require the board to appoint other officers but it is common to do so.

# CHAPTER 1

## Board Committees

The board of a college is not required to establish committees. Accordingly, it is left to the board to determine the committee structure that will best contribute to the effectiveness of the board. There is more information about board committees in Chapter 2.

## Advisory College Council

The Minister's Binding Policy Directive: Governance and Accountability Framework requires the board to ensure that an advisory college council is established, the purpose of which is to provide a means for students and staff of the college to provide advice to the president on matters of importance to students and staff.

The board is to ensure that structure, composition, terms of reference and procedures for the Advisory College Council are established by by-law. A report from the Advisory College Council is to be included in each college's annual report.

# ROLE AND FUNCTIONS OF THE BOARD

## Role of the Board

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### Context of the Board's Governance Role

The board is often described as the directing “mind and will” of a corporation.

The board has the ultimate oversight and decision-making role: it directs and manages the affairs of the corporation. Each college board is ultimately accountable for the success and continuity of the college it governs. Success concerns the degree to which the corporation is serving and effectively meeting its objects. For colleges, these objects are set out in the OCAATA:

*The objects of the colleges are to offer a comprehensive program of career-oriented, post-secondary education and training to assist individuals in finding and keeping employment, to meet the needs of employers and the changing work environment and to support the economic and social development of their local and diverse communities.*

Each board interprets these objects, from time to time, to suit its college in statements of “ends”, mission, vision and values, and in strategic plans.

As indicated in Chapter 1, the board does not function autonomously. It is a creature of the provincial government which has established an accountability framework in legislation and regulations. The legislation and regulations prescribe, among other things, regular reporting of plans and performance indicators, and the requirement to operate to a balanced budget. The board performs its oversight and decision-making role within this context.

Given the complexity of college organizations, the board delegates the management of the organization to the president. As a public sector board, the college board sits strategically in the middle of this accountability framework, balancing between meeting its public accountability obligations and ensuring it directs and holds management accountable to meeting its strategic plans and mandate.

### Board Accountable to Government and Constrained by Directives

As indicated above, the board needs to function within the framework established by the provincial government.

- Boards need to account to the Minister by providing prescribed reports: strategic plan, business plan, annual report and key performance indicators.



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- Boards and their colleges need to operate with a balanced budget or a deficit recovery plan.
- Boards and their colleges are also subject to other provincial legislation and binding policy directives, including ones for procurement and travel expenses. Specifics concerning these binding policy directives can be found at the link below.

## Governance Model Defines the Relationship between Board and President

Within this accountability framework, the board can decide how it will govern.

Many refer to this as choosing a governance model for the board within the parameters imposed by the accountability framework. A governance model defines the role of the board, and draws the line between the board's role and the role of the president or chief executive officer.

As a general principle, the board governs and management manages. Most governance models are based on the premise that the board's role is to develop and approve overall strategic direction, and to see that the organization is well-managed by monitoring performance and compliance with plans and policies. In summary, the board delegates implementation to the president and oversees implementation and performance. (This is consistent with the reality that governors have limited time and are not experts at running the college's operations.)

Some colleges have chosen a ***policy governance model*** as the basis for their governance role and style. This policy governance approach was first articulated by John Carver and is often called the "Carver Model".

This model proposes that the board:

- Determines the "ends" or results for which the organization exists;
- Sets broad policy directions and strategic plans;
- Establishes measures for and monitors performance;
- Delegates comprehensively to the president; and
- Establishes the relationship with the president in terms of enunciating executive limitations

In summary, the board delegates to the president the job of accomplishing the key ends, following the policies and observing any executive limitations established by the board. The board is then responsible for ensuring that the president fulfills their objectives, keeping within the stipulated limitations, and reporting back on their accomplishments.

Some boards follow a ***hybrid policy governance model***, which includes more flexibility in what matters are addressed, how the board functions, and the degree to which the board becomes involved in implementation issues.

Regardless of the model adopted, virtually all college boards follow the principles below:

- The board should focus its attention on issues that have a high impact on the objects, ends, mission or goals of the college – the terminology used may vary, but the concept is consistent.
- Consistent with the above, the board should provide high level strategic direction and policies that are guides for decision-making delegated to the president.
- The board should deal with important issues by prescribing to what is necessary to provide direction and ensure oversight, leaving flexibility for management to manage the operations.
- The board should engage in risk identification and risk management.
- The board supervises and directs only the president as the prime employee of the board. All directives flow through this line of communication.

## Managing the Line between Governance and Management

### *Explicit Board Role Statements*

Developing an explicit statement of the board's role is a best practice as it helps clarify how the board exercises its governance responsibility.

A role statement helps both define and manage the "line" between the work of the board and that of management.

The government has provided a basic board responsibility statement.

The government statement is presented as a minimum and covers the key functions of a board.

See Resource 2.01 Core Role of the Board.

Depending on the specific form of policy governance practiced by the college, each college can modify the board role statement to suit its particular situation.

See Resource 2.02 Sample Statement of the Board Roles and Responsibilities.

Four functions are identified as the core functions of the board:

1. Strategic Direction Setting
2. Selecting and Evaluating the President
3. Overseeing College Performance
4. Organizing its Own Governance

Each function is described in more detailed in the following sections of this Chapter.

# CHAPTER 2

While these are the core functions, there are other functions performed as well. Some boards identify stakeholder relations or engagement as important.

While many boards do place some strategic attention to community and stakeholder relations, they tend to rely on management to deal with these matters. Risk identification and management also are a key function for boards. Risk management is discussed in the context of Core Function #3 Overseeing College Performance.

## *Challenges to Managing the Line Effectively*

Simply having a board role statement to define the line between board and management is not necessarily sufficient.

The chair and president need to actively manage that line so the board focuses on its high-impact roles, and does not adopt a micro-management pattern of behaviour. That requires some flexibility, judgment, and good communication.

The blurring of lines between board and management arises mainly when the board is in its oversight function. A number of factors can cause individual governors to question operational matters and begin to cross the line into giving operational advice to management.

- With greater transparency, anecdotal situations come to the attention of individual governors. Governors can become unwittingly overly enthusiastic in getting answers. This can lead to some difficult situations.
- Where there are issues concerning effectiveness, poor performance, or issues of risk management, governors naturally want to better understand the operations of the college in order to make better policy and priority decisions. However, operational-level questions may lead unwittingly to operational suggestions and potentially inappropriate discussions.
- Where a governor has a particular expertise or experience, it may result in a desire to become involved operationally regarding those matters.
- One of the emerging challenges comes from the government itself. Concerned with the need for greater control over occurrences of poor management oversight, government is requiring that boards ensure operational directives are followed. As a result, the line between governance and managing operations can blur.

A board needs to be vigilant in keeping itself at a ***governance level*** in its oversight role:

- The board should adhere to the principle that it oversees performance best where there is an established policy, plan, target or budget in place that has already been approved by the board. The board's governance question concerns whether the policy is complied with and the plan is achieved. Questioning operations because of an anecdotal event is not appropriate governance oversight.
- Management needs to develop and propose policy directions, goals and plans as a basis for stimulating the right discussion at the board level.

- Staff can also create education sessions and briefing papers that ask the right questions to guide the discussion to governance matters.
- At meetings, board leaders and governors can ask themselves some key questions when deciding whether or not certain matters warrant inclusion in the board agenda or discussion:

Is the matter critical to the success and sustainability of the college?

Is it something that the board should affect recognizing the skills and capabilities of its governors?

Is the board dealing with this at the governance level or has the discussion shifted to an operational problem-solving level?

When an operational-level discussion does emerge, the chair or another board member can inquire as to whether or not the issue requires board approval and warrants discussion.

The chair and president need to work closely to maintain an effective differentiation between the roles of management and the board.

## Generative Governance

In many public and not-for-profit sectors, boards may broaden their role beyond strategic direction setting and oversight of the president's and operational performance.

This leads to what is called a "generative" mode of governance, whereby the board indulges in more open ended discussions of future issues and operational matters. The purpose is not to oversee or second guess management, but to provide ideas and potential scenarios for management follow-up. This approach enhances governance in assisting the president, without undermining their authority. Nonetheless, it does break some of the norms of strict policy governance.

College boards may adopt some of the elements of generative governance, primarily around organizing high level strategic discussions at board meetings. This is discussed more fully later in this chapter under Board Core Function #1: Setting Strategic Direction.

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## Board Core Function #1: Setting Strategic Direction

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### What is Involved in Setting Strategic Direction?

All colleges need a sense of who they are as organizations, what they are trying to accomplish, and their overall direction in terms of how they will serve their purposes; providing a sense of purpose and direction is referred to as Strategic Direction Setting.

Strategic Direction Setting is a key role and function of the board. Legislation recognizes this by expecting all college boards to provide strategic plans which give direction over at least a three year period as well as an annual business plan.

Strategic Direction Setting can be seen to include three elements.

#### 1. *Long Term Fundamentals – “Ends/Outcomes” and Mission, Vision and Values*

Defining the fundamentals of a college or any organization can be done in various ways.

Following the Carver model, colleges define their “ends” or the results for which they exist. In strategic planning processes, typically organizations use statements of mission, vision and values. These statements are intended to stay in place for a considerable period of time, and are changed infrequently except for some minor “wordsmithing”.

- **Mission** – A mission is a statement of the corporation’s role and why it exists – what it does, for whom, and why.
- **Vision** – While the terms “mission” and “vision” are often interchanged, there is a clear distinction between the two. A mission states the enduring role and purpose of the college, while the vision is a description of its desired future state in light of its purpose, clients or itself as an organization. The longer-term vision statements tend to be short and inspiring, but less concrete.
- **Values** – The values statement includes values, norms, principles and commitments that the college intends to follow in performing its mission. These statements generally influence how the board goes about its business.

Please note that the college can choose its approach to defining why it exists and what results it seeks to accomplish, so long as it keeps in mind the objects specified in the OCAATA. Some colleges choose to use statements of “ends”; some choose “mission”, “vision” and “values” statements; and some choose both. In this document, reference is made to both approaches as if they were interchangeable.

#### 2. *A Medium Term Strategic Plan*

Strategic planning is a disciplined process with the intent of defining the purpose and strategic direction of a college within the foreseeable future.

It recognizes, and takes into account, the current and future state of the external and internal environment within which the college operates.

See Resource 2.03 Strategic Planning Primer.

The strategic plan is the foundational document that provides direction to the college over the medium term – typically three to five years – and includes:

- Updating the mission, vision and values, if appropriate;
- Conducting an environmental scan, and analyzing what is happening internally and externally;
- Identifying the key challenges and opportunities facing the college, including identification of risks;
- Developing a set of strategic directions and/or priorities for the next three to five years; and
- Recommending strategic action initiatives and measures of success.

### 3. *A Medium Term Strategic Plan*

**Colleges develop annual business plans that translate their strategic plan priorities into a 12 month period with appropriate metrics.**

These plans form the basis for creating the financial budgets. These documents complete the strategic direction setting process.

### 4. *Supplementary Strategic Documents*

**From time to time, special strategic plans and documents may be prepared to amplify or clarify the strategic direction.**

Strategic Mandate Agreements, which have been required by the Ministry, once every three years, are examples of this. The agreements appear intended to translate strategic plans into outlines of how each college has a differentiated positioning within the college system. In negotiating the terms, the Ministry indicates its objectives and priorities for differentiation and each college develops a submission based on those areas. Key information to be provided generally includes current and future areas of program strengths, enrolment plans, differentiation areas of focus, and financial sustainability information. The agreements are signed by a senior Ministry official and the college president.

## Board's Role in Strategic Direction Setting

While the board's role in direction setting is mainly through the strategic planning process, the board also can affect the strategic directions of the college between planning cycles.

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## *Board Participation in the Strategic Planning Process*

In reality, the president and senior staff lead the thinking behind the creation of strategic directions and drive the strategic planning process. While the president may lead the work, the board as a whole should participate during key points in the strategic planning process:

- The board approves the strategic planning process, including the establishment of a steering committee (if formed), and any preliminary themes or areas of focus;
- The board participates in a workshop-style dialogue (i.e., retreat) at key points in the process, such as in the formation of strategic themes or directions;
- The board receives highlights of findings and progress updates at regular board meetings;
- The board receives a final draft plan in advance and has the opportunity to question its contents and suggest modifications.
- The board approves the final strategic plan, and provides guidance to the president on implementing the plan.

See Resources 2.04 *Knowing the Board has a Sound Strategic Planning Process* and 2.05 *Tips for Asking Appropriate Governance-Level Questions about Draft Strategic Plans*.

## *Board's Discussion of Strategic Themes in Non-Strategic Planning Periods*

While the strategic and business planning process provides a prime opportunity for the board to influence the strategic direction of the college, the need for strategic direction continues between planning processes. Given the dynamics of the world today, strategic plans can easily become outdated and their directions can become stale. While the president is delegated the job of responding to emerging issues as needed, the board can be proactive in providing additional board advice on strategic matters to the president.

A thoughtful discussion of major strategic themes, such as enrolment prospects, innovative programs, use of e-learning technology and international strategies, requires board time and preparation. While retreats present an excellent opportunity for such extended dialogues, there are few such opportunities. Boards can also set aside time at regular meetings.

To make such sessions effective, and to avoid overloading the board, management should provide well organized summary information in advance. Conversation during these sessions should focus on “what if” questions and opportunities and implications for the college. These dialogues can help management formulate strategic proposals and responses subsequently using the ideas and advice coming out of these sessions.

See Resources 2.06 *Tips for Making Board Strategic Dialogues Effective* and 2.07 *Potential Themes for Strategic Dialogues*.

## Board Core Function #2: Selecting and Evaluating the President

The board's role is to govern and management's role is to manage.

The board sets goals for the college, and policies to guide and constrain their implementation. It then delegates responsibility to the president to manage the day-to-day affairs in accordance with the established policies, and to ensure that the established goals are achieved.

The board, in effect, employs and supervises the president. In doing so, the board needs to attend to the following responsibilities related to overseeing the president:

- Establish the president's role and expectations;
- Lead the selection of the president;
- Evaluate the president's performance;
- Establish the president's compensation; and
- Ensure there is a succession plan for the president.

### Board's Role in Oversight of the President

#### *Establishment of the President's Role and Expectations*

Whether it is for the purposes of selecting a new president, delegating authority to the president, or conducting the annual performance evaluation, the board needs to establish clear expectations for the president's role.

Fundamentally, the president's role is to ensure the achievement of the ends or goals of the college.

As chief executive officer, the president is delegated full authority to manage and direct the general administration, business and affairs of the college, within appropriate boundaries and authority granted under delegation of authority from the board.

The college may provide broadly delegated authority to the president, and then establish executive limitations and policies that guide and constrain that authority. Alternatively, the board may outline the president's responsibilities in a job description.

In either case, the role has a wide set of responsibilities. A typical set of results areas for a chief executive officer/ president in the broader public and private sectors is provided in the box highlighted on this page.

#### Typical Results Areas for the CEO/President

- Strategic direction in place, clear and supported by key stakeholders.
- Level and quality of results and services delivered within approved budget.
- Cost-effective and sound administration of human, managerial, financial and other resources.
- Effective and collaborative relationships with appropriate agencies and organizations in the community.
- Respectful and effective board relations.



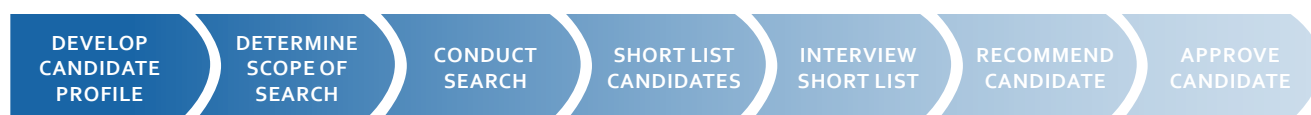
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Given the breadth of the president's responsibilities, the focus of expectations is properly on the ends or results achieved, rather than on the activities performed. Annual targets or goals are set to allow these results to be evaluated explicitly. Broadly speaking, these expectations fall into two areas:

1. **Achievement of annual goals** – The president annually establishes high level goals for the college in terms of an annual business plan, budget, and targets relative to key performance indicators, all of which are approved by the board. In addition, the president annually establishes individual goals, which are also approved by the board. Lastly, the president establishes annual goals on other matters related to the strategic plan and emerging challenges. Taken together, these goals form the primary criteria for assessing the results achieved by the president.
2. **Demonstration of leadership behaviour and practices** – As well as evaluating the achievement of results, the board expects the president to demonstrate constructive leadership. Of course, leadership behaviours and competencies are “softer” criteria which require qualitative and somewhat subjective assessment. Nonetheless, leadership qualities should be established as an aspect of presidential evaluations.

## *Recruitment and Selection*

The board is responsible for the recruitment and selection of the president. A typical recruitment process is shown below.



Typically, the board delegates the actual leadership of the process to a task force or the committee which deals with presidential evaluation. Through this committee, governors are involved in interviewing and assessing short-listed candidates. It is good practice to develop a policy for this process so that the board has guidance in place before the recruitment is required.

While the whole board does not need to be involved in all steps of the recruitment process, it does need to:

- Approve the recruitment process to ensure that:

The candidate profile and criteria accurately reflect the skills, experience and leadership qualities needed;

The scope of the search and general process is likely to yield a reasonable pool of candidates; and

The board participates in the final candidate interview process, as it wishes.

- Approve the recommended candidate based on a summary report from the committee.

## Annual Performance Evaluation

Evaluation of the president's performance is a critical function of the board, and should be conducted annually. A typical evaluation process is shown below.



The process of evaluation, and its criteria, need to be mutually agreed upon between the president and the board. As indicated above, the expectations of the president define the evaluation criteria which typically includes the following:

- Overall performance of the college;
- Achievement of the president's annual goals; and
- Effective leadership behaviour and practices.

In terms of the process, there are some key features that need to be considered:

- In most cases, the college board delegates the task of undertaking the evaluation to a task force or sub-committee of an established standing committee.
- Although the sub-committee members are responsible for conducting the process and making recommendations, typically the chair plays a central role in terms of relating to the president personally – clarifying process steps and timing, discussing preliminary feedback informally to allow the president to respond, and communicating recommendations and final approvals.
- Internal Governors have a special relationship with the college and should not be directly involved in the evaluation process but should be entitled to have input in the process. They may participate in the full board discussion to approve the process and to receive a report that the process was followed and to know the outcome.
- There are choices about how extensively to canvass input or feedback on performance. Rather than doing so annually, the board may choose to undertake more intensive input gathering less frequently to reduce time and expense.

See Resources 2.08 Optional Sources of Input to President's Performance Evaluation and 2.09 Sample Board Policy on Succession Planning.

While the board is not involved in all steps of the process, it:

- Approves the criteria and approves the annual process as recommended by the assigned committee;
- Provides an opportunity for External Governors to give input to the evaluation;

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- Receives a summary report, supplemented verbally *in camera*, with the overall evaluation conclusions and any recommendations related to presidential development and compensation, as well as the committee's rationale.
- Approves the development and compensation recommendations.

## *Compensation*

The board is responsible for approving the president's compensation, but only External Governors who are independent of the college and do not have any special relationship to the college should be directly involved in making a recommendation to the full board with respect to the compensation for the president. This task is typically addressed as part of the annual performance evaluation process (see above).

The College Employer Council assists boards in carrying out this function. Specifically, one of the College Employer Council's committees makes recommendations to college boards on compensation levels and terms and conditions of employment for college presidents.

Compensation parameters are determined by the president's employment contract. Annual compensation figures are subject to public disclosure. Since 2010 public sector compensation legislation has limited the board's ability to fully direct the president's compensation portion of the contract (i.e., *Public Sector Compensation Restraint to Protect Public Services Act 2010*). Therefore, executive compensation may be impacted by legislation. In approving the president's compensation, the board needs to assure itself that the compensation is:

- Aligned with performance;
- Equitable in relation to other positions within the college and the college system;
- Compliant with legislation; and
- Fiscally responsible and defensible.

## *Succession Planning*

The board needs to ensure there is presidential succession planning so that leadership at the college can be sustained. Succession planning has two aspects:

1. **Emergency succession planning** - Identifying who will stand in for the president in the significant, but unlikely, event that the president is unable to perform their duties due to an emergency or prolonged absence; and
2. **Talent development for succession** - Identifying and developing individuals to take on greater responsibilities, including potentially those of the president, in the medium or long term.

Emergency succession planning typically requires the president to identify to the board, or the board chair, one or more individuals who could take over leadership responsibilities in the president's absence. Emergency succession planning may also address:

- Training required to prepare the individual for the role;
- Specific circumstances under which emergency succession will be implemented, and the process for doing so;
- Changes or limitations to the authorities; and
- Compensation.

Developing a specific individual to be ready to assume the role of president at some point in the future may not be practical, depending upon the nature of the senior team and the career plans of the current president. When thinking beyond emergency situations, developing talent for succession is a more appropriate focus. This involves developing the depth and breadth of talent of the leadership team. It addresses:

- Identifying potential candidates for all senior management roles, including the president;
- Assessing the candidates' readiness to assume the identified roles; and
- Providing professional development support to broaden or deepen their expertise.

The board's main role in non-emergency succession planning is to ensure that the president is addressing this area. From time to time, the board may ask for a report from the president on the status of the senior management pool in terms of readiness. The board may ask its evaluation sub-committee to cover this topic as part of the annual evaluation process, and report back to the board.

## Board Core Function #3: Overseeing College Performance

### Why Performance Oversight?

**The board is accountable for the success of the college in accomplishing its objects.**

Objects are more concretely defined through the college's ends, mission, vision and values, and/or goals outlined in its strategic plan.

The accountability for accomplishing objects flows from the board's fiduciary duties. It also derives from its legislated accountability to report to the government through the Minister. Legislated accountability includes high level performance (e.g., strategic and business plans, key performance indicators, and budget performance). It also includes administrative compliance to the Minister's binding policy directives, some of which are quite operational in nature (e.g., travel and related expense directive, procurement processes, and so on).

Because of the board's accountability to the crown and its fiduciary duty, it must oversee college performance from multiple perspectives.

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1. **Overseeing the president** – The president is responsible for managing the affairs of the college in accordance with the policies and strategic directions set by the board. Evaluating the president's performance provides one indication of how well the college is performing in meeting its strategic directions. Oversight of the president is discussed under Core Function #2.
2. **Monitoring college performance** – Boards also address how well the college is performing through performance monitoring. Establishing a governance performance monitoring framework, that links key operational results to overall goals and strategic directions, provides another perspective on college performance. It allows the board to review key operational results without becoming overly involved in the detail.
3. **Overseeing risk management** – Risk management provides yet another perspective in performance oversight. In its broadest sense, risk can be thought of as something that could have a negative impact on the college's ability to achieve its objectives. By ensuring that risks are appropriately identified and managed, boards help safeguard performance.

All boards engage in each of these activities. Each board should task itself where to put its emphasis across the three different perspectives, and what level of involvement it wants in each. These questions must be answered within the context of each board's governance approach, its risk tolerance, and the college's unique environment and circumstances.

## *Establishing a Framework for Governance Performance Monitoring*

The challenge for the board in monitoring college performance is maintaining a governance approach, whereby the board stays at a high strategic level and does not interfere with operations. The board needs to establish a performance monitoring framework that enables it to review operational results without becoming overly involved in detail.

Clearly, the board needs to ensure government-directed policies are complied with by management. Beyond that, the board needs to decide at what level it will inspect performance. Key performance indicators report high level success in outcome terms but they can be affected by operational performance in prior years. The board needs to understand the underlying contributors to successful performance in the future, and that may mean monitoring leading indicators of future success and viability of the college.

## *Principles to Keep Performance Monitoring at a Governance Level*

There are some principles to be followed in establishing such a framework and process:

- From a governance perspective, the board should look for compliance to a policy or variation in results from a goal, target, plan, or budget. Otherwise, there is no basis to question performance.
- For effective oversight, explicit measures, indicators, or criteria need to be developed to assist the board in assessing actual compliance or performance.

- In designing performance measures, there should be a logical line of sight connecting operational measures to high level ends/outcomes. This ensures the board is “governing and being strategic” since it is evaluating operational measures that cause or contribute to achieving the higher level outcomes.

## *Key Ingredients of Performance Monitoring Framework*

From a board point of view, overseeing performance involves these key ingredients.

1. **Establish performance expectations** – Effective performance oversight begins with a clear statement of what is to be achieved, and directives about how it can or cannot be pursued.
  - The “what” involves defining performance goals/objectives. These can be established through a variety of mechanisms, including ends statements, strategic plans, annual business plans, budgets, and program/service standards. The board must decide which areas of performance it wishes to monitor, and what the performance objectives are for each of those areas.
  - The “how” deals with directives about the process including what cannot be done and what must be done. This includes prescribing delegated authorities and following the Minister’s binding policy directives.
2. **Develop a performance reporting system** – With the help of management, the board should develop a structured system of reporting on how performance compares with expectations in key areas. This means developing measures and indicators of performance, measuring actual performance and reporting on variances or deviations. The board should also determine the frequency (monthly, quarterly, annually) and the format for reporting that it finds most useful.
3. **Actively monitor results and compliance** – The board receives performance reports, and actively identifies variances in results and instances of non-compliance situations. Typically, management will identify these concerns and propose a recommended course of action. The board must be assured that performance issues are identified, that proposed actions make sense, and it must continue to monitor results to ensure that the concerns are resolved.
4. **Board takes appropriate corrective action, if necessary** – Performance monitoring does not typically result in the board taking corrective action – this is the role of management. However, the board may need to take action where the concerns are urgent and not addressed, or where there is reoccurrence and the issue potentially represents a risk to the college’s viability or reputation. In such cases, the board may need to provide guidance on priorities, direct the president, and/or develop new policies or procedures to protect against future occurrences.

This describes a continual process that the board works through each year. It emphasizes that the board’s role is to approve policy and direction, and then observe performance – acting only when it is necessary to do so because the high level results are in jeopardy. ***Policy and direction setting are proactive, but operational oversight is largely passive, only reactive when clearly necessary.***

See Resource 2.09 Sample Board Policy on Succession Planning.

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## Key Areas for Performance Monitoring

### *Strategic Performance*

A prime function of the board is to provide strategic direction and, related to that, to monitor strategic performance. This involves monitoring the following.

- **Strategic and business plans** – The board should review the progress being made toward the college's strategic goals and objectives at appropriate intervals – quarterly and annually. Progress reviews should include both the status of planned implementation activities (e.g., per cent complete) and whether the expected results are being achieved (e.g., improved organizational performance or improved outcomes). Note, the latter can be difficult. Results may not be apparent in the early stages of an initiative, and may need to be monitored over longer timeframes or through other measures of intermediate results.
- **Key performance indicators** – KPIs are mandated performance measures covering student satisfaction, graduate satisfaction, graduation rates, employer satisfaction and employment rates. Key performance indicators provide a useful indicator of high-level college success (ends or outcomes), and allow for comparison to other colleges. Like strategic plan initiatives, there may be a lag in the effect on these indicators. Boards may choose to supplement key performance indicators with additional interim measures related to enrolment, retention, and program and service quality.

**Given the importance of strategic oversight, a board deals with this as a full board, rather than through a committee.**

### *Financial and Operational Performance*

The board needs to ensure the college is meeting, or will meet, its service and program agreements and commitments. This primarily focuses on achieving the annual operating targets in terms of operating performance (enrolment, student success) while staying within the approved operating budget. For the board, this means paying attention to the following items:

- Monitoring the operating financials and cash flow to ensure that revenues and expenses are within targets, and that a balanced budget will be achieved; and
- Monitoring operating performance (enrolment, student success, and program quality) to ensure that agreements and commitments (including those of the Ministry) are met.

The board needs to choose how detailed it wishes to be in terms of monitoring operating measures. It also needs to consider optional approaches to reporting operating performance, both substantive (e.g., enrolment) and financial (revenue per student). Many organizations use dashboards to do so.

### *Overall Financial Viability including Condition/Availability of Resources/Assets*

The board needs to ensure that the college is financially viable and sustainable in the longer term, and that assets are available to the organization and used effectively. This means:

- Approving operating and capital budgets to ensure that resources are allocated appropriately;
- Monitoring adequacy of reserves and long term financial projections to ensure sustainability;
- Approving investment policies to ensure that investments are managed appropriately;
- Ensuring that the assets are safeguarded and used effectively; and
- Establishing protection for critical risks to assets, reputation, and viability.

## *Integrity of Information and Reporting Systems*

The board needs to be confident that the reporting and control systems, including financial information, has integrity and can be relied upon. An effective system includes:

- A sound regime of authorities for approving expenditures and signing commitments/contracts that specifies the dollar limits for each level of authority;
- Effective segregation of duties;
- Systems and processes to ensure that all transactions are recorded accurately and in a timely manner; and
- Appropriate control policies and processes to monitor and ensure compliance with internal controls and Ministry binding policy directives.

The board meets this oversight duty by overseeing audits that provide assurances that the systems, policies and processes are sound and functioning well. That normally is delegated to an audit committee which supervises the external auditor. The board also can receive attestation from management regarding other compliance matters.

## **Risk Management Oversight**

Risk management has always been an important aspect of the board's oversight responsibility.

The key elements of the risk management process are:

### **1. Identify risks**

- Establish the context and broad range of risks.
- Identify the events or actions that could affect college objectives.

### **2. Assess each risk in terms of probability and impact / consequences**

- Probability looks at how likely is it that the risk will occur.
- Impact/consequence looks at what will be affected if the risk does occur, and how severe would that be.



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## 3. Determine the appropriate risk management strategy

- Consider optional strategies for managing risk:
  - **Avoid** – some risks may not be worth taking;
  - **Accept** – accepting some risk, but within specified limits;
  - **Control** – mitigate risk through such actions as establishing policies, procedures and structures to reduce the likelihood of the risk occurring, or the severity of its impact; and
  - **Transfer** – pass the risk onto another party through such action as purchasing insurance to protect the college from the effects of the risk.
- The appropriate risk strategy will depend on a number of factors including the nature of the risk, the college's risk appetite, and the cost associated with implementing the strategy.
- Once the strategy has been selected, the required policies and practices need to be put in place to ensure the strategy is carried out.

## 4. Establish ongoing monitoring

- Develop mechanisms to monitor the effectiveness of risk management strategies that have been put in place.
- Regular monitoring and feedback will help strengthen practices over time.

Each college can scale and tailor its risk management framework to fit the organization, culture and available resources. The risk management process can be scaled to reflect the significance of the decisions being made as well as the time and resources available.

### *The Board's Role in Risk Management*

Risk is a factor that the board inherently must take into account in its decision-making and oversight process. Management typically leads the development and implementation of risk management systems or processes (especially Enterprise Risk Management).

The board's role in risk management is to ensure that the college identifies and manages its risks effectively. Its participation includes the following:

### 1. Approve and oversee risk management approach

- The board should be informed of, and endorse, the president's proposed approach to risk management, and be advised of findings with respect to risk identification and analysis.
- The board should approve management's proposed strategies for risk management.

## 2. Develop strategies for priority risks

- While management's processes will address all risks, the board may choose to focus on those risks that appear to have the most significant impact on key outcomes, and those requiring an independent perspective only the board can provide.
- The board may select such priority risks for review from time to time or on an annual basis.
- The board will typically delegate risk analysis to a board sub-committee, supported by management and others as required.

## 3. Explicitly identify risk factors in all board decisions

- In all recommendations or matters requiring decision by the board, the submissions from management should include an assessment of potential risks.
- This will ensure risk is integrated in the board decision-making process.

## Board Core Function #4: Organizing the Board to Perform its Role

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**The board decides how it will govern itself in performing its role.**

The board actually has authority only when it meets as a board. The topic of board meetings is covered in Chapter 4. This section considers how the board structures itself and how it organizes itself to do its work. Here we discuss

- The board chair;
- The annual board planning process;
- The committee structure to support the board in doing its job; and
- The evaluation of board governance.

### The Board Chair

While the board appoints all of its officers, the governor with the most impact on the workings of the board is that of the board chair.

#### *The Role of the Chair*

The role of the chair can be seen along three dimensions: the role in relation to the board; the role within the college; and the role in relation to external stakeholders.

- **The chair's role in relation to the board:**
  - Responsible for the quality of the board's governance process;

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- Chairs meetings of the board, and ensures proper process is followed;
  - Chairs meetings to foster informed dialogue among members, ensuring all sides are heard;
  - Calls meetings; and
  - Sets agendas and signs minutes.
- **The chair's role in relation to the college:**
    - Represents the board within the college;
    - Works and consults with the president;
    - Signs agreements as an officer; and
    - Works with other officers as needed.
  - **The chair's role in relation to external stakeholders:**
    - Acts as the public spokesperson for the board;
    - Communicates with external stakeholders as directed by the board and does not overlap with the president and their management team's work; and
    - Maintains relationship with external stakeholders, such as community, and government.

See Resource 2.11 Sample Board Chair Role Description.

## *Qualities Required of the Board Chair*

**The chair is the board leader and, accordingly, needs to possess all of the qualities that are required in a governor and, more importantly, qualities that enable them to perform a leadership role.**

The board chair needs to have the ability not only to effectively manage board meetings, but also to develop and maintain relationships with governors, committee chairs, management and stakeholder groups.

The board chair's leadership qualities include the following:

- The ability to influence behaviour – often an individual's ability to influence behaviour is acquired by virtue of having been an outstanding member of the board;
- The ability to recognize when compromises are required, and to bring parties who are in dispute to an effective resolution in a way that will further board business in the best interests of the college.
  - The ability to inspire other board members to contribute their skills and talents to the board – once again, this leadership quality is often set by example.

- The ability to enforce board policies – the board chair must be prepared to discipline board members who do not adhere to the rules of fiduciary conduct.
- The ability to deal with governors in a dignified and respectful manner, while at the same time ensuring that the bar on board behaviour is set at a high standard, and that those governors who do not meet that standard are provided with opportunities to improve.
- The ability to develop a respectful and collegial working relationship with the president, while maintaining the relationship of accountability that will allow the board to effectively supervise management
- The ability to be a visionary – looking forward to the future, on behalf of the college, and inspiring the board toward a future vision for the college.

## *Selection and Term*

The Regulation requires the board to, annually or every two years, in accordance with its by-laws, elect a chair and vice chair from among the external governors (i.e., those that are either LGIC appointees or governors appointed by the board). The chair and vice chair are eligible for re-election, and no maximum term is required by the Regulation.

The board should determine in its by-laws if the chair and vice chair will be elected for a term of one or two years. The potential for any renewal terms should also be determined. Renewal should not be automatic, and a process should be established to evaluate the chair. A board may decide only to permit a third term in exceptional circumstances and, for example, require a secret ballot vote requiring 75% to 80% of the governors to approve the additional term. A board should have a well-defined process for selecting the chair and vice chair.

See Resource 2.12 Sample Board Chair Selection Policy.

## **Annual Board Planning Process**

The board should be proactive in deciding what it is trying to accomplish and what topics it will deal with each year.

### *Systematic Board Work Planning Process*

The board needs to use its limited meeting time effectively. The board meeting agenda is not totally within the control of the board as it needs to deal with externally driven items and emerging issues and events. Recognizing that, it makes sense for the board to use a systematic process to develop an annual work plan. Such a process is shown graphically below.

This approach involves the following steps:

1. **Set annual board goals** – Establish what the board wants to accomplish next year. This is normally prepared near the end of the school year in May.

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2. **Approve a full annual work plan** – The board should approve a list of key agenda items, including new board goals and strategic topics, carry-over items, and regular cyclical items. Each should be assigned to the appropriate committee or the president to take responsibility for preparing information or proposals in advance.
2. **Establish an annual board calendar** – Preparing the annual meeting calendar involves developing the initial agenda topics for each meeting. This includes topics from the new board goals, plus regular items and known matters likely to come from external sources. Making this a workable plan/calendar may take a few iterations.
3. **Prepare individual meeting agendas** – Before each meeting, the chair and president normally confirm or modify the planned agenda, as required.
4. **Review results and recycle** – The board, or an assigned committee, should review accomplishments by the board as a basis for developing next year's goals.

A board committee may assist the board in undertaking this process. However, the board needs to approve its goals and annual work plan. Many boards develop annual goals in a retreat setting so there is sufficient time for discussion.

*See Resource 2.13 Sample Annual Board Work Plan.*

## ***Alignment of Board and Committee Plans***

Committees support the board in performing its work. The board work plan needs to be synched with the work plan of each committee. Some boards start the work planning process with their committee work plans, which then form a part of the board's work list. Others start with the board plan, and then assign items to committees, who then prepare their own full work plan for the year.

No matter how one tackles the annual board agenda plan, once it is prepared, each committee needs to coordinate its annual calendar/plan with that of the board.

## **Committees to Support Board**

**Committees form an important element of a board's governance processes and aid the board in the fulfillment of its governance role.**

This section describes the general principles and optional approaches with respect to board committees.

### ***Principles Related to Board Committees***

Committees are creatures of the board and take their role and mandate from the board. Accordingly, the board must first define its own role, and then determine where the creation of a committee will support the board in the performance of that role.

Some useful principles relevant to board committees are:

- The general rule is that a board establishes the committees that it requires to perform its role. There is no legislated requirement to establish any specific committee. Accordingly, the number of committees, their terms of reference, and their composition can all be decided by the board at its discretion.
- The best practice is for the by-laws to contain language empowering the board to establish, amend and disband committees from time to time. The board can then simply establish committee terms of reference as policies of the board.
- The principal purpose for the establishment of a committee is for the committee to do the work the board does not have time to do during board meetings. Therefore, committees support and supplement the board, but do not supplant the work of the board. Except where an executive committee is established, board committees do not have delegated authority to make decisions.
- Committee terms of reference should be periodically reviewed, and boards should have well-defined processes with respect to how governors are assigned to committees, and how the chair of a committee is selected.

Board committees should be distinguished from “operational” committees, which are normally established by, and report to, the chief executive officer or, in the case of colleges, the president.

In the case of colleges, there is a statutory requirement for the board to establish an **Advisory College Council**. While appointed by the board, this committee actually advises the president and, hence, is not considered a standing committee that supports the work of the board.

See Resource 2.14 Sample Committee Principles and Rules and Regulations.

## *The Executive Committee*

**An executive committee can be established to whom the powers of the board can be delegated (subject to statutory limitations on delegation set out in the ONCA), essentially when a meeting of the board cannot be held, such as in the summer.**

An executive committee can add value to a board’s governance processes if it has clear terms of reference, and does not usurp the role of the board. It is potentially most useful when the board is very large, and where board meetings are less frequent. If the executive committee begins to present recommendations for rubber-stamping by the board, it begins to impede the board’s contribution to governance.

The executive committee’s emergency power may be combined with other supportive (advisory only) tasks, such as developing an annual board work plan and agenda, and conducting the annual presidential evaluation, as noted below.

Generally, boards establish an executive committee, but use it sparingly for the purpose of making decisions in an emergency where a meeting of the board cannot be held.

# CHAPTER 2

## *Appropriate Committee Structure Depends on Governance Model and Workload*

**Each board needs to choose a committee structure that fits its needs and philosophy.**

There is, not surprisingly, significant variation in the number and type of committees used by college boards.

A board should design its committee structure based on two factors:

- **Preferred governance model** – Strong “Carver Model” adopters prefer few committees and more discussion at the whole board level. The argument is that if the conversation can be delegated to a smaller group of board members, then it probably isn’t a governance conversation in the first place. On the other hand, boards that have adopted other governance models are more open to the use of committees to assist the board with complex or specialized matters
- **Workload** – The more matters the board needs to deal with and wants, or feels obligated to address, and the greater the complexity of those matters, the less likely it is that the board can properly perform all of its work at regular meetings without the assistance of committees.

A board faces a practical dilemma. With the growth in the work flowing to a board and matters that the board feels responsible for addressing, delegating work to committees is a natural response. Each college board resolves this dilemma itself, based on its own situation. Hence, committee structures vary from minimalist on one side, to more fully developed committee structures on the other. Most colleges have evolved to a middle ground.

## *Five Core Tasks Assigned to One or More Committees*

**Despite assuming a minimalist approach to board committees, there are five governance tasks which are generally supported by committees (sometimes called sub-committees, ad hoc committees or task forces).**

The following four tasks are often considered together since they are interrelated.

1. **Governance processes** – Reviewing, assessing and making recommendations for improving governance policies, procedures and practices including:
  - Evaluating board processes;
  - Providing orientation, continuing education, feedback/assessment of individual governors;
  - Proposing the appointment of officers, committee chairs and members.
2. **Board work planning and coordination** – Related to governance process, board work planning and coordination focuses on assisting the board, by proposing annual board goals and an annual agenda plan, and supporting the chair to ensure coordination of each regular meeting agenda.

3. **Nomination of governors** – Leading the process of proposing governors, including recruiting, screening and selecting.
4. **Selection and evaluation of the president** – This includes recruitment/selection, annual evaluation, and succession plan development, compensation and contracting of the president.

Each college board bundles these tasks in slightly different ways to form one or more committees.

- **One umbrella committee** – One approach is to assign all four tasks to one committee which may set-up sub-committees or task forces to handle one or more of the functions. Such a committee may be called the governance, policy and planning, or coordinating committee. This committee may also assume the executive committee role with or without the title.
- **Form multiple committees** – Another approach is to form a coordinating committee (which may be called the coordinating, governance or process committee) dealing with governance process and work plans, and form additional ad hoc board committees or task forces for evaluating the president, and nominating the governors.

There are numerous additional combinations and permutations. While there is no one best practice, it is good practice for the board to delegate work on these tasks to a committee or combination of committees. The board simply does not have the time required and it is more effective to deal with these matters within a smaller group of governors.

5. **Core audit committee** – Audit is another core task which boards commonly delegate to a special committee with qualified members. An audit committee would typically carry out the following functions:
  - Appointing external auditors and recommending fees;
  - Meeting with auditors, reviewing the management letter, and ensuring appropriate actions are taken;
  - Ensuring that financial reporting complies with generally accepted accounting principles, that financial controls and systems are in place and functioning to protect the college from risks to its financial condition and assets;
  - Monitoring financial results to ensure the college is financially viable and has fiscal control of its affairs;
  - Monitoring management's compliance with legislated and regulatory responsibilities; and
  - Reviewing and recommending financial and related policies.

This important committee provides basic oversight to assure a policy governance board that finances are properly reported and managed, and that control systems are in place and functioning well.



# CHAPTER 2

## *Approaches with Greater Reliance on Board Committees*

**With an increase in the level and complexity of a board's workload, coupled with greater expectations for board accountability, there is a tendency for all college boards to rely on the support of committees.**

Many college boards have increased the number of standing committees or task forces and/or have broadened the list of matters assigned to committees to conduct pre-work.

- **Broadening the audit committee to become audit and finance committee** – One example of broadening committee mandates to meet the increasing expectations placed on the board is the audit and finance committee. As well as carrying out the core audit functions cited above, additional financial and related infrastructure responsibilities, such as the ones below, have been added:
  - Approving the annual business plan and budget and related matters such as fees;
  - Monitoring financial results to ensure financial control and viability;
  - Reviewing and recommending substantial expenditures, e.g., capital projects or leases over a defined amount;
  - Reviewing investment performance, and recommending borrowing and investment policies; and
  - Reviewing the condition and adequacy of reserves and capital plans for assets including facilities, information technology and property.
- **Additional matters assigned to board committees** – Some college boards are establishing additional committees, aside from those assigned with the core tasks, to help them fulfill their role.

### **Academic planning and program review**

- Review long term academic planning and enrolment planning;
- Review program cycle ensuring appropriate criteria used;
- Approve new programs and major modifications; and
- Review functioning of program advisory committee.

### **Student affairs and services**

- Review levels and quality of student supports and services;
- Identify student special needs; and
- Review student affairs.

## External relations

- Review state of community relations and outreach, government relations; and
- Advise on advocacy and initiatives

## Strategic planning steering committee

- While this is less probable because the president typically leads strategic planning, supported by a management/ staff task force, board members may become part of such a steering committee.

There are various ways that boards can assign these tasks to one or more committees which suit the college's needs.

- **A structured committee system** – Some college boards have chosen to create a structured committee system. In this system, there is a board committee to cover most major matters arising at the board level.

This forms a system whereby non-urgent matters are routed through the relevant committee before coming to the board. The assumption underlying this structure is that a board needs to have some pre-work and discussion completed in advance, before considering major items, and a properly constituted committee can provide this assistance, while maintaining the authority of the board as a whole.

For illustration, the following is an example of such a structure:

Coordinating committee (typically called the executive or governance committee) with overall responsibility for most of the four core functions noted earlier. Sub-committees are formed for evaluating the president (perhaps called the presidential evaluation sub-committee) and for nominating governors.

Finance and infrastructure committee with broad scope, possibly with an audit sub-committee.

Additional committees, with limited scope, to address academic planning (academic planning sub-committee) or student affairs (student affairs sub-committee).

## Evaluation of Board Governance

**As part of the board's ongoing responsibility for its own governance, the board should regularly review: (1) the effectiveness of its governance; and (2) the relevance and quality of its governance policies and practices.**

The purpose of ongoing evaluation is to ensure the maintenance and improvement of governance processes.

# CHAPTER 2

## *Evaluating Board Performance and Effectiveness*

Generally speaking, evaluating board performance or effectiveness covers the following areas:

- Board role and responsibility;
- Board composition and quality;
- Board structures and processes; and
- Board efficiency and performance.

There are a number of evaluations, surveys and questionnaires that are used by organizations to evaluate the performance of the board.

*See Resource 2.15 Sample Annual Board Evaluation Survey.*

Generally, the governance committee is given responsibility for board evaluation. The committee develops the board evaluation questionnaire and process, presents the results of the evaluation to the board as a whole, and ensures that the results have been brought to the attention of the relevant committee or governor. The governance committee should be charged with developing a work plan based on the survey results to ensure that any areas for improvement are acted upon.

## *Evaluation of Governance Policies*

The board should periodically review its governance policies to ensure that they remain current and reflect best practice. Periodic evaluation should also address whether or not new policies are needed or older policies are obsolete.

Evaluation of policies may be done on a rolling basis with a certain percentage of policies reviewed every year. Alternatively, all policies may be reviewed at one time.

It may also be appropriate to periodically undertake a more extensive evaluation or audit of the board's governance policies and practices.

*See Resource 2.16 Governance Practices Checklist.*

Typically, a governance committee plans and leads the evaluation of policies and, typically, carries the majority of the workload. The governance committee may assign specific policies to committees for review (e.g., the presidential review process should be assigned to the presidential review committee).

## Principles & Practices of Effective College Governance for Chapter 2

Below we describe the principles and practices that are followed by boards who demonstrate effective governance.

### *Board Role*

To promote clarity of the roles and relationship between the board and the president, the board:

1. Adopts a statement of the board's role which describes the areas in which the board exercises its governance role;
2. Approves a position description for the president outlining the basis of delegation to the president; and
3. Adopts a statement of the governance philosophy and principles relative to the board's and governors' roles and relationships with the president.

To ensure that board agendas, motions and discussions are aligned with the governance philosophy, principles and roles, it is advisable that the chair and president work closely together.

### *Setting Strategic Direction*

The board reviews and approves the strategic planning process, and ensures that the process affords the board opportunities to provide input and feedback.

The board reviews and approves the strategic plan, and receives regular reviews of its progress.

Effective boards allocate time for discussions of strategic issues or themes at regular board meetings. Those strategic discussions should focus on advisory, not directive, conclusions.

The board ensures that business plans, budgets and performance goals and targets are aligned with the strategic plan, and that its decision-making is consistent with the strategic plan and strategic directions.

### *Selecting and Evaluating the President*

The board's evaluation of the president's performance is best conducted annually, in accordance with an explicit process and set of criteria that are determined by the board and acceptable to the president.

The chair typically leads the evaluation process, assisted by a board committee nominated and mandated by the board.

All governors have the opportunity to provide input to the evaluation.

# CHAPTER 2

The board reviews and approves the committee's recommendations related to performance, development and compensation.

In leading the process for selecting a new president, the board approves the position requirements and selection process, and approves the individual selected.

## *Oversight of College Performance*

Working with the president and senior management, the board develops and updates its performance oversight approach, measures and tools from time to time.

In reviewing its oversight approach, the board considers the optimal balance across the following:

- Overseeing the president through an annual evaluation process and regular reports;
- Monitoring progress towards strategic and business plans, standards or targets in key areas of performance; and
- Overseeing risk management.

For sound governance, the board ensures that clear expectations (plans, policies, standards, targets) are established as a basis for monitoring performance.

The board regularly considers the breadth and adequacy of the performance areas it monitors balancing the need for accountability with its commitment to govern and not manage.

## *Organizing the Board*

The board prepares a position description of the chair, and establishes the process and criteria for selecting the chair.

The board establishes a systematic annual work and agenda planning process so that:

- Significant regular and strategic discretionary matters are effectively placed on the annual meeting calendar; and
- Preparation and planning for these major items are assigned to a committee or to the president.

The board chair and president ensure implementation of the annual calendar plan, making modifications as required.

The board uses committees appropriately to support its functioning, ensuring each committee has an advisory not decision-making role (except the executive committee if established), a clear terms of reference, and that the terms of reference and priorities are reviewed annually.

The board decides its committee structure (including standing committees, sub-committees and task forces) with regard to its governance philosophy and its workload and its need for support in undertaking specialized tasks, preparing and reviewing matters prior to board meetings.

The board undertakes an annual evaluation of its governance processes and of its effectiveness. The evaluation should be carried out by a committee (governance) and include input from the board using a survey or discussion at a retreat.

The board establishes a cyclical or periodic review and updates its governance policies and practices and, by doing so, takes into account emerging best practices.

# CHAPTER 2

## Resources for Chapter 2

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### 2.01 Core Role of the Board

According to the Minister's Binding Policy Directive: *Governance and Accountability Framework*, the role of a college board is to include at a minimum:

- Establishing governance structures to enable the achievement of expected institutional outcomes with clear lines of communication and internal accountability
- Setting the college vision, strategic directions, and overall goals and outcomes within the context of the appropriate laws, government policy, and local need
- Hiring the chief executive officer (in the college's case, the president), delegating to the CEO/president accountability for the performance and operation of the college and evaluating the chief executive officer's performance
- Approving the college's annual business plan, budget, and annual report
- Assessing regularly the attainment by the chief executive officer of corporate goals and outcomes, and the effectiveness of the board with respect to governance
- Taking appropriate corrective action, as necessary, where expected outcomes or quality of performance are not achieved

## 2.02 Sample Statement of the Board Roles and Responsibilities

### Purpose

To ensure that the board has a shared understanding of its governance role, the board has adopted this Statement of the Roles and Responsibilities of the Board.

### Responsibility of the Board

The board is responsible for the overall governance of the affairs of the college. The board delegates to the president the responsibility and authority to manage the operations, and implement policies and plans to meet the college's objects within prescribed policies.

Each governor is responsible to act honestly, in good faith, and in the best interests of the college and, in so doing, to support the college in fulfilling its mission and discharging its accountabilities.

### Strategic Direction Setting

- The board participates in the formulation and adoption of the organization's mission, vision and values.
- The board ensures that the college develops and adopts a strategic plan that is consistent with its mission and values, and which will enable the organization to realize its vision.
- The board oversees major decisions, and takes into account their consistency with the strategic plan and strategic directions.
- The board monitors progress on the implementation of strategic directions and initiatives, and approves annual business plans.
- The board annually conducts a review of the strategic plan as part of a regular annual planning cycle.

### Oversight of the President

The board selects and supervises the president, including:

- Developing and approving the president's job description;
- Where necessary, undertaking a recruitment process and selecting the president;
- Reviewing and approving the president's annual performance goals;
- Evaluating the president's performance, and determining the president's compensation; and
- Ensuring succession planning is in place for the president.



# CHAPTER 2

## **Performance Monitoring**

The board is responsible for establishing a process for monitoring and assessing operating performance in the following areas:

- Achievement of strategic goals, directions, key performance indicators;
- Maintenance of financial integrity including a balanced budget;
- Evaluation of the effectiveness of college programs and operations;
- Management of the availability, maintenance and use of physical assets and facilities to support the college's objects; and
- Effectiveness of relations and positive reputation with stakeholders

The board ensures that management has identified and reports on appropriate measures of performance.

The board ensures that management has plans in place to address variances from expected or planned performance.

## **Financial Oversight**

- The board is responsible for the stewardship of financial resources, including ensuring availability, and overseeing the allocation, of financial resources.
- The board approves policies for financial planning, and approves the annual operating and capital budget
- The board monitors financial performance against budget.
- The board approves investment policies and monitors compliance
- The board ensures the accuracy of financial information through oversight of management and approval of annual audited financial statements.
- The board ensures management has put measures in place to ensure the integrity of internal controls

## **Risk Identification and Oversight**

- The board oversees management's risk management program.
- The board ensures that appropriate programs and processes are in place to protect against risk.
- The board is responsible for identifying unusual risks to the organization, and for ensuring that there are plans in place to prevent and manage such risks.

## **Stakeholder Communication and Accountability**

- The board ensures the organization appropriately communicates with the government in a manner consistent with its accountability.
- The board contributes to the maintenance of strong stakeholder relationships.
- The board performs advocacy on behalf of the college with stakeholders, where required, in support of the mission, vision, values and strategic directions of the organization.

## **Governance**

- The board is responsible for the quality of its own governance.
- The board establishes by-laws and governance policies to facilitate the performance of the board's role and to enhance individual governor performance.
- The board is responsible for contributing to the recruitment of a skilled, experienced and qualified board, and to ensure orientation, ongoing board training, and education.
- The board assesses and reviews its governance by periodically evaluating board policies, structures, processes, and practices.

## **Legal Compliance**

The board ensures that appropriate processes are in place to effect compliance with legal requirements.

## **Amendment**

This statement may be amended by the board.

## **Approval Date**

## **Last Review Date**

# CHAPTER 2

## 2.03 Strategic Planning Primer

Strategic planning is a disciplined process with the goal of defining the purpose and direction of an organization, recognizing the current and future state of the external and internal environment within which the organization operates.

When an organization undertakes a major strategic planning process, typically the process steps are as follows:

1. Environmental scan;
2. Strategic issues identification;
3. Strategic directions setting; and
4. Implementation timetable and plan

### *Step 1: Environmental Scan (including a context review)*

The starting point for a strategic review is the existing strategic plan, if relevant, and the existing mission, vision and values statements or ends, along with other relevant strategic directions or mandates. Government directions and existing funding agreements are also relevant.

An assessment of the context for the college should review the past success of the former plan, the current situation, and current trends and forecasts for emerging trends from both an internal and external perspective.

An internal environmental assessment or scan includes a review of:

- Performance of programs and services, including students served, student success and key performance indicators, outcomes, effectiveness, and quality of programs;
- Financial condition and performance;
- Asset and infrastructure condition;
- Information technology capability;
- People strengths and capacity;
- Innovation and new programs; and
- Community and stakeholder relationships.

An external assessment or scan includes:

- Relevant sector trends – funding, employment, economic, learning technology;
- Funding trends;

- Legislative changes and possibilities;
- Demographic trends;
- Student access to alternative providers;
- Technology trends; and
- Other forms of education, new entrants.

## *Step 2: Strategic Issues Identification*

The core of a strategic plan is the identification of strategic issues that need to be addressed. Strategic issues may include the following:

- **Common themes from the environmental scans** – The environmental scan helps to identify these issues, but there is more art than science in deciding on which to select and focus.
- **Gaps in performance or benchmarks** – Using relevant outcome/results measurements for the sector, the assessment can include a review of recent performance, and a projection of future performance using these measures. Likewise, gaps in performance with benchmarks from other colleges may be considered.
- **Key success factors for advancing toward the identified vision** – Given a relatively clear description of the future vision, there are typically accepted factors that contribute to the achievement of goals or a vision.

## *Step 3: Strategic Directions*

This step may be organized in various ways, depending on how the issues are set out. Every college will need to find the format that suits its mission, role, programs and issues. However, the resulting list of strategic directions, pillars, themes, objectives and initiatives should reflect the following:

- A revised description that illustrates the college at the end of the strategic plan period – this should be concrete and measurable, wherever possible;
- Directions that set out areas of action and required investment in time, energy, and dollars;
- A list of action areas or initiatives generated by each strategic direction, which will likely require an extensive period of time to complete – one to three, or more, years;
- A clear indication that the action needs to start in the next year and continue thereafter, although the downstream impacts may accrue in the medium- or long-term; and
- Wherever possible, concrete specific targets should be set as a basis for measuring or gauging whether the objectives are accomplished.

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## *Step 4: Implementation Timetable and Plan*

Many strategic planning processes stop here. However, the strategic plan needs to be linked to the implementation process. One approach to managing this next step involves the following activities:

- Establish a timetable for implementation;
- Define targets or milestones in terms of accomplishments, measurements, or descriptions of success for year one, two and three;
- Assign accountability for implementation; and
- Define risks in the plan, and emphasize the need for reporting to, and monitoring by, the board.

## 2.04 Knowing the Board has a Sound Strategic Planning Process

### There is a Strategic Planning Steering Committee

Establishment of a Strategic Planning Steering Committee, a process leadership group, is preferred as a means to manage the strategic planning process effectively.

### The Steering Committee has a Clear Terms of Reference

The role of a strategic planning steering committee may vary somewhat; however, the role should be clear and logical and set out in terms of reference. The steering committee can perform a number of roles, including:

- Organizing the strategic planning process and major events, such as retreats;
- Assigning groups to undertake consultations and analysis;
- Preparing or approving summaries of the scans, workshops and retreats;
- Preparing or proposing optional directions and/or changes to mission, values and vision, based on input; and
- Overseeing sub-committees that are conducting parts of the strategic assessment work.

### The Membership of the Steering Committee Reflects its Role

There are optional ways to form this committee. This committee essentially supports the president since they lead the development of the strategic plan. Certainly there needs to be some diversity of members, including key stakeholder groups, to ensure an inclusive open process, and to reflect a broader view of the college. Consideration should be given to having a group with at least one board member and reasonable executive representation, if the committee is dealing with developing proposed options.

### The Process Promotes, and Provides for, Adequate Stakeholder Consultation with All Key Groups

The method of consultation or participation is appropriate and adequate to create real engagement.

### The Board is being Provided Opportunities to be Informed About Trends, and to Provide Input and Feedback

Opportunities to contribute to, and learn about, the relevant external environment, government policy and funding developments, and trends in student groups, programs and technology should be organized and built into the strategic planning process. This may happen as a part of regular board meetings or by holding retreats with the board and senior management.

# CHAPTER 2

## 2.05 Tips for Asking Appropriate Governance-Level Questions about Draft Strategic Plans

Given that governors are not experts in the day-to-day affairs of the organization, what should board members question or look for when reviewing a draft strategic plan?

In reviewing the draft strategic plan, the board needs to keep a governance role perspective. The following provides some tips for governors in terms of what questions are appropriate.

These areas of inquiry are examples of what a governor may wish to consider:

### 1. Are the assumptions reasonable?

Effective plans start with reasonable assumptions about the future, and build from there. Governors need to identify the fundamental assumptions underlying the thinking in the plan, and ensure the assumptions make sense. Sometimes, the assumptions are not clear in the plan or are not well-supported – what is the expectation for government funding growth, or for providing capital to support facilities and equipment plans, or availability of talent to support new programs or program expansion?

### 2. Are the plans clear and concrete?

Strategic plans tend to deal with high-level directions. However, they should still be clear and define action initiatives in the near term. Ideally, plans should be staged so that there are a balanced number of targeted goals each year. Governors should ask about what is being done next year to prepare for the future. While not everything can be measured quantitatively, strategic initiatives should be sufficiently clear and concrete so that the board can review whether or not they have been implemented in a year, and if they have had some impact. When needed, board members can ask that they be made clearer so that progress can be assessed.

### 3. Are there “what if” questions and secondary effects?

As part of a proper planning process, consideration needs to be given to alternative assumptions and contingencies. This is part of what scenario planning is about. However, if scenario planning is not undertaken, board members need to ensure that critical “what if” questions are asked, and that management has considered them and is prepared for them. “What if” questions are often about what happens in the event of low-probability occurrences. A related concern is the secondary effects of a plan on others. For example, how will other colleges or community organizations react to the plans? How will their actions or views affect the effectiveness of the strategic plan?

### 4. Are risks identified and is there a mitigation plan?

Are the risks of the plans explicitly identified? Has the probability and potential impact of each risk been identified? Are there mitigation plans provided to reduce the likelihood of the risk occurring or protect the college from the effects if it occurs?

By asking these questions, while governors may not be expert, they can play an important role in questioning the usefulness of a proposed strategic plan.

### 2.06 Tips for Making Board Strategic Dialogues Effective

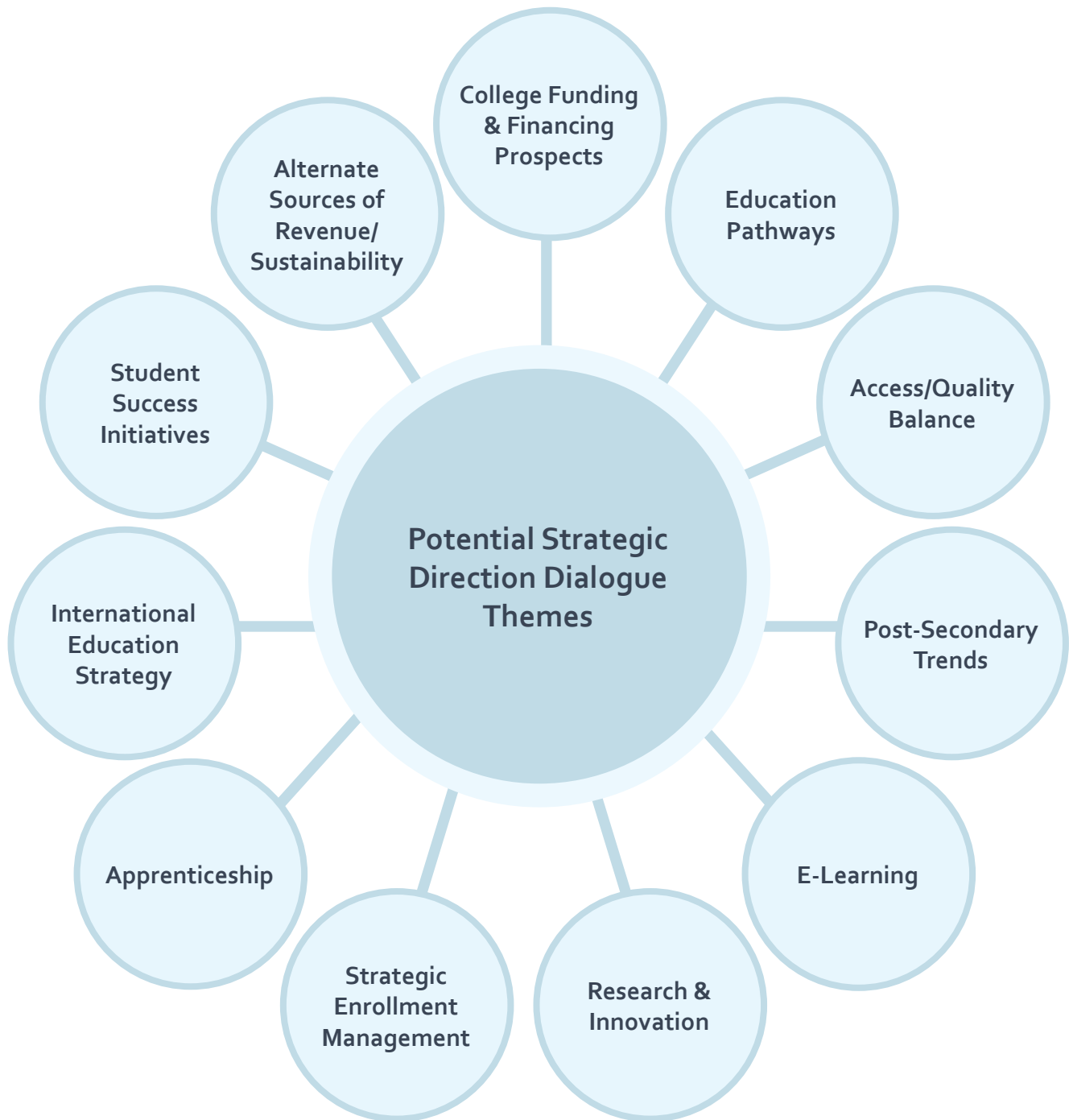
As part of its strategic direction setting role, the board may set aside time for strategic discussions at retreats or as part of a regular meeting. The tips outlined below are intended to help ensure the board's time is used effectively.

- Distribute background materials in advance – summaries where possible.
- Provide a short presentation by staff – limit the number of slides and time to 10 minutes.
- Allow for a short question period.
- Use prompting questions developed by management. Ask management to prepare some (three maximum) questions to prompt board discussions. These questions should address topics or areas where staff is seeking advice or direction.
- Capture summary themes and conclusions from the board discussion. Ask if there is any other information the board would like to be provided.
- The president and management should summarize what they take away from the discussion and how/when they will follow-up on the topic.
- Do not push for motions, directives or decisions from these discussion items.



# CHAPTER 2

## 2.07 Potential Themes for Strategic Dialogues



## 2.08 Optional Sources of Input to President's Performance Evaluation

Input to the president's performance evaluation can be collected from a variety of sources, including other governors, members of senior management and senior professional staff, or external representatives (e.g., the Ministry and related organizations).

Collecting feedback on the performance of the president can be conducted in a number of ways. It is important that the method focuses on feedback relative to the criteria – results and leadership behaviour. A number of options include:

- **President's self-assessment** – The president could assess their own performance and skills.
- **Evaluation Committee discussion** – Input can be gathered by the board committee through a discussion process. Each criterion can be discussed, and the group can then summarize its opinion using a simple rating scale (either a three- or five-point scale; using (1) exceeds expectations, (2) meets expectations, (3) does not meet expectations as key points of the scale typically works well).
- **Structured evaluation survey** – A structured survey instrument can be used to canvass opinions on the president's performance. This survey can seek input from the board or from a broad set of sources. A designated person (the chair or a third-party) can collect and summarize the confidential surveys. The results can form the basis for a discussion with the president.
- **Multi-rater survey instrument** – This is often referred to as "360-degree feedback". Using this approach, people with different perspectives of the president's performance (board members, senior management, and externals) are asked to provide input using a structured questionnaire, usually administered online. Either the organization designs its own survey based on its criteria (competencies and leadership skills) or uses a third-party survey.

# CHAPTER 2

## 2.09 Sample Board Policy on Succession Planning

### Purpose

To ensure succession planning for the role of the president in order to:

- Maintain continuity of leadership for the college during a temporary vacancy of the president; and
- Encourage leadership growth and development within the college.

### Policy

1. The president is expected to cultivate management talent at the senior ranks of the college, including one or more successors to their position through internal succession planning.
2. The president is expected to identify a member of senior management capable of filling the role of interim president if a temporary vacancy of the president position occurs, and to provide appropriate development to that person so that they are familiar with the issues related to the board and overall corporate issues.
3. Annually, the president will report to the board on the succession plan. Such a report should include:
  - a. The identification, in writing at the beginning of each fiscal year, of which member (or members) of senior management is being recommended to fill the role of interim president should a vacancy in the presidential position occur.
  - b. The status of management talent within the top ranks of senior management, including the potential successors to the role of president and the next level of management.
  - c. The activities undertaken throughout the year to promote leadership development and succession planning, including activities undertaken to keep one or more senior managers informed of overall operational activities.
4. For the purposes of the Policy, a temporary vacancy in the position of president is as determined by the board from time to time in consultation with the president, and may include the period of time in which the president is on a leave of absence, an extended vacation, or has left the position, and a competition pursuant to recruitment policy is under way. It is not generally meant to be periodic and/or occasional coverage of the president duties and responsibilities of the kind that is set out in job responsibilities for senior staff positions.
5. In the event of the need for the appointment of an interim president, the board shall formally make such an appointment, and shall determine any temporary salary modification. Any communication relative to the appointment shall be sent in the name of, and approved by, the chair.

## 2.10 Tips for Board Performance Oversight

Performance oversight is one of the key functions of the board. The board's role in this regard is to oversee how well the college is accomplishing its aims. The challenge for most boards is to establish performance oversight reporting that helps fulfill their oversight responsibility without becoming too involved in operations.

This tip sheet provides some things to consider when selecting what aspects of performance to measure and monitor, and how to evaluate and act on performance results.

### Develop Measures that Address all Aspects of Performance

There are multiple aspects to performance oversight. As a result, the board needs a reporting system that monitors organizational performance from a number of perspectives. Performance management should focus on achievement of goals, objectives and outcomes, quality of programs and services, financial condition, and any other performance areas that are important to the board. Well-designed performance reporting provides the board with an integrated picture of the overall performance of the college across key areas.

### Keep it Simple

For purposes of reporting to the board, the measurement system should be kept as simple as possible. The board should monitor as few measures as possible, while still providing a comprehensive picture. With fewer measures, it is easier to communicate effectively externally and internally about what is important. Ideally performance indicators should be grouped by category, and presented on one or two pages.

### Reflect Key Commitments

In developing the measures and reporting tools, ensure mandatory requirements (e.g., balanced budget) and key funder expectations (e.g., selected key performance indicators) are tracked and spotlighted.

### Gather Useful and Relevant Information

Measuring performance is important; however, performance needs to be assessed within an overall context. To be most useful, performance indicators and the reporting system should be developed utilizing the following types of information:

- Actual performance compared to planned results (targets);
- Actual performance compared to historical performance (quarter over quarter);
- Actual performance compared to available benchmarks (other colleges); and
- Actual performance compared to acceptable standards or ranges (corridors).

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Variances to the above should be clearly shown. Commentary from management should explain any significant variances, and provide recommended courses of action to address the variances.

## **Understand the Measures and Interpret Results with Care**

While quantitative measurement of results is necessary and useful, the measures do not always tell the full story. The board needs to understand the measures that are being reported and interpret the results carefully. For example:

- Some indicators may be aggregated to reflect overall results. It may be useful to find out the range of results and/or what percentage of the results being aggregated fell below target.
- Some indicators may show changes over a longer period of time, or results may only be available infrequently. The board should assure itself that activities promoting success are being undertaken.
- Uncontrollable external factors may be causing a variance in the results. It is important that this be acknowledged and understood. It may be useful to discuss whether the external factors could or should have been anticipated or better managed.

## **Ensure that Action is Taken when Warranted**

The board's primary role is to oversee performance and management's role to ensure that performance meets agreed upon standards and expectations. Management usually proposes action where performance problems are apparent. Generally, the board should rely on management to address operational issues. In cases where the board judges the performance problem to be significant and urgent, they may direct management to undertake specific corrective action.

## 2.11 Sample Board Chair Role Description

### Role of the Chair

The board chair is the leader of the board, and is responsible for:

Ensuring the integrity and effectiveness of the board's governance role and processes;

- Presiding at meetings of the board;
- Representing the board within the college and to its external stakeholders; and
- Maintaining effective relationships with board members, management and stakeholders.

### Responsibilities

#### *Board Governance*

The board chair ensures the board meets its obligations and fulfills its governance responsibilities. The board chair oversees the quality of the board's governance processes including:

- Ensuring that the board performs a governance role that respects and understands the role of management;
- Ensuring that the board adopts an annual work plan that is consistent with the college's strategic directions, mission and vision;
- Ensuring that the work of board committees is aligned with the board's role and annual work plan, and that the board respects and understands the role of board committees, and does not redo committee work at the board level;
- Ensuring board succession by making sure there are processes in place to recruit, select and train governors with the skills, experience, background and personal qualities required for effective board governance;
- Ensuring that the board and individual governors have access to appropriate education;
- Overseeing the board's evaluation processes, and providing constructive feedback to individual committee chairs and governors as required; and
- Ensuring that the board's governance structures and processes are reviewed, evaluated, and revised from time to time.

#### *Presiding Officer*

The chair is the presiding officer at board meetings. As the presiding officer, the chair is responsible for:

- Setting agendas for board meetings, and ensuring matters that are dealt with at board meetings appropriately reflect the board's role and annual work plan;

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- Ensuring that meetings are conducted according to applicable legislation, by-laws and the board's governance policies and rules of order;
- Facilitating and forwarding the business of the board, including preserving order at board meetings;
- Encouraging input and ensuring that the board hears all sides of a debate or discussion; Encouraging all governors to participate, and controlling dominant governors;
- Facilitating the board in reaching consensus;
- Ensuring relevant information is made available to the board in a timely manner, and that external advisors are available to assist the board as required; and
- Ruling on procedural matters during meetings.

## *Representation*

- Acting as the official spokesperson for the board;
- Representing the college in the community and to its various stakeholders;
- Representing the board within the college, attending and participating in events as required; and
- Representing the board in dealings with key stakeholders, as required.

## *Relationships*

- Facilitating relationships with, and communication among, governors and between governors and senior management;
- Establishing relationships with individual governors, meeting with each governor at least once a year to ensure that they contribute their special skills and expertise effectively;
- Providing assistance and advice to committee chairs, ensuring committee chairs understand board expectations and have the resources that are required for performance of their terms of reference; and
- Maintaining a constructive working relationship with the president, providing advice and counsel as required. In particular:

Working with the president to ensure they understand board expectations; and

Ensuring that the president's annual performance objectives are established, and that an annual evaluation of the president is performed.

## *Other Duties*

- Performing such other duties as the board determines from time to time

## *Skills and Qualifications*

The board chair will possess the following qualities, skills, and experience:

- Proven leadership skills;
- Excellent strategic and facilitation skills; proven ability to influence and achieve consensus;
- Proven ability to act impartially and without bias, and display tact and diplomacy;
- Effective communication skills;
- Political acuity;
- The time to continue the legacy of building strong relationships between the college and its stakeholders;
- Ability to establish trusted advisor relationships with the president and other board members;
- Governance and board level experience; and
- Outstanding record of achievement in one or several areas of skills and experience used to select board members.

## **Term**

The board chair will serve an initial term of one [two] year(s), renewable for an additional term of one [two] year(s) at the discretion of the board.

## **Amendment**

This Board Chair Role Description may be amended by the board.

## **Approval Date**

## **Last Review Date**



# CHAPTER 2

## 2.12 Sample Board Chair Selection Policy

### Purpose

It is in the interests of the college that there be succession planning and a smooth transition in the office of the chair.

### Policy

The incoming chair shall:

- Be a current governor;
- Be approved by the board one year prior to the conclusion of the current board chair's term; and
- Serve as a vice chair until the commencement of their own term.

### Process

The Governance Committee is mandated to conduct the board chair selection process and to recommend to the board, for its approval, a nominee for incoming chair.

### Selection Criteria – Desirable Attributes

- Proven leadership skills;
- Excellent strategic and facilitation skills; proven ability to influence and achieve consensus;
- Proven ability to act impartially and without bias, and display tact and diplomacy;
- Effective communication skills;
- Political acuity;
- The time to continue the legacy of building strong relationships between the college and stakeholders;
- Proven ability to establish trusted advisor relationships with the president and other board members;
- Governance and board level experience; and
- Outstanding record of achievement in one or several areas of skills and experience used to select board members.

## **Selection Process**

- Governance committee will canvas each governor to obtain views on the selection criteria and on the perceived strengths and weaknesses of possible candidates
- The results of governor evaluations and peer reviews shall be considered.
- The chair of the governance committee will meet with each nominated candidate to ascertain interest. If the governance committee chair is a potential nominee, they shall not participate in the selection process, and the process shall be conducted by the vice chair or another member of the committee. and the process shall be conducted by the vice chair or another member of the committee.
- Governance committee will canvass senior leadership at the college and key partner organizations to obtain input.
- Governance committee will discuss findings, and ultimately agree on a nominee to recommend.

## **Amendment**

This Board Chair Role Description may be amended by the board.

## **Approval Date**

## **Last Review Date**

# CHAPTER 2

## 2.13 Sample Annual Board Work Plan

September	October	December
<b>Regular and Planned Items</b>		
<ul style="list-style-type: none"> <li>Approval of committee membership</li> <li>Review of quarterly financial reports</li> <li>Review and approval of governance policies one through five</li> </ul>	<ul style="list-style-type: none"> <li>Review of enrollment reports</li> <li>Approval of new Strategic Plan</li> </ul>	<ul style="list-style-type: none"> <li>Review of quarterly financial reports</li> <li>Review and approval of governance policies six through 10</li> </ul>
<b>Board Strategic Priority Items</b>		
<ul style="list-style-type: none"> <li>Strategic discussion of employment demographic trends and the implications for enrolment</li> </ul>		<ul style="list-style-type: none"> <li>In-depth education session on college funding and long term financial position</li> </ul>
February	April	June/AGM
<b>Regular and Planned Items</b>		
<ul style="list-style-type: none"> <li>Approval of new programs of instruction</li> <li>Review of quarterly financial reports</li> </ul>	<ul style="list-style-type: none"> <li>Approval of business plan and budget</li> <li>Approval of tuition fees</li> <li>Review of key performance indicator results</li> <li>Review of quarterly financial reports</li> <li>Review and approval of governance policies 11 through 17</li> </ul>	<ul style="list-style-type: none"> <li>Approval of Annual Report and Audited Financial Statements</li> <li>Appointment of external auditors</li> <li>Election of chair and vice chair</li> <li>Approval of board goals and work plan for next year</li> <li>Completion of president's performance evaluation and goal setting and approval of compensation</li> </ul>
<b>Board Strategic Priority Items</b>		
<ul style="list-style-type: none"> <li>Review of results of special survey on student housing and student services</li> </ul>	<ul style="list-style-type: none"> <li>Update on risk management initiative</li> </ul>	

The board develops an annual work plan in order to use its time effectively. The work plan has two types of items: (i) regular items that come before the board on an annual cycle (e.g., review of quarterly financial reports), as well as planned items that the board needs to address (e.g., planned review of governance policies); and (ii) strategic items that align with the board's priorities for the year.

## 2.14 Sample Committee Principles and Rules and Regulations

### Purpose

To set out the guiding principles that the board will apply when establishing committees.

To establish rules and regulations applicable to the operation and function of all board committees.

### Application

These principles, rules and regulations apply to all board committees, unless the board otherwise determines by board resolution or in the terms of reference adopted by the board for a committee.

These rules and regulations are in addition to the provisions of the by-laws.

In the event of a conflict between the by-laws, a resolution of the board, the terms of reference of a committee and these rules and regulations, the order of precedence shall be:

1. The by-laws;
2. A resolution of the board;
3. The terms of reference; and
4. These rules and regulations.

### Guiding Principles for Establishing Committees

- Committees will consist of standing committees as determined annually by the board and ad hoc special committees established from time to time by the board.
- The board will annually establish standing committees which will be aligned with the board's role, function and annual work plan, and reflect the priorities of the board for the year.
- Special committees will have specific tasks and timelines. These committees will be established, where required, to do the work of the board in circumstances where a standing committee is not required.
- Committees will have terms of reference approved by the board. The committee terms of reference will establish clear areas of responsibility between the various standing committees and special committees.
- Committees will develop annual work plans.
- Committees will be empowered to consider and debate issues within their terms of reference, or as requested by the board, and to make recommendations to the board.
- Committees will have an established mechanism for reporting their progress on their terms of reference and work plans to the board.
- Recommendations from a committee that require a board decision will be presented to the board in the approved board briefing note format.

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- In order to have efficient board meetings, board agendas will not repeat the work of the committees. The board should trust that its committees have followed a proper process. Governors will receive committee reports in advance of the board meeting, allowing them the time to read and prepare in advance. Time at the board meeting can be used to answer questions and discuss recommendations requiring board approval.

## **Committee Rules and Regulations**

### *Composition*

The composition of each committee will be determined by the board and included in the terms of reference.

### *Membership*

- Members will be appointed by the board on the recommendation of either the board chair or a committee established by the board for that purpose (such as the governance committee).
- The board will appoint any non-board members (community members) where the community members are specified in the committee composition. The terms of reference for a committee may give that committee the authority to appoint the community members.
- Community members will be voting and included in the quorum unless the terms of reference otherwise provide.
- The board chair, or a nominee designated by the chair, will be an ex officio member of all board standing committees. Where the board chair appoints a nominee as a member of a committee in place of the board chair, such nominee must be a governor and shall preferably be a vice chair.
- The president shall be an ex officio member of all board standing committees, other than the committee responsible for oversight of the corporation's audit.
- Staff will be assigned to the committee by the board or the president and will be resources to the committee as appropriate.

### *Term*

- Committee members are appointed for a term of one year and are eligible to be reappointed.

### *Chair*

- All board standing committees must be chaired by a governor.
- Committee chairs will be appointed by the board on the recommendation of either the board chair or a committee established by the board for this purpose.
- The chair of the committee shall:
  - Call all meetings of the committee;
  - Chair all meetings of the committee;

- Designate another governor who is a member of the committee to chair the committee in the chair's absence; and
- Report to the board on the work of the committee.

### ***Calling Meetings and Notice***

- Committee meetings may be called by the chair of the committee.
- Notice for a meeting of a committee shall be given in the same manner and with the same amount of notice as applies to a meeting of the board.

### ***Participation in Meetings***

- Teleconference participation is permitted.
- Committee members may not send a delegate.

### ***Quorum***

- Fifty percent of the voting members provided that a majority of the voting members present are governors.

### ***Voting***

- There shall be no proxy voting.
- A member of a committee participating in a meeting of the committee by teleconference may vote by teleconference.
- Staff (employees) assigned to the committee will not be voting members of the committee or be included in the quorum unless the terms of reference of the committee otherwise provide.

### ***Guests***

- Committee chairs may invite guests to attend meetings as resources, as required.

### ***Advisors***

- Any request for expert advice (such as legal or financial advice) to be made available to the committee must be approved by the board chair or the president.

### ***Amendment***

This policy may be amended by the board.

### ***Approval Date***

### ***Last Review Date***

# CHAPTER 2

## 2.15 Sample Annual Board Evaluation Survey

### Instructions

The annual board evaluation survey is an important part of the board's governance processes. This survey asks you to evaluate a number of different aspects of board performance. Results will be used to identify areas for improvement in current governance practices. Please complete this survey using the following scale:

- 0 No Comment
- 1 Strongly Disagree
- 2 Disagree
- 3 Somewhat Agree
- 4 Agree
- 5 Strongly Agree

At the end of each section, there is a space for your comments. You are encouraged to add your thoughts, where appropriate. Please forward your completed survey to Name, the board secretary, by Date. Individual responses will be kept confidential. Summarized results will be shared with the board at its Month board meeting.

### Section 1 – Board Role and Responsibility

Question	No Comment (0)	Strongly Disagree (1)	Disagree (2)	Somewhat Agree (3)	Agree (4)	Strongly Agree (5)
1. The board is familiar with the legislative environment and understands its accountabilities to the ministry.						
2. The board understands its role in the following core areas:						
• Setting the strategic direction;						
• Selecting and evaluating the president;						
• Overseeing college performance;						
• Organizing the board to perform its role.						
3. The board performs its role effectively in each of the following core areas:						
• Setting the strategic direction;						
• Selecting and evaluating the president;						
• Overseeing college performance:						
• Organizing the board to perform its role.						

Question	No Comment (0)	Strongly Disagree (1)	Disagree (2)	Somewhat Agree (3)	Agree (4)	Strongly Agree (5)
4. The board performs its role at a governance level and does not become overly involved in operational issues.						
5. The board contributes effectively to the review and approval of the strategic plan, business plan, budget and annual report.						
6. The board makes decisions that are aligned with the college's ends, mission/ vision/values and/or strategic goals and directions.						
7. The board is well-informed and kept up to date about:						
• Achievement of strategic and annual goals;						
• Operations of the college;						
• Current trends and issues relevant to the sector;						
• The board's governance role.						
8. The board provides effective financial oversight with due attention to ensuring that the college operates to a balanced budget and is financially sustainable in the long run.						
9. The board provides effective program oversight with due attention to student success and the quality of programs and services.						
10. The board has established effective monitoring and reporting processes that allow it to assess the overall performance of the college against established targets.						
11. The board ensures that corrective action is taken when performance concerns become apparent.						
12. The board ensures that significant risks to the viability and success of the college have been identified and are managed appropriately.						



# CHAPTER 2

Comments

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List the top two or three things that the board could do to improve the understanding and performance of its role:

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## Section 2 – Board Quality

Question	No Comment (0)	Strongly Disagree (1)	Disagree (2)	Somewhat Agree (3)	Agree (4)	Strongly Agree (5)
1. The board is comprised of governors with the required skills and qualities.						
2. The board reflects the diversity of the community served.						
3. Governors receive orientation that prepares them to contribute effectively to the board.						
4. Governors devote the time and attention necessary to perform their role effectively.						
5. Governors take advantage of the opportunity to participate in ongoing education programs.						
6. Performance issues (if any) are dealt with appropriately.						

## Comments

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List the top two or three things that the board could do to improve the understanding and performance of its role:

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## Section 3 – Board Structures and Processes

Question	No Comment (0)	Strongly Disagree (1)	Disagree (2)	Somewhat Agree (3)	Agree (4)	Strongly Agree (5)
1. The board is develops an annual work plan with reference to the college's strategic directions and the board's role.						
2. The work plan helps the board understand and preform its role.						
3. The board has established the appropriate committees to support its work.						
4. Committee are effective in supporting the work of the board.						
5. The board effectively evaluates its own performance and uses the results to continuously improve.						
6. Board agendas focus on items that are within the board's role.						
7. Meeting materials are received sufficiently in advance to be thoroughly reviewed by governors.						

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Question	No Comment (0)	Strongly Disagree (1)	Disagree (2)	Somewhat Agree (3)	Agree (4)	Strongly Agree (5)
8. Materials are appropriate and prepare governors to make decisions.						
9. The board deals with <i>in camera</i> business appropriately.						
10. The board chair conducts the meeting in a way that moves the business of the board forward.						
11. The chair ensures all sides of an issue are heard.						
12. The board chair invests time in building relationships with the president and governors.						
13. The board chair and the board understand the chair's role as the spokesperson.						

## Comments

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## Section 4 – Board Efficiency and Performance

Question	No Comment (0)	Strongly Disagree (1)	Disagree (2)	Somewhat Agree (3)	Agree (4)	Strongly Agree (5)
1. The board effectively allocates its time across the four core functions: setting strategic direction, selecting and evaluating the president, overseeing college performance and organizing the board to perform its role.						
2. The board spends sufficient time on strategic and generative type discussions.						

Question	No Comment (0)	Strongly Disagree (1)	Disagree (2)	Somewhat Agree (3)	Agree (4)	Strongly Agree (5)
3. Governors effectively contribute their skills, experience and perspectives.						
4. Governors come to meetings prepared.						
5. Governors work together effectively and respect the views of all members of the board.						
6. Governors are aware of and adhere to the board code of conduct.						
7. Governors understand their fiduciary obligations and:						
• Act in the best interests of the college;						
• Avoid conflicts;						
• Speak with one voice;						
• Respect confidentiality.						

## Comments

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The most important thing the board could do to improve effectiveness is:

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# CHAPTER 2

## 2.16 Governance Practices Checklist

College boards of governors should be committed to ongoing governance improvement. This checklist of governance practices is intended to be used to assist a college in conducting a comprehensive governance review.

Legal & Corporate Background	
<input type="checkbox"/>	Key provisions of the <i>Ontario Colleges of Applied Arts and Technology Act, 2002</i> , its Regulation and the Minister's binding policy directives have been identified for the board. Full documents are available for review.
<input type="checkbox"/>	The by-laws are reviewed regularly and kept current. Date of most recent by-law review: [Insert Date]
<input type="checkbox"/>	There are formal outcome/ends statements, mission, vision and values that outline the role of the college.
<input type="checkbox"/>	There is a formal accountability statement that outlines accountabilities and key stakeholder relationships.
<input type="checkbox"/>	Board composition and recruitment practices comply with the Act and Regulation.
Duties, Obligations & Expectations of Individual Governors	
<input type="checkbox"/>	There is a formal policy regarding the duties and expectations of governors.
<input type="checkbox"/>	There is a board code of conduct that describes the rules of fiduciary conduct for governors.
<input type="checkbox"/>	There are formal policies related to conflict of interest and confidentiality.
<input type="checkbox"/>	All new governors participate in a mandatory orientation program to prepare them for their role.
<input type="checkbox"/>	There are processes for ensuring governors receive ongoing education through board education sessions and/or participation in external education programs.
<input type="checkbox"/>	There is a process to deal with underperforming governors.
Role of the Board	
<input type="checkbox"/>	There is a formal role statement for the board of governors that outlines its accountabilities and core functions.
<input type="checkbox"/>	The board ensures that a strategic plan is developed with board participation, approves the strategic plan and ensures that progress against the strategic plan is reviewed annually. Date of the most recent strategic plan: [Insert Date]

Role of the Board	
<input type="checkbox"/>	The board ensures that the accountability reports prescribed by the Ministry of Colleges and Universities are prepared and provided to the Ministry (e.g., strategic plan, business plan, and annual report and mandate statements).
<input type="checkbox"/>	The board reviews and approves the president's annual performance goals, exercises oversight, reviews their performance annually, and approves compensation.
<input type="checkbox"/>	The board establishes the job expectations of the president, leads the hiring of the president, and ensures that succession plans are in place.
<input type="checkbox"/>	The board reviews and approves the annual business plan and budget, provides financial oversight and ensures that the college operates to a balanced budget or deficit recovery plan.
<input type="checkbox"/>	The board monitors the performance of the college with respect to Ministry-specified key performance indicators and, more broadly, with respect to the achievement of ends or goals.
<input type="checkbox"/>	The board ensures that appropriate policies, practices and controls are in place to ensure that the college is financially viable in the longer term, that assets are protected and used effectively, and that systems and information can be relied upon.
<input type="checkbox"/>	The board ensures performance standards and indicators are established and approved by the board, monitors performance against indicators, and ensures that corrective action is taken when performance issues are detected.
<input type="checkbox"/>	The board ensures processes are in place for identifying risks; that plans are developed and implemented to monitor and manage risks; and that risks are considered in board decision-making.
<input type="checkbox"/>	The board ensures that the college appropriately communicates with its stakeholder in a manner consistent with accountability to stakeholders.
Board Governance Practices & Policies	
<input type="checkbox"/>	There is a formal board governance policy manual that is reviewed and updated on a regular basis. Date of last review: [Insert Date]
<input type="checkbox"/>	There is an annual board work plan that guides the work of the board. The work plan is developed based on the college's strategic goals and objectives and the board's role.
<input type="checkbox"/>	There is a clear process for selecting officers and committee chairs (if applicable) and position descriptions for each officer and committee chair.
<input type="checkbox"/>	Where board committees are established, they are established pursuant to the governance principle that committees support the work of the board.
<input type="checkbox"/>	There are formal mandates or terms of reference for all committees that are reviewed and updated periodically.
<input type="checkbox"/>	The board reviews its own governance effectiveness on an annual basis by reviewing and updating its policies and practices.
<input type="checkbox"/>	The board reviews the effectiveness of individual governors on a regular basis through self-assessment or peer review. Results are used to guide director development.

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Board Meeting Practices	
<input type="checkbox"/>	Board agendas are developed based on the board's work plan.
<input type="checkbox"/>	Agendas are well-structured with decision items separated from information items and specific times allocated for each agenda item.
<input type="checkbox"/>	Meeting materials are distributed in advance and provide useful information for oversight and decision making.
<input type="checkbox"/>	Meetings are regularly evaluated. Results are used to assist the chair and improve effectiveness.
<input type="checkbox"/>	Meetings are open and there is a proper use of <i>in camera</i> sessions. There is a formal policy for <i>in camera</i> meetings.
<input type="checkbox"/>	The board meets without management from time to time. There is a formal policy for meetings without management.
<input type="checkbox"/>	There is a clear policy that allows the board to obtain independent advice (legal or financial or other).

# ENHANCING PERFORMANCE OF GOVERNORS

## Composition, Selection and Appointment of the Board

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### Composition

As outlined in Chapter 1, the board of a college must include:

- the President;
- the External Governors, being an even number of between 12 and 20 governors who are not employees or students; and
- the Internal Governors, being one student, one academic staff member, one administrative staff member, and one support staff member, each of whom is to be elected by the students or by the relevant staff group.

### Selection and Appointment

Once the number of External Governors is determined as an even number between 12 and 20, the LGIC appoints one-third, and the balance are appointed by the governors in office at the time of the appointment. None of these governors may be an employee or student of a college. As an example, if there are to be 12 External Governors, the LGIC would appoint four and the remainder of the board would pick the remaining eight.

The Internal Governors are elected in accordance with procedures established by the board, after consultation with students and the relevant staff. These election procedures are to be set out in a by-law approved by the board. It is common to have a separate by-law that deals with this process.

The External Governors are to be selected and appointed in accordance with the Protocol for Board Nominations and Appointments (the "Protocol") issued by the Ministry as a policy framework document (April 1, 2003, revised January 2011). While not binding, the Protocol sets out the principles as well as the nomination and appointment process for LGIC board appointments. The Protocol provides that colleges are expected to observe the principles outlined in the Protocol in respect of their own board-appointed external governors.

The Protocol requires that all board appointments and LGIC nominees are to be merit-based, and only qualified and experienced individuals with the necessary skills and knowledge are to be considered for nomination. Consideration of the meaning of the term "merit" in these types of circumstances has changed since the Protocol was drafted in 2003 and updated in 2011, and boards should be mindful to ensure that abiding by the guiding principles set out in the Protocol does not inadvertently result in failing to embrace a broad approach to diversity and inclusion with respect to board appointments.



# CHAPTER 3

Other criteria to be applied include diversity in the range of relevant background, experience and professional skills, including diversity with respect to age, gender, race, ethnicity, physical and intellectual ability, religion, sexual orientation, educational background and expertise.

Colleges are to seek a range of relevant backgrounds for candidates that support the strategic directions of the college, and compliment the board composition in terms of representing a broad cross-section of the community served by the college. Boards are also to consider skill and knowledge of board candidates with reference to the strategic directions of the particular college.

Nominations and appointments are also to be guided by probity. Individuals are to be free from conflict of interest, and are to understand that being a governor means a commitment to the principles and values of public service, the success of the college, and acting collectively with the board and not representing constituent interests.

In summary, the Protocol requires the board to adhere to the following process in the nomination and appointment of external college governors:

- Establish a board profile to support strategic directions;
- Develop and adhere to a skills matrix for assessing potential board candidates;
- Establish a systematic approach to nominations, such as through an executive or nominating committee;
- Provide public access to information on recruitment and selection processes, and availability of board vacancies;
- Adopt principles of merit, diversity and probity in the recruitment process;
- Promote a nomination and appointment process characterized by openness and transparency; and
- Adopt best practices in the recruitment, selection and nomination of candidates.

The nomination and appointment process itself is to be open and transparent to the college community and to the broader community served by the college, and is to include a number of important elements, such as advertising for vacancies, interviewing candidates, and putting forward as nominees those candidates whose skill set meets the needs and strategic directions of the college.

The ONCA requires that all governors consent in writing to hold office before or within 10 days after their election or appointment.

See Resources 3.01 Sample Nominations and Appointment Policy for External Governors, 3.02 Sample Statement of Governor Roles and Responsibilities and 3.08 Sample Governor Declaration.

## Understanding the Duties of Governors

### Fiduciary Duties

Governors stand in a fiduciary relationship to the college.

The fiduciary duties of a governor are owed only to the college, and not to any one particular stakeholder constituency or other interest group. These duties are among the highest standard of conduct that the law imposes.

All governors, whether internal or external, owe the same duties and are subject to the same obligations, regardless of how they may have been elected or appointed to the board.

Governors are required to discharge the standard of care applicable to them in their capacity as a fiduciary.

### Standard of Care

The OCAATA does not set out a standard of care. The ONCA sets out a statutory standard of care as follows:

- Every director and officer, in exercising their powers and discharging their duties to the corporation, shall,
  - Act honestly and in good faith with a view to the best interests of the corporation; and
  - Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- Every director and officer shall comply with,
  - The ONCA and its regulations; and
  - The corporation's articles and by-laws.

This is the standard of care that applies to the governors of a college – the word “corporation” as used in the ONCA can be read as meaning “college”.

### Best Interests of the College

Governors must act in the best interests of the college as a whole and, in doing so, must take into account all relevant factors.

A governor breaches their duty to act in the best interests of the college where the governor prefers the interests of a particular group, person or entity over the interests of the college as a whole.

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This does not mean that the governors cannot take into account the interests of particular groups that may be affected by board decisions, but they cannot act solely in the interests of one group if to do so would not be in the best interests of the college as a whole.

For mission-driven organizations, like colleges, determining what is in the best interests of the college means considering the following:

- **Mission** – Decisions should further the mission of the college;
- **Vision** – Decisions should move the college towards its vision;
- **Values** – Decisions should be consistent with college values; and
- **Accountabilities** – Decisions should discharge college accountabilities to its various stakeholders

The Minister's Binding Policy Directive: *Governance and Accountability Framework* defines accountability as follows:

*Accountability, or the obligation to show that responsibilities have been carried out properly and that the desired outcomes have been achieved, is the corollary of the governance authority provided. Accountability is a key issue for governments.*

The Minister's Binding Policy Directive: Governance and Accountability Framework further states that the board is "...to govern effectively and is accountable to the citizens of Ontario for successful achievement of this mandate in view of the financial support provided by the province." The role and accountability of the board is discussed as follows:

*Each board of governors of a college of applied arts and technology is responsible for the governance of the college and, as such, is accountable to the students, employers, and communities the college serves for ensuring that it is effectively and appropriately managed to achieve its established mandate and to provide needed services.*

*Colleges, as agencies of the Crown and as recipients of transfer payments, are also accountable to the broader public and the government for their actions, achievement of goals consistent with government priorities, and prudent financial management.*

Accordingly, college stakeholders and accountability relationships include:

- Students;
- Government and regulatory authorities;
- Staff and faculty;
- Local communities;
- Employers who work with the college in delivering its programs;
- Donors and financial supporters; and
- The public.

To fully understand college accountability, a board must first be knowledgeable of the various relationships between the college and its stakeholders. A board will benefit from clearly defining its mission and vision, stating its values, and describing its stakeholder relationships and how they are taken into account when decisions are made.

*See Resource 3.03 Sample College Accountability Statement.*

## Rules of Fiduciary Conduct

In addition to acting in the best interests of the college, governors are required to abide by what is sometimes referred to as the rules of fiduciary conduct. These rules include the following duties:

- Acting in good faith;
- Exercising power honestly;
- Maintaining loyalty;
- Respecting confidentiality;
- Obedience (also called Solidarity); and
- Avoiding conflicts of interest.

### *Acting in Good Faith*

The duty of good faith requires governors to act for a proper purpose, and not to exercise their powers for a collateral purpose.

### *Acting Honestly*

Governors are required to exercise their powers honestly. For example, governors are not permitted to exercise their powers for a personal benefit.

### *Maintaining Loyalty*

The duty of loyalty requires governors to act in the interests of the college, and not in the interests of any party that they may feel they represent. It is important that all governors, including internal governors, recognize that their duty of loyalty is to the college.

### *Respecting Confidentiality*

Understanding the duty of confidentiality can sometimes be challenging for a board that has meetings that are open to the public.

The duty of confidentiality means the governors must respect the confidentiality of matters that are not, or will not be, disclosed to the public, especially matters that are dealt with *in camera* (in a closed board session).

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It is also important for a governor to recognize that the board has an official spokesperson and, notwithstanding that a meeting may have been opened to the public, it is only the board chair, or another officer or governor designated by the board, who can speak on behalf of the board. Governors must respect policies regarding communications with the media and, while they may see themselves as representatives of the college in the community, they must be careful that they do not disclose confidential information or be seen to be speaking publicly on behalf of the board.

## *Obedience/Solidarity*

The duty of corporate obedience is often described as the duty of board solidarity.

Boards are considered to be democratic in nature. The decision of the majority governs.

A governor is deemed to have consented to any resolution passed or action taken at a meeting of the board unless they formally dissent (and such dissent is entered into minutes or otherwise duly submitted to the college).

A governor who is opposed to a board decision that has been validly taken (even if such governor formally dissents) has a duty to respect and adhere to that decision. It is important for governors to understand the duty of obedience as there will no doubt be some decisions where governors may weigh the college accountabilities differently and not all agree. The minority must respect and support the decision of the majority; the board speaks with one voice.

The duty of obedience also includes obligations to ensure that the college operates within the laws to which it is subject.

It is the duty of the board chair to ensure that meetings and board proceedings follow a proper process, and are conducted in accordance with the by-laws and rules of order. It is the duty of each board member to respect the role and authority of the chair in this regard.

## *Avoiding Conflicts of Interest*

It is inherent in a governor's fiduciary duty that conflicts of interest be avoided.

All governors must comply with the Minister's Binding Policy Directive: *Conflict of Interest*, which is intended to protect the integrity of college boards, and the integrity of governors who may face a conflict.

The stated purpose of the binding policy directive is to:

- Assist an individual board member in determining when their membership on the board has the potential to be used for personal or private benefit, financial or otherwise;
- Protect the integrity of the board as a whole and its individual members who follow conflict of interest provisions; and

- Ensure that an individual is not disqualified from being nominated, or running, for a board position because of a potential for conflict of interest.

The binding policy directive does not apply where:

- The interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the board member, or where a pecuniary or other interest is in common with a broad group, of which the governor is a member (e.g., students, support staff, academic staff, and administrative staff); and
- The issue is one of general or public information.

## **Summary Principles of the Minister's Binding Policy Directive: *Conflict of Interest***

The principles stated in the binding policy directive are as follows:

- Governors are expected to act honestly and uphold the highest ethical standards.
- Governors are obligated to perform their official duties, and conduct themselves in a manner that will bear the closest public scrutiny because colleges are part of the broader public sector and subject to more public scrutiny than private organizations.
- Governors shall not have private interests (other than those permitted pursuant to the binding policy directive, laws, or statutes), that would be affected particularly or significantly by college decisions or actions in which they participate.
- When appointed, governors must arrange their private interests to prevent conflicts of interest. If a conflict does arise between the private interests of a governor and the official duties of that individual, the conflict shall be resolved in favour of the public interest.
- Each governor, regardless of how they become a governor, has a responsibility first and foremost to act in the best interests of the college, and must function primarily as a member of the board, not as a member of any particular constituency.

## **Definitions**

The binding policy directive sets out the following definitions:

- *Actual conflict of interest* – A situation where a governor has a private or personal interest that is sufficiently connected to their duties and responsibilities as a governor that it influences the exercise of these duties and responsibilities. The binding policy directive provides the following examples:
  - For a student governor: when an agenda item addresses an increase in the tuition fees for the particular program in which the student is enrolled.
  - For a faculty governor: an agenda item where a faculty member would be faced with a decision to eliminate the program in which the faculty member taught.

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- For a support staff governor: being involved in a discussion about providing confidential advice to the management collective bargaining position during the negotiation of a new collective agreement for the particular bargaining unit of which the staff person is a member.
- *Perceived conflict of interest* – A situation where reasonably well-informed persons could properly have a reasonable belief that a governor has an actual conflict of interest, even where that is not the case in fact. The binding policy directive provides the following examples:
  - Governor applying for any position within the college: the individual's position as a governor could be perceived as being of benefit in the competition for a position with the college. A governor would need to resign from the board before applying for a position at the college. They cannot apply as an active governor in the hopes of protecting their position on the board if they are not the successful candidate.
  - Governor who owns a company submitting a tendering proposal to the college: a governor may submit a tendering proposal to the college. However, at the point in time when a governor becomes aware that their company might submit a tender, the governor should make the intention to do so known to the board chair. This situation could lead to either a perceived or actual conflict of interest, as the governor might have information not available to competitors in the tendering process. The board of governors will need to consider how to proceed to ensure an open, fair, and transparent process.
- *Potential conflict of interest* – A situation where a governor has a private or personal interest that could influence the performance of a governor's duties or responsibilities, provided that they have not yet exercised that duty or responsibility. The binding policy directive provides the following example:
  - Internal governors – faculty, support staff, and administrators – being part of the president's evaluation or performance review would give rise to a potential conflict of interest. It would be up to the board to establish how to proceed. It is recommended that college boards of governors discuss such issues in advance of the actual situation arising and establish a protocol or approach to use.

The binding policy directive provides that a conflict of interest arises when a board member's private or personal interest supersedes or competes with their official duties and responsibilities as a member of a college board. This could arise from an actual, potential, or perceived conflict of interest of a financial or other nature.

## Process

The binding policy directive sets out a required process to be followed. In summary, the process requires:

- At the beginning of every board meeting, the chair of the board is to ask, and have recorded in the minutes, whether any governor has a conflict to declare in respect to any agenda item.
- When the agenda item arises in the open portion of the board meeting, the governor with an actual conflict of interest may remain in the room for the duration of the discussion and not participate in the vote on this item. The minutes are to record that the governor with a conflict of interest remained in the room for the discussion, and did not vote on this item. Should the matter occur in the *in camera* portion of a meeting, the governor should withdraw while the matter is being discussed or voted on, and the minutes should reflect this.
- When the conflict of interest is perceived or potential, the board will determine whether the governor remains for the discussion and vote on agenda items. The minutes should reflect what takes place.
- In cases where a conflict cannot be avoided, a governor is to declare a conflict of interest at the earliest opportunity and, at the same time, should declare the general nature of the conflict. Where a conflict of interest is declared prior to a board meeting, the declaration is to be made to the chair and the board is to be informed.
- Where a governor is unsure whether they are in conflict, the governor is to raise the perceived potential conflict with the board, and the board is to determine by majority vote whether or not a conflict of interest exists. The said governor must refrain from voting on whether or not a conflict of interest exists.
- Where a conflict of interest is discovered after consideration of a matter, it is to be declared to the board and appropriately recorded at the first opportunity. If the board determines that involvement of governor influenced the decision of the matter, the board is to re-examine the matter and may rescind, vary, or confirm its decision.
- Any board member who perceives another member to be in conflict of interest in a matter under consideration is to raise this concern with the chair of the board. The chair, in turn, is to discuss the matter with the board member who is perceived to be in conflict and, as appropriate, to hold further discussion with the reporting governor. If the discussions do not lead to a resolution, the matter is to be brought to the board, and the board is to determine by majority vote whether or not a conflict of interest exists. The member perceived to be in conflict is to refrain from voting.

## Consequences of Non-Compliance

Where there has been a failure on the part of a board member to comply with the binding policy directive, unless the failure is the result of a bona fide error in judgment, the board is to:

1. Issue a verbal reprimand; or
2. Issue a written reprimand; and/or



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3. Request that a board member resign; and/or
4. Remove the board member through processes established in the board by-laws.

See Resources 3.04 Sample Board Code of Conduct, 3.05 Sample Board Policy on Confidentiality and 3.06 Sample Board Policy on Conflict of Interest.

## Business Judgment Rule

**The “business judgment rule” is a common law principle pursuant to which the courts will presume that a decision made by a board has been made on an informed basis, honestly, in good faith, and in the best interests of the corporation.**

In other words, the court will not second guess the decision of the governors where a proper process has been followed and the governors have met the fiduciary standard.

Governors are not accountable for an error in judgment provided they have followed a reasoned and informed process and discharged their fiduciary duties. Governors are not guarantors that every decision they make will, with the benefit of hindsight, prove to have been the best decision in the circumstances. However, they are required, in every case, to act honestly, in good faith, and in the best interests of the college, and meet the standard of care as set out above, and ensure a proper process has been followed. This means that it is very important to establish and follow proper processes and procedures and for governors to do appropriate due diligence when making decisions.

## Reliance on Others

**Governors are entitled to assume that those on whom they rely, particularly officers and senior management, have performed their duties honestly.**

Governors are not allowed to do so in the face of evidence to the contrary. However, in the absence of any grounds to suspect otherwise, the board is entitled to assume that officers and senior management have acted honestly in performing their duties.

The ONCA includes a statutory “reasonable diligence” defense to certain duties under the ONCA where the director (governor) has exercised the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances. This includes reliance in good faith on certain financial statements, financial reports, reports or advice of an officer or employee, reports of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by them.

## Governor Liability and Due Diligence

### *Liability*

Governors of colleges are not personally liable for corporate obligations of the college. The principle of “limited liability” applies to a college and its governors. The principle of limited liability means that only the assets of the college can be used to satisfy the obligations of the college.

There are, however, exceptions to the rule of limited liability and circumstances in which a governor may be personally liable.

Governors, like directors of corporations, will be personally liable if they breach the duties that they owe to the college.

Liability may also arise under specific statutes that impose liability on directors and officers. Generally speaking, the potential for personal liability arising under statute falls into three broad categories:

1. Liability for unpaid wages – usually arising in the case of insolvency (see ONCA);
2. Liability for amounts the college has failed to deduct, withhold and/or remit under various pieces of legislation, such as the *Income Tax Act* (Canada), Canada Pension Plan, and other similar statutes; and
3. Liability for non-compliance with specific legislation or where the governor has authorized, consented to, acquiesced or participated in the commission of an offence by the college under a specific statute, such as the *Employment Standards Act*, *Occupational Health and Safety Act* or *Environmental Protection Act* (as examples).

Directors may be entitled to avail themselves of a “due diligence defence” with respect to most statutory offences. If such a defence is available, a governor will not be liable if they are able to demonstrate that they have taken all reasonable care in the circumstances to prevent the occurrence of an offence. What steps will constitute due diligence will depend on the circumstances of the case and the particular governor involvement. Typically, relying on good governance practices is an element of establishing a due diligence defence.

### *Due Diligence*

As part of a governor’s personal due diligence, they should:

- Be knowledgeable about the college and the legislative framework within which it operates;
- Participate in orientation sessions and board retreats;
- Recognize that the commitment to acquiring knowledge about the college and the college sector is ongoing, and look for resources that will continue to enhance a governor’s personal knowledge;

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- Prepare for, attend, and participate in meetings of the board; and
- Ensure that a governor's behaviour inside and outside the boardroom is consistent with the governor's fiduciary duties and the college's code of conduct.

What constitutes sufficient due diligence for the purposes of a defense to liability imposed under statute will depend on the context of the board, the particular issue that is being considered, and governor involvement. Generally speaking, boards must rely on management to ensure that the college is operating in accordance with applicable legislation.

The board's collective due diligence may include the following:

- Understanding how the college maintains and monitors compliance, stays abreast of new requirements and reacts to circumstances of non-compliance;
- Ensuring appropriate competencies for those in positions of responsibility;
- Making the requirement for compliance part of the president's role and evaluating performance with reference to that role;
- Oversight of management and, in particular, the president;
- Reviewing indicators that confirm compliance;
- Receiving periodic compliance certificates from management (e.g., a certificate that remittances and required reporting or filings are made);
- Using the annual audit and special audits in select areas of risk to verify some aspects of compliance;
- Periodically reviewing with management, usually through committees, key areas of risk and how compliance in key areas is managed. In the context of a college, significant areas of legislative compliance risk might include building code, occupational health and safety, employment law, withholdings and remittances;
- Ensuring the college has adopted an appropriate whistle-blower policy; and
- Ensuring the college has business conduct policies that set a culture of compliance.

See Resource 3.07 Tips for New Governors.

## Actions to Enhance Governance Performance

### Adopt Policies to Support Board Performance

Having recruited a skilled and qualified board in accordance with the governance principles set out in the Protocol for Board Nominations and Appointments, it is important that there be policies in place to provide guidance to, and support of, the governors in the performance of their fiduciary duties

Such policies would include a Statement of Governor's Roles and Responsibilities – this would provide an outline of the fiduciary duties and accountabilities of members of the board, together with expectations in such areas as attendance, teamwork and adhering to board solidarity. Governors should be provided with such a Statement of Roles and Responsibilities as part of the recruitment process. Note that the following policies are examples only and may be combined or rearranged in practice.

See Resources 3.02 Sample Statement of Governor Roles and Responsibilities, 3.04 Sample Board Code of Conduct, 3.05 Sample Board Policy on Confidentiality and 3.06 Sample Board Policy on Conflict of Interest.

It is also helpful to ask all governors to annually sign a declaration where they confirm that they have read and will abide by the key governance policies, such as a Code of Conduct, Confidentiality Policy, and Conflict of Interest Policy, including the Minister's Binding Policy Directive: Conflict of Interest.

See Resource 3.08 Sample Governor Declaration.

### Conduct Effective Board Orientation

The Protocol for Board Nominations and Appointments provides that the board of a college is responsible to ensure new governors participate in Colleges Ontario's orientation session(s) provided through the College Centre. These sessions provide an orientation and training to new and seasoned governors.

The board should ensure that new governors and new committee members receive orientation on their roles as members of the board and/or members of a committee. All governors should be invited to the college's annual board orientation. Attendance at an orientation session should be mandatory for new board members, and this requirement should be included in the information provided to prospective governors and in appropriate policies. Governors commencing a renewal term should strongly be encouraged to re-attend orientation sessions to refresh their knowledge and to serve as a resource to new board members.

Orientation should include the following:

- Legislative framework;
- The college's operations;

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- Board governance, including structures and processes;
- Stakeholders and key relationships; and
- Post-secondary education environment.

The board should periodically review the quality of its orientation program.

See Resource 3.09 Sample College Board Orientation Manual Table of Contents.

## Provide Ongoing Board Education

Each governor must assume responsibility to acquire knowledge that will enhance their performance as a member of the board. This includes deepening their understanding of the college's programs and operations, as well as the environment in which the college operates.

The board should ensure governors have access to ongoing education opportunities which may include:

- Conducting board education sessions at regular board meetings and as part of board retreats;
- Ensuring that the content of education sessions includes the external, post-secondary education environment, the college's programs and operations, and the board's governance obligations;
- Distributing appropriate education and information materials to all board members on a regular basis; and
- Establishing a policy that permits and encourages governors to attend educational programs with reimbursement of reasonable expenses.

## Commit to Continuous Improvement through Governor Evaluation

The board should provide each governor with an opportunity for self-improvement. Effective self-evaluation processes provide opportunities for each governor to assess their contribution to the board, and provide opportunities for each governor to improve where they feel it is needed.

An evaluation of a governor's performance may be either a self-evaluation, which might form part of the annual board evaluation, or it may be peer evaluation.

Peer evaluations are less common, but involve every member of the board evaluating the performance of every other member of the board. Accordingly, such evaluations must be carefully undertaken.

Typically, an evaluation of individual governor performance would ask the governor to consider their performance with reference to the following:

- Understanding the board's role;

- Understanding and adhering to the duties of a governor; and
- Preparing for and participating in board and committee meetings.

Whether the governor's evaluation is done on a self-assessment or peer evaluation basis, some process should be established to ensure that the governor receives feedback.

Unless the college is employing external resources for this, it would typically fall to the chair of the board or the chair of the governance committee to establish a process for a one-on-one discussion with a governor as a follow up to the completion of a self-assessment or peer evaluation.

Accordingly, it may be appropriate for the board to provide some resources to a governor to improve their performance, such as additional education, coaching and mentoring. The results of the individual governor evaluations should also be taken into account when considering renewal terms for incumbent governors.

See Resources 3.10 Sample Questions for a Governor Self-Assessment Questionnaire and 3.11 Sample Governor Peer Evaluation.

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## Principles & Practices of Effective College Governance for Chapter 3

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Below we describe the principles and practices that are followed by boards who demonstrate effective governance.

### Board Quality

The board expressly recognizes its responsibility for recruitment and succession planning for external governors.

The board adopts a policy for the selection and appointment of its external governors which:

- Is consistent with the Protocol for Board Nominations and Appointments issued by the Ministry of Colleges and Universities;
- Ensures that governors with the necessary skills, experience and qualities are recruited to the board;
- Ensures that external governors are sufficiently independent and free of conflicts; and
- Includes principles of diversity and inclusion.

### Governor Expectations

The board expressly adopts a statement of the roles and responsibilities of governors. This aids in the recruitment of governors by ensuring that they are aware of the expectations that they must meet with respect to such matters as conduct, attendance and participation. The statement of roles and responsibilities of a governor is provided to prospective nominees before they are recommended for appointment to the board.

### Accountability

To assist governors in making decisions in the best interests of the college, the board may consider adopting a statement of college accountabilities. This statement guides the board to ensure its decisions are in furtherance of the mission and vision, consistent with values, and appropriately discharge college accountabilities.

### Governor Conduct and Behaviour

The board adopts policies that support and emphasize governors' duties and behaviours.

The board adopts a board Code of Conduct that sets out a governor's duties and behaviours. A board Code of Conduct establishes expectations of the behaviour of the board and individual governors inside and outside the boardroom.

The board also adopts policies with respect to confidentiality, attendance, and conflict of interest.

## **Governor Conduct and Behaviour (continued)**

In adopting a Conflict of Interest Policy, the board ensures it is consistent with the Minister's Binding Policy Directive: Conflicts of Interest. The Conflict of Interest Policy should include at minimum:

- When a conflict must be declared;
- To whom the conflict must be declared;
- A statement that the governor is not entitled to vote on any matters where there is a conflict of interest;
- When the governor must be physically absent during the discussion and vote;
- A requirement that the governor not attempt to influence the outcome of the vote (this applies to the governor's behaviour both within the boardroom and outside of the boardroom);
- A process for others on the board to raise a perceived conflict of interest involving another governor; and
- Consequences for failure to comply with the policy.

## **Governor Orientation**

The board ensures that all new governors receive appropriate orientation. Orientation should include the following five areas:

1. Legislative framework for the college;
2. Board governance including structures and processes;
3. College operations;
4. Stakeholder and key relationships; and
5. Post-secondary education and environment generally.

Orientation for new governors is mandatory, and current governors should be invited to attend. Governors commencing a renewal term are strongly encouraged to attend.

## **Continuous Governor Improvement**

A board ensures there are resources available to the governors which contribute to individual governor development over their term on the board, including use of self-assessment processes and provision of feedback, mentoring and education to enhance the contribution of individual governors to the board.



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## Resources for Chapter 3

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### 3.01 Sample Nominations and Appointment Policy for External Governors

#### Purpose

- To ensure the processes followed by the board in the selection and appointment of governors is consistent with the Protocol for Board Nominations and Appointments issued by the Ministry of Colleges and Universities, April 1, 2003, revised January 1, 2011 (the "Protocol").
- To ensure that the board is comprised of individuals who possess the skills, qualities and experience to collectively contribute to effective board governance.
- To assist the board in identifying qualified individuals to become governors.
- To establish processes be followed by the board to appoint board-appointed governors.

#### Guiding Principles

The board will seek a balance within the board with respect to the skills and experience of governors, while considering the strategic directions of the college and any unique or special requirements of the college at the current time.

The board will ensure all governors possess the behavioural qualities necessary to perform their role as governors.

The board will seek a range of relevant backgrounds for governors that support the strategic directions of the college and complement the board composition in terms of representing a broad cross-section of the community that the college serves and will strive to ensure diverse representation.

#### Application

This policy applies to external governors, those appointed by the Lieutenant Governor in Council or by the board.

#### Term of Office

A governor is appointed to the board for a term of up to three years, and may serve for a maximum of six years.

## Process for Nominations

### A. *Nominations Committee*

- The board shall establish a Nominations Committee which shall be charged with the responsibility of identifying and recommending individuals to become governors.
- The size and composition of the Nominations Committee shall be determined by the board from time to time and may include non-board members.
- The board shall appoint the chair of the Nominations Committee who shall be a member of the board.

### B. *Nominations Process*

The board shall identify qualified candidates through the following process:

- A profile for governors shall be established.
- The number of vacancies will be determined each year, and the necessary criteria to fill those vacancies will be identified by conducting a skills matrix analysis.
- The skills, experience, knowledge and behavioural qualities that the board will consider in approving a profile for governors may be drawn from the skills, experience, and knowledge and qualities in Schedule A.
- Incumbent governors will be evaluated based on their performance and renewal will not be automatic.
- A call for nominations will be made and interested parties will be encouraged to submit applications.
- Vacancies will be advertised in the local newspapers as well as on the college's website.
- Applications will be submitted to the chair of the Nominations Committee and reviewed by the Nominations Committee.
- A short-list of candidates will be developed by the Nominations Committee of those individuals who meet the criteria as identified by the board. Short listed candidates must be interviewed by the Nominations Committee even if they are standing for re-appointment.
- Reference and background checks will be completed by the chair of the Nominations Committee or as delegated.

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## **C. *Appointment Process***

### **1. Lieutenant Governor in Council appointed External Governors**

The Nominations Committee shall identify candidates to be forwarded to the Standing Committee of Government Agencies through the manager of Colleges Unit of the Ministry as required by the Protocol. Up to three candidates may be identified for each position.

All candidates shall be approved by the board before they are submitted to the Colleges Unit.

### **2. Board appointed External Governors**

The Nominating Committee shall identify candidates for recommendation to the board.

In the event that the number of candidates equals the number of vacancies, the governors (other than those nominated for re-election) shall be asked to vote by secret ballot for or against the slate and, if such vote does not carry, the vote shall take place for or against each nominee individually with any governor who is the subject of the particular vote not participating in the vote.

## **Amendment**

This policy may be amended by the board.

## **Approval Date**

## **Last Review Date**

Note: This template also contemplates that the Nominations Committee may be comprised of non-board members.

## Schedule A

### *Skills, Experience and Knowledge*

The board will reflect a complementary mixture of skills, experience and knowledge. The skills, experience and knowledge the board will consider in selecting governors include the following:

- Knowledge/experience in post-secondary education
- Business management
- Human resources management
- Government and government relations
- Political acumen
- Construction and project management
- Legal expertise
- Strategic planning
- Risk management
- Information technology
- Accounting designation
- Financial expertise
- Advancement/fundraising
- Knowledge and experience in research
- Quality and performance management
- Labour relations
- Board and governance expertise
- Public affairs and communications
- Ethics
- Demographic characteristics
- *[Other – college-specific]*

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## Schedule B

### *Behavioural Qualities*

The board requires all governors to:

- Commit to adhere to the vision, mission, and core values of the organization;
- Act with honesty and integrity;
- Understand a governor's role and fiduciary duties, and the role of the board;
- Think strategically;
- Work as part of a team;
- Communicate effectively;
- Have, or commit to acquire, financial literacy appropriate for the college's scope of activities;
- Be willing to devote the time and effort required to be an effective governor, including attendance at board orientation, board retreats, board meetings, committee meetings, and organization events;
- Be free of conflicts that would impede a governor's ability to fulfill their fiduciary duties; and
- Demonstrate ability to recognize and manage specific conflicts of interest that arise from time to time.

### 3.02 Sample Statement of Governor Roles and Responsibilities

#### Purpose

The college is committed to ensuring that it achieves standards of excellence in the quality of its governance and has adopted this policy describing the duties and expectations of governors.

#### Application

This policy applies to all internal and external governors and is provided to governors before they are appointed or elected to the board.

#### Position Description – Board of Governors

As a member of the board, and in contributing to the collective achievement of the role of the board, the individual governor is responsible for the following:

#### Fiduciary Duties

Each governor is responsible to act honestly, in good faith, and in the best interests of the college and in so doing, to support the college in fulfilling its mission and discharging its accountabilities.

A governor shall apply the level of skill and judgment that may reasonably be expected of a person with their knowledge and experience. Governors with special skill and knowledge are expected to apply that skill and knowledge to matters that come before the board.

#### Accountability

A governor's fiduciary duties are owed to the college. The governor is not solely accountable to any special group or interest and shall act and make decisions that are in the best interest of the college, as a whole. A governor shall be knowledgeable of the stakeholders to whom the college is accountable and shall appropriately take into account the interests of such stakeholders when making decisions as a governor, but shall not prefer the interests of any one group if to do so would not be in the best interests of the college.

#### Education

A governor shall be knowledgeable about the:

- Operations of the college;
- Duties and expectations of a governor;
- Board's governance role;
- Board's governance structure and processes;

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- Board adopted governance policies; and
- Policies applicable to board members.

A governor will participate in a board orientation session, orientation to committees, board retreats and board education sessions. A governor should attend additional appropriate educational conferences in accordance with board-approved policies.

## **Board Policies and College Policies**

A governor shall be knowledgeable of and comply with the policies that are applicable to the board including:

- The board's Code of Conduct;
- The board's Conflict of Interest Policy;
- The board's Confidentiality Policy; and
- The Ethics and Business Conduct Policy of the College.

## **Teamwork**

A governor shall develop and maintain sound relations, and work cooperatively and respectfully, with the board chair, members of the board and senior management.

## **Community Representation**

A governor shall represent the board and the college in the community when asked to do so by the board chair.

## **Time and Commitment**

A governor is expected to commit the time required to perform board and committee duties. The board meets approximately six times a year, and a governor is expected to adhere to the board's attendance policy that requires attending at least [70 to 80] percent of board meetings.

A governor is expected to serve on at least one standing committee. Committees generally meet monthly.

## **Contribution to Governance**

Governors are expected to make a contribution to the governance role of the board through:

- Reading materials in advance of meetings and coming prepared to contribute to discussions;
- Offering constructive contributions to board and committee discussions;

- Contributing their special expertise and skill;
- Respecting the views of other members of the board;
- Voicing conflicting opinions during board and committee meetings but respecting the decision of the majority even when the governor does not agree with it;
- Respecting the role of the chair;
- Respecting the role and terms of reference of board committees; and
- Participating in board evaluations and annual performance reviews.

## **Continuous Improvement**

A governor shall commit to be responsible for continuous self-improvement. A governor shall receive and act upon the results of board evaluations in a positive and constructive manner.

## **Term and Renewal**

A governor is elected for a term of up to three years and may serve for a maximum of six years. A governor's renewal is not automatic and shall depend on the governor's performance.

## **Amendment**

This policy may be amended by the board.

## **Approval Date**

## **Last Review Date**



# CHAPTER 3

## 3.03 Sample College Accountability Statement

The duty of the board of governors is to make decisions that are in the best interests of the college.

Decisions that are in the best interests of the college will be decisions that further the college's mission, move it towards its vision, are consistent with its values, but also discharge its accountabilities. The college has adopted a mission, vision and values statement.

To guide the board of governors in making decisions in the best interests of the college, the board has confirmed the following accountabilities of the college:

Accountable To	Accountable For
Our Students	Quality programs that are career-orientated.
The Community We Serve	Efficient utilization of resources, clear communication and transparent processes.
Our Staff and Faculty	Establishing and communicating expectations and providing a safe work environment.
Employers of Our Students	Understanding and meeting the needs of employers in a changing work environment through comprehensive program offerings.
Government	Compliance with relevant legislation, binding directives and policy framework documents, policies and regulations.
Our Donors	Financial stewardship.

### 3.04 Sample Board Code of Conduct

#### Purpose

The college is committed to ensuring that in all aspects of its affairs it maintains the highest standards of public trust and integrity.

#### Application

This Code of Conduct applies to all governors, and non-board members of board committees. Governors are also required to comply with the college's policy on Ethics and Standards of Business Conduct, which applies to employees.

#### Governors' Duties

All governors stand in a fiduciary relationship to the college. As fiduciaries, governors must act honestly, in good faith, and in the best interests of the college.

Governors will be held to strict standards of honesty, integrity and loyalty. A governor shall not put personal interests ahead of the best interests of the college.

Governors must avoid situations where their personal interests will conflict with their duties to the college. Governors must also avoid situations where their duties to the college may conflict with duties owed elsewhere. Where conflicts of interest arise, governors will comply with the requirements of the by-laws and applicable legislation and the Minister's Binding Policy Directive: *Conflict of Interest*.

In addition, all governors must respect the confidentiality of information about the college.

#### Best Interests of the College

Governors must act solely in the best interests of the college. All governors are held to the same duties and standard of care. Governors who are elected by a particular group must act in the best interests of the college, even if this conflicts with the interests of such group.

#### Confidentiality

Governors and committee members owe a duty to the college to respect the confidentiality of information about the college, whether that information is received in a meeting of the board or of a committee, or is otherwise provided to or obtained by the governor or committee member. Governors and committee members shall not disclose or use for their own purpose confidential information concerning the business and affairs of the college unless otherwise authorized by the board.

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It is recognized that the role of governor may include representing the college to third parties. However, such representations must be respectful of and consistent with the governor's duty of confidentiality. In addition, the chair is the only official spokesperson for the board.

Every governor and committee member shall ensure that no statement not authorized by the board is made by them to the press or public.

## **Board Spokesperson**

The board has adopted a policy with respect to designating a spokesperson on behalf of the board. Only the chair or designate may speak on behalf of the board. The president or their designate may speak on behalf of the college.

No governor shall speak or make representations on behalf of the board unless authorized by the chair or the board. When so authorized, the board member's representations must be consistent with accepted positions and policies of the board.

## **Media Contact and Public Discussion**

News media contact and responses and public discussion of the college's affairs should only be made through the board's authorized spokespersons. Any governor who is questioned by news reporters or other media representatives should refer such individuals to the appropriate representatives of the college.

## **Respectful Conduct**

It is recognized that governors bring to the board diverse background, skills and experience. Governors will not always agree with one another on all issues. All debates shall take place in an atmosphere of mutual respect and courtesy.

The authority of the chair must be respected by all governors.

## **Corporate Obedience – Board Solidarity**

Governors acknowledge that properly authorized board actions must be supported by all governors. The board speaks with one voice. Those governors who have abstained or voted against a motion must adhere to and support the decision of a majority of the governors.

## **Obtaining Advice of Counsel**

Request to obtain outside opinions or advice regarding matters before the board may be made through the chair.

## **Amendment**

This policy may be amended by the board.

## **Approval Date**

## **Last Review Date**

# CHAPTER 3

## 3.05 Sample Board Policy on Confidentiality

### Purpose

To ensure that confidential matters are not disclosed until disclosure is authorized by the board.

### Policy

The governors owe to the college a duty of confidence not to disclose or discuss with another person or entity, or to use for their own purpose, confidential information concerning the business and affairs of the college received in their capacity as governors unless otherwise authorized by the board.

Every governor shall ensure that no statement not authorized by the board is made by them to the press or public.

### Application

This policy applies to all board and non-board committee members.

### *Confidential Matters*

1. All matters that are the subject of closed sessions of the board are confidential until disclosed in an open session of the board.
2. All matters that are before a committee or task force of the board are confidential unless they have been determined not to be confidential by the chair of the relevant committee or task force or by the board.
3. All matters that are the subject of open sessions of the board are not confidential.

## *Procedure for Maintaining Minutes*

1. Minutes of closed sessions of the board shall be recorded by the secretary or designate or, if the secretary or designate is not present, by a governor designated by the chair of the board.
2. All minutes of closed sessions of the board shall be marked confidential and shall be handled in a secure manner.
3. All minutes of meetings of committees and task forces of the board shall be marked confidential and shall be handled in a secure manner.
4. Notwithstanding that information disclosed or matters dealt with in an open session of the board are not confidential, no governor shall make any statement to the press or the public in their capacity as a governor unless such statement has been authorized by the board.

## **Amendment**

This policy may be amended by the board.

## **Approval Date**

## **Last Review Date**

# CHAPTER 3

## 3.06 Sample Board Policy on Conflict of Interest

### Purpose

It is an inherent part of a fiduciary duty that conflicts of interest be avoided. It is important that all governors understand their obligations when a conflict of interest or potential conflict of interest arises.

All governors have a duty to ensure that the integrity of the decision making processes of the board are maintained by ensuring that they and other members of the board are free from conflict or potential conflict in their decision making.

All governors must comply with Minister of Colleges and Universities Binding Policy Directive: *Conflict of Interest*.

### Application

This policy applies to all governors (internal and external) and all non-board members of committees.

### Definitions

**Actual conflict of interest:** a situation where a governor has a private or personal interest that is sufficiently connected to their duties and responsibilities as a governor that it influences the exercise of these duties and responsibilities.

**Perceived conflict of interest:** a situation where reasonably well-informed persons could properly have a reasonable belief that a governor has an actual conflict of interest, even where that is not the case in fact.

**Potential conflict of interest:** a situation where a governor has a private or personal interest that could influence the performance of a governor's duties or responsibilities, provided that they have not yet exercised that duty or responsibility.

### Description of Conflict of Interest

A conflict of interest arises in any situation where a governor's duty to act solely in the best interests of the college and to adhere to their fiduciary duties is compromised or impeded by any other interest, relationship or duty of the governor. A conflict of interest also includes circumstances where the governor's duties to the college are in conflict with other duties owed by the governor, such that the governor is not able to fully discharge the fiduciary duties owed to the college.

The situations in which conflict of interest may arise cannot be exhaustively set out. Conflicts generally arise in the following situations:

## **1. *Transacting with the College***

- When a governor transacts with the college directly or indirectly.
- When a governor has a material direct or indirect interest in a transaction or contract with the college.

## **2. *Interest of a Relative***

- When the college conducts business with suppliers of goods or services or any other party of which a relative or member of the household of a governor is a principal, officer or representative.

## **3. *Gifts***

- When a governor or a member of the governor's household, or any other person or entity designated by the governor, accepts gifts, payments, services or anything else of more than a token or nominal value from a party with whom the college may transact business (including a supplier of goods or services) for the purposes of (or that may be perceived to be for the purposes of) influencing an act or a decision of the board.

## **4. *Acting for an Improper Purpose***

- When governors exercise their powers motivated by self-interest or other improper purposes. Governors must act solely in the best interest of the college. Governors who are elected by a particular group must act in the best interest of the college even if this conflicts with the interests of such group.

## **5. *Appropriation of Corporate Opportunity***

- When a governor diverts to their own use, an opportunity or advantage that belongs to the college.

## **6. *Duty to Disclose Information of Value to the College***

- When governors fail to disclose information that is relevant to a vital aspect of the college's affairs.



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## **7. *Serving on Other Corporations***

- A governor may be in a position where there is a conflict of “duty and duty”. This may arise where the governor serves as a governor of two corporations that are competing or transacting with one another. It may also arise where a governor has an association or relationship with another entity. For example, if two corporations are both seeking to take advantage of the same opportunity. A governor may be in possession of confidential information received in one boardroom or related to the matter that is of importance to a decision being made in the other boardroom. The governor cannot discharge the duty to maintain such information in confidence while at the same time discharging the duty to make disclosure. The governor cannot act to advance any interests other than those of the college.

## **8. *Immaterial Interests and Interests in Common with Others***

- This policy and the binding policy directive does not apply where the interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the board member or where a pecuniary or other interest is in common with a broad group of which the governor is a member (e.g., students, support staff, academic staff, administrative staff). This policy does not apply where the issue is one of general or public information.

## **Process for Resolution of Conflicts and Addressing Breaches of Duty**

### ***Call for Conflict Declarations***

At the beginning of every board meeting, the chair of the board of governors is to ask and have recorded in the minutes whether any member has a conflict to declare in respect to any agenda item.

### ***Disclosure of Conflicts***

A governor or committee member who is in a position of actual conflict shall immediately disclose such conflict to the board by notification to the chair who shall inform the board. Where the chair has a conflict, notice shall be given to the vice chair. Disclosure shall be made at the earliest possible time and, where possible, prior to any discussion and vote on the matter.

Where (i) a governor is not present at a meeting where a matter in which the governor has a conflict is first discussed and/or voted upon, or (ii) a conflict arises for a governor after a matter has been discussed but not yet voted upon by the board, or (iii) a governor becomes conflicted after a matter has been approved, the governor shall make the declaration of the conflict to the chair or vice chair as soon as possible and at the next meeting of the board.

The disclosure shall be sufficient to disclose the general nature and extent of the interest.

Where a conflict of interest is discovered after consideration of a matter, it is to be declared to the board and appropriately recorded at the first opportunity. If the board determines that involvement of said member influenced the decision of the matter, the board is to re-examine the matter and may rescind, vary, or confirm its decision.

Where a board member is unsure whether they are in conflict, the said member is to raise the perceived potential conflict with the board, and the board is to determine by majority vote whether or not a conflict of interest exists. The said board member must refrain from voting on whether or not a conflict of interest exists.

#### ***Abstain from Discussions and Voting***

### **Open Meeting**

When the agenda item arises in the open portion of the board meeting, the governor with an actual conflict of interest may choose to be absent for the discussion and vote or may remain in the room for the duration of the discussion and not participate in the vote on this item.

If the governor chooses to remain in the room, the minutes are to record that the governor in conflict of interest remained in the room for the discussion and did not vote on this item.

### **In Camera**

Where the matter is to be discussed in the *in camera* portion of the meeting, the governor who has declared a conflict shall not be present during the discussion or vote in respect of the matter in which they have a conflict and shall not attempt in any way to influence the voting.

#### ***Perceived or Potential Conflict***

When the conflict of interest is perceived or potential, the board of governors will determine whether the member or members remain for the discussion and vote on agenda items. The minutes should reflect what takes place.

#### ***Not Influence Voting***

A governor with a conflict of interest should not attempt in any way to influence the voting on the matter before, during, or after the meeting.

#### ***Process for Resolution of Conflicts and Addressing Breaches of Duty***

All governors shall comply with the requirements of the binding policy directive.

#### ***Resolution on Issues***

A governor may be referred to the process outlined below in any of the following circumstances:

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## ***1. Circumstances for Referral***

Where any governor believes that they or another governor:

- a. Has breached their duties to the college;
- b. Is in a position where there is a potential breach of duty to the college;
- c. Is in a situation of conflict of interest; or
- d. Has behaved or is likely to behave in a manner that is not consistent with the highest standards of trust and integrity and such behaviour may have an adverse impact on the college.

## ***2. Process for Resolution***

The matter shall be referred to the following process:

- a. Refer matter to chair or where the issue may involve the chair, to any vice chair, with notice to president.
- b. Chair (or vice chair as the case may be) may either (i) attempt to resolve the matter informally, or (ii) refer the matter to either the Executive Committee (if one has been established) or to an ad hoc sub-committee of the board established by the chair (or vice chair, as the case may be) which sub-committee shall report to the board.
- c. If the chair or vice chair elects to attempt to resolve the matter informally and the matter cannot be informally resolved to the satisfaction of the chair (or vice chair as the case may be), the governor referring the matter and the governor involved then the chair or vice chair shall refer the matter to the process in (b) (ii) above.
- d. A decision of the board by majority resolution shall be determinative of the matter.

It is recognized that if a conflict, or other matter referred cannot be resolved to the satisfaction of the board (by simple majority resolution) or if a breach of duty has occurred, a governor may be asked to resign or may be subject to removal pursuant to the by-laws and applicable legislation.

## ***Consequences for Failure to Comply***

Where there has been a failure on the part of a board member to comply with this policy or the binding policy directive, unless the failure is the result of a bona fide error in judgment, the board is to:

- Issue a verbal reprimand; or
- Issue a written reprimand; and/or

- Request that a board member resign; and/or
- Remove the board member through processes established in board by-laws.

## **Perceived Conflicts**

It is acknowledged that not all conflicts or potential or perceived conflicts may be satisfactorily resolved by strict compliance with this policy. There may be cases where the perception of a conflict of interest or breach of duty (even where no conflict exists or breach has occurred) may be harmful to the college notwithstanding that there has been compliance with this policy and the binding policy directive. In such circumstances, it may be in the best interests of the college that the governor be asked to resign.

## **Amendment**

This policy may be amended by the board.

## **Approval Date**

## **Last Review Date**

# CHAPTER 3

## 3.07 Tips for New Governors

There are “four cornerstones” of personal due diligence for governors.

1. Knowledge;
2. Participation;
3. Behaviour; and
4. Continuous Improvement.

### 1. *Knowledge*

- Participate in the board orientation session.
- Acquire a “resources” binder that you can add to from time to time.
- Ensure that you understand your fiduciary duties and the standard of care that is expected of you.
- Have a good general knowledge of the legal framework within which the college operates.
- Acquire information about the college. This can be done by acquiring and reviewing the following documents:
  - Annual reports;
  - Internal and/or external reviews, reports or newsletters;
  - Organizational charts;
  - Strategic plan;
  - Mission, vision and values statement; and
  - Accountability statement (if one has been developed).
- Acquire a good working knowledge of issues that have faced the board – consider reviewing last year’s board minutes.
- Request orientation to the committee to which you are assigned. Review committee minutes for the last year if you are new to the committee.
- Be aware of the general industry environment (note articles of relevance to your college and education generally).

- Understand the rules that govern the corporation and their order of precedence:
  - *Ontario Colleges of Applied Arts and Technology Act, 2002* (the “OCAATA”);
  - Regulation under the OCAATA;
  - Minister’s binding policy directives;
  - Legislation applicable to colleges;
  - By-laws;
  - Board structures (committee structures, officers and their role);
  - Governance policies and practices:
    - Conflict of Interest
    - Board Code of Conduct
    - Confidentiality
    - Whistleblower
    - Open board meeting policies and practices for moving *in camera*
    - External governor meetings without management
    - Expense reimbursement policies;
  - Rules of Order;
  - College policies and practices.

## 2. **Behaviour**

- Understand and adhere to rules of fiduciary conduct.
- Ensure that you have reviewed and understand all of the board’s policies that support board behaviour.
- Understand how the board governance structures contribute to effective governance and respect those processes.
- Understand, respect and support the role of the board chair and president.
- Work to develop a good understanding of the distinction between management and governance and appropriately maintain your “governance” role.

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## 3. *Participation*

- Recognize the importance of meetings. The board is a collective and only comes together when it meets.
- Properly prepare for meetings. Ensure that you are receiving relevant materials sufficiently in advance of meetings.
- Understand how you may add items to the agenda.
- Consider the board's annual work plan and ensure that you are properly prepared for each meeting.
- Participate actively in board discussions.
- Ensure that your views are clearly and fully communicated.
- Have an open mind to the views of others.
- Be prepared to change your position once you have heard the views of others expressed.
- Understand the process of consensus decision-making and your duty to accept the will of the majority.
- Where you feel strongly about an issue, consider having your dissent recorded in the minutes.
- Understand how external (legal/accounting) advice is provided to the board.
- Carefully review minutes to ensure that they accurately reflect the matters that were discussed. The minutes should contain an overview of the factors that the board has considered.
- Find an informal mentor to help you understand both board processes and the college.
- Ask questions before board meetings and in committee meetings and not just at the board table.
- Recognize that past practices or precedents may be of assistance in ensuring constructive participation.
- For major processes (strategic planning, program review, president recruitment, redevelopment), ask about the process to be used and opportunities for orientation and input.
- Understand the indicators the college uses to monitor performance.
- Identify opportunities for advanced education sessions – see if others are interested in a brainstorming board session:
  - Avoid raising your concerns at the end of the process;
  - Try to anticipate your issues in advance and raise them prior to the meeting so they can be effectively managed during the discussion.
- Be clear about why items are before the board. Ask these questions:

What is wanted of us?

- What is expected or should be expected of the board?
- What information do I need to deal with items?
- Never be shy about asking how the items affect or may affect the object/mission/values or strategic directions of the college.

#### **4. *Continuous Improvement***

- Take responsibility for on-going self-education.
- Attend appropriate educational conferences that will provide further knowledge and skills to support you in your role.
- Be self-critical and monitor your contribution to the board.
- Ask another board member to give you constructive feedback on your board participation.
- Develop a relationship with the board chair and use that as an opportunity to develop your personal skills and to find a way to effectively contribute to the board.
- Acknowledge your obligation to continue to contribute.
- Consider the roles you would like to perform that would allow you to contribute your skills and expertise, and develop a list of things you should do to perform those roles.



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## 3.08 Sample Governor Declaration

### CONSENT TO ACT AS A GOVERNOR OF THE COLLEGE

To: [Name of College] (the "College")

And To: The board of governors of the College

1. I consent to act as a governor of the College as of \_\_\_\_\_. My consent will continue to be effective until I resign as a governor or am removed as a governor of the College.
2. I consent to the participation by any governor in a meeting of the board of governors, or of a committee of the board of governors, by means of such telephonic, electronic, or other communications facilities that permit all participants to communicate adequately with each other during the meeting, such consent to continue in effect unless revoked by an instrument in writing delivered to the College.
3. I hereby acknowledge that I am not disqualified from acting as a governor of the College:
  - a. I am an individual.
  - b. I am 18 years of age or older.
  - c. I do not have the status of bankrupt.
  - d. I have not been found, under the laws of Ontario, to be unable to manage my property or declared incapable by any court in a jurisdiction outside Canada.
  - e. I am not a person who is an "ineligible individual" under the *Income Tax Act* (Canada) or any regulations made under it.
  - f. I meet any relevant requirements under the *Ontario Colleges of Applied Arts and Technology Act, 2002*.
4. If I become disqualified to act as a governor, I will notify the College accordingly and understand that I will automatically cease to be a governor as soon as I am no longer qualified to act as a governor.
5. I confirm that I have read all of the policies and codes of conduct which have been approved by the board (collectively the "**Policies and Codes**").
6. I agree to act with honesty and integrity in the best interests of the College and to comply with the Policies and Codes, the by-laws of the College, the Binding Policy Directives of the Ministry of Colleges and Universities (each a "**Binding Policy Directive**") and such other policies of the College that are applicable to the board.

7. In accordance with the by-laws of the College, I make the following declaration:

I have an interest, directly or indirectly, in the following entities which include any body corporate, partnership, not-for-profit organization, charity, association, committee or other business or charitable enterprise in which I am a director or officer (but which does not include businesses in which I own less than \*% of the issued and outstanding shares):

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

This declaration is a general notice of interest pursuant to the by-laws of the College and applicable legislation and, accordingly, I should be regarded as interested in any contract made or transaction with any of the above entities or persons.

I acknowledge that this declaration is in addition to my obligations to comply with the Binding Policy Directive: *Conflict of Interest*, any conflict of interest policy and the by-laws of the College in respect of any specific conflict that may arise.

8. I acknowledge that the College is relying upon this certificate for the purpose of ensuring compliance by the College with the provisions of the *Not-for-Profit Corporations Act, 2010* (Ontario).
9. Notices to be delivered by the College to me in my capacity as a governor of the College can be sent to address below, including the email address. I agree to notify the College of any change in my address no later than 15 days from the date of such change.
10. I consent to accepting information or documents by electronic means at the email address below, such consent to continue in effect unless revoked by an instrument in writing delivered to the College.

DATED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Name:

Address:

Email Address:

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## 3.09 Sample College Board Orientation Manual Table of Contents

### Part I: Legislation and By-laws

1. *Ontario Colleges of Applied Arts and Technology Act, 2002*
2. Regulation 34/03
3. Binding Policy Directives
  - a. Conflict of Interest
  - b. Governance and Accountability Framework
4. By-laws

### Part II: The College

1. Ends and/or Mission, Vision and Values
2. Accountabilities Statement
3. Strategic Plan/Strategic Directions
4. Business Plan/Annual Budget
5. Key Performance Indicators (KPIs) and other Measures
6. Operational Policies applicable to the board (e.g., Business Ethics, Whistleblower, Respectful Workplace)
7. Organizational Charts (staff, faculty, programs)
8. Board Minutes for the last year

### Part III: The Board and Governance

1. Role of the Board
2. Governor Roles and Responsibilities
3. Board Policies – Conduct and Duties
  - a. Board Code of Conduct
  - b. Conflict of Interest
  - c. Confidentiality
  - d. Expense Reimbursement Policy

## 4. Board Structures

- a. Officers' Terms and Role
- b. Committees' terms and references

## 5. Board Meetings

- a. Meeting Schedule
- b. Annual Work Plan
- c. Meeting Attendance Policy
- d. Consent Agenda Policy
- e. Board Agenda Development Policy
- f. Policy for External Governors Meeting without Management

## 6. Board Education and Evaluation

- a. Process for obtaining approval to attend educational conferences
- b. Board Evaluation Practices

### **Part IV:**

- 1. Key Partners and/or Stakeholders
- 2. Copies of Publications, Newsletters, etc.

### **Part V: College Sector Information**

- 1. Current articles and materials on topics relevant to the education sector (needs of community served and other education services in region)
- 2. Website or other resources to facilitate governors' self-education

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## 3.10 Sample Questions for a Governor Self-Assessment Questionnaire

Name of Governor		
Date of Self-Assessment		
Knowledge	Agree	Disagree
1. I have a good understanding of the college's system.		
2. I understand the college mission, vision and values and its programs and operations.		
3. I am familiar with the strategic plan and take it into account in board decisions.		
4. I understand the difference between the governance role of the board and the role of managers.		
5. I understand the board's role and annual work plan.		
6. I understand and respect the roles of committees.		
7. The information I receive enables me to participate in an informed manner.		
8. I have read and understand the board governance policies and the bylaws.		
Areas for Improvement		
Behaviour and Participation	Agree	Disagree
9. I apply my skill and experience.		
10. I listen and consider the views of others.		
11. I prepare for meetings.		

Behaviour and Participation	Agree	Disagree
12. I ask questions that will help me make a decision.		
13. I express my views even when I may be in the minority.		
14. I respect the decision of the majority.		
15. I meet or exceed the attendance requirements.		
16. I support the college's events and activities.		
17. I contribute to the committees on which I serve.		
Areas for Improvement		
Continuing Commitment	Agree	Disagree
18. I wish to continue on the board.		
19. I am interested in the following committees (list below)		
20. I am willing to serve as a committee chair.		
21. I am interested in becoming board chair.		
Comments/Other		

# CHAPTER 3

## 3.11 Sample Governor Peer Evaluation

Evaluation Criteria	Governor 1	Governor 2	Governor 3	Etc.
1. Reads materials and comes prepared for meetings.				
2. Participates actively engaged at meeting.				
3. Communicates ideas and concepts effectively.				
4. Listens well and respects those with differing opinions.				
5. Thinks independently – will express view contrary to the group.				
6. Asks appropriate questions – inquisitive.				
7. Thinks strategically in assessing the situation and offering alternatives.				
8. Exhibits sound, balanced judgment for the benefit of all stakeholders.				
9. Supports and promotes the college.				
10. Consistently demonstrates integrity and high ethical standards.				
11. Complies with the conflicts of interest policy.				
12. Respects confidentiality as required.				
13. Develops and maintains sound relationships – a team player				
14. Understands the role of board committees				
15. Understands and respects the role of the chair				
16. Demonstrates financial literacy though not necessarily an expert in the field				

Evaluation Criteria		Governor 1	Governor 2	Governor 3	Etc.
17. Effectively applies and contributes their special skills, knowledge or talent to the issues					
18. Supports board decisions – acts as one on all board actions once the decision has been made					
19. Contributes effectively to board performance					
20. Self ( <i>Identify yourself by a check in this column</i> )					
Scoring					
4	Outstanding/Above Average	Consistently performs beyond expectations; does more than is expected of a governor; frequently contributes more than average.			
3	Fully Satisfactory	Consistently demonstrates the quality at a standard expected of a governor; a solid performer.			
2	Adequate	Demonstrates the expected qualities but may be inconsistent in the demonstration or has minor weaknesses that could be improved with attention.			
1	Could Improve	Would benefit by modifying this aspect of their behaviour to conform to the expectations.			
x	N/A	Cannot assess the individual on this question; lack exposure to, or knowledge of, demonstrated behaviours or traits.			



# CHAPTER 4

## CONDUCTING EFFECTIVE BOARD MEETINGS

### Types of Board Meetings

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There are three types of common meetings of the board:

- Meetings open to the public: these are held either in-person, or through virtual means, and are required to be open to the public;
- *In camera* meetings: this is when the board moves into a closed meeting, without public present;
- Meetings without Internal Governors or Management: this meeting is not a board meeting by definition, but this practice of meeting immediately after the conclusion of the formal board meeting provides a process to assist the board in performing its oversight of the president.

### Meetings Open to the Public

The Regulation requires board meetings to be open to the public.

This differs from the usual practice for corporate boards where the “rule” is that no persons other than the directors are entitled to attend a meeting of the board. It is, however, not uncommon to see requirements for the boards of publicly funded entities to be open to the public in furtherance of principles of transparency and accountability.

### Meetings Closed to the Public (*In Camera* Meetings)

The Regulation permits the board to hold its meeting without the public present, where a matter is determined by the board to be confidential to the college in accordance with criteria established by the by-law.

Where a matter of a personal nature concerning an individual is to be considered at a meeting, the part of the meeting concerning such individual shall be closed to the public, unless the individual requests, and the board agrees, that that part of the meeting may be open to the public.

No person may be excluded from the public portion of a board meeting except for improper conduct as determined by the board.

See Resource 4.01 Sample Policy for Open and In Camera Board Meetings.

## Meetings without Internal Governors or Management

External Governors may occasionally meet without Internal Governors or management present for the purposes of overseeing the board's relationship with management and, in particular, assessing the quality of the information that the board is receiving from management.

Such meetings, because they exclude members of the board, cannot be considered to be board meetings and no formal board action can be taken at such meetings. Such meetings should, however, be considered as one of the processes that the board uses to oversee management. Many boards of both business and public sector entities have adopted a process of beginning or ending every board meeting with a short session at which only independent directors are present and no management, related directors, members or the public are present.

The board chair should immediately meet with the president to convey any concerns, advice or positive feedback coming from the session.

These sessions are not part of the board meeting and, therefore, while the chair may keep notes to facilitate communication with the president, no formal minutes will usually be kept.

*See Resource 4.02 Sample Policy for External Governors Meeting without Management.*

## Calling and Holding Board Meetings

### Notice

Notice of a board meeting must be given to the governors and the public in accordance with the college's by-laws.

There are no formalities in the OCAATA with respect to the form, content or manner of delivery of a notice of a board meeting. The ONCA provides that notice of a board meeting is to be given in accordance with the by-laws, and where the meeting of the board is to include certain matters that may not be delegated by governors, the notice of the board meeting must so specify. The matters for which specific notice must be given include: filling vacancies in the board or the position of the auditor, issuing debt, approving financial statements, or adopting, amending or repealing by-laws. Accordingly, the by-laws should specify the manner of giving governors notice of a board meeting and the required amount of notice for calling meetings of the board.

The usual practice is to:

- Set a regular date and time for board meetings for which no additional notice is required once general notice has been given.
- Provide for the amount of notice required for special board meetings – usually five to seven days' notice.
- Allow for meetings on short notice in situations of urgency.

# CHAPTER 4

Notice of a meeting can be waived in accordance with the by-laws or the rules of order adopted by the college. Given that a board or committee meeting may be held by telephone, it is less common to require governors to waive notice of a meeting and more common to include provisions in the by-laws allowing for the holding of a meeting on short notice.

## Number of Meetings

There is no required minimum number of board meetings in applicable legislation, although a board may, by by-law, establish a minimum number of board meetings per year.

The board should develop an annual board work plan, and should set the number of regular board meetings based on that annual work plan.

## Quorum

Regulations under the OCAATA provide that quorum is equal to a majority of the required board members, plus one.

## Rules of Conduct at the Meeting

The rules applicable to the conduct of a board meeting are set out in the following:

- Applicable legislation;
- By-laws;
- Board adopted governance policies; and
- Rules of order (e.g., Roberts Rules of Order or Wainberg's Society Meetings Including Rules of Order).

The board chair is responsible for ensuring that the meeting is conducted in accordance with a proper process.

## Attendance at Meetings

It is the duty of a governor to attend all board meetings and the meetings of all committees to which the governor is appointed.

- Not only is it a governor's duty to attend board meetings, but it is also the right of the governor to attend a board meeting.

- The Minister's Binding Policy Directive: *Conflict of Interest* provides that where the conflict relates to an agenda item in the open portion of the meeting, the governor with an actual conflict of interest may remain in the room for the duration of the discussion, but not participate in the vote. If the matter arises in the *in camera* (closed) session, the governor should withdraw during the discussion and the vote.

See Resource 4.03 Sample Board and Committee Meeting Attendance Policy.

## Agendas and Materials

Board agendas are the responsibility of the board chair and are usually prepared by the board secretary with input from the board chair and the president.

The chair should apply flexibility to both the time allowed for individual meeting items and the order in which the agenda is presented. Allotted time should be treated as a guide only.

The chair is required to ask for declaration of conflict of interest under the Minister's Binding Policy Directive: Conflict of Interest. Accordingly, the agenda should include a declaration of conflict of interest.

In setting agendas and determining which materials to distribute in advance of a meeting, the following guidelines should be considered:

- The chair should discuss with the president the items that require a decision of the board.
- Items requiring a decision should be clearly marked on the agenda and dealt with during a portion of the meeting where there is maximum board attendance. If it is anticipated that there will be an education session it is usually held first to allow late comers to arrive so that there is full attendance for key decision items.
- Items that are for information only should be clearly marked.
- Some items may be for discussion without a decision – these should also be identified. A board may want to have a “pre-discussion” on a matter that will require a future decision.
- If the advice of external experts is important for a board decision, the chair should consider whether those experts should be invited to attend, be available by phone or provide their written advice in advance.
- While it is a good practice to assign specific times to agenda items, the chair needs to be flexible and respond to the needs of the board – time allocation should be treated as a guide.
- While there is no requirement for the board formally to approve the agenda, it is common practice and allows for “new business” to be added and for the chair to take such items into account in managing the time allotted to agenda items.

See Resources 4.04 Sample Board Agenda Development Policy.

# CHAPTER 4

## Minutes

The OCAATA requires the college to keep records and minutes of its proceedings that accurately reflect the proceedings of the board.

The ONCA also requires that minutes be kept for all committee meetings.

See Resource 4.06 Tips for Minutes.

## Resolutions in Writing

The ONCA permits resolutions in writing in lieu of director (governor) and committee meetings. Note that a resolution in writing requires the signature of all the relevant individuals.

## Virtual Meetings

Under the ONCA, the board or a committee may meet by electronic or telephonic (virtual) means if:

- All directors (governors), not just those participating, consent; and
- The means permit adequate communication.

## Enhancing Meeting Effectiveness

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### Understanding the Role of the Chair

The quality of board meetings will be enhanced when both the chair and the members of the board share a common understanding of the role of the chair, particularly with respect to meeting management.

The chair is the meeting manager, and it ultimately falls to the board chair to ensure that meetings follow a proper process, and facilitate the business of the board.

The board chair has an over-arching responsibility for the quality of the board's governance and can institute practices to improve board meeting performance.

The board chair is responsible for maintaining the discipline of the board during the meeting to ensure that the board focuses on governance issues, and does not unduly delve into areas that more properly belong to management. The board chair is also responsible for ensuring that the behaviour of each governor is consistent with the fiduciary standards expected of a governor.

Finally, the board chair, with input from the president and the assistance of the board secretary, structures the agenda in order to ensure that the board focuses on areas that are consistent with the board's annual work plan, are in furtherance of the strategic directions of the college, and deal appropriately with board and not management matters.

It falls to the chair to maintain a culture of respectful behaviour in the boardroom. The chair does this both through the management of the meeting (declaring certain behaviour out of order), and by ensuring that meeting evaluations are performed, and that results are constructively conveyed to governors.

See Resource 4.07 Effective Meeting Management Tips for the Chair.

## Consent Agendas

Many boards have adopted a consent agenda process to improve the efficiency of board meetings.

A consent agenda is a process used during a board meeting to accept, with a single motion, items that are of a routine or recurring nature and not expected to be contentious or require discussion. The items are identified on the agenda and a single motion is moved to accept these items. Any governor may request, either before or at the meeting, that an individual item be moved out of the “consent” portion to be discussed during the meeting. The consent agenda process is used to expedite the board’s business.

There may be differing consent agenda process practices, but generally speaking the following principles apply:

- The agenda for the open portion of the meeting will have a heading “Consent Agenda Items/ Business” or “Matters to be Approved on Consent”.
- All supporting materials distributed with the agenda package relating to the consent agenda matters will be clearly so marked.
- Consent agenda matters are those that are of a routine or recurring nature or those where no debate is anticipated. Examples would include approval of the minutes.
- Before the meeting, or at any point up to approval of the agenda, a governor may request an item be removed from the consent agenda portion and placed on the regular agenda. No motion is required to remove an item, and the meeting chair shall decide where to place the item on the agenda.
- There may be either: (1) one motion to approve the entire agenda, which will be deemed to be approval of the consent agenda; or (2) a motion that relates specifically to the consent agenda business.
- The chair may also declare the consent business to be approved by saying: “If there are no requests to remove an item, we will take the consent agenda business as approved by the board.”
- Board members need to read the materials related to the consent agenda matters and assume there will be no debate or discussion on those matters.
- Any motions in the consent agenda will be set out in full in the board minutes.

See Resource 4.08 Sample Consent Agenda Policy.

# CHAPTER 4

## Annual Work Plan

Meeting efficiency and effectiveness can be enhanced when the board adopts an annual work plan.

An annual work plan is a document that identifies the “work” that the board needs to do over the course of the year, and ensures that such work is appropriately assigned to achieve the following objectives:

1. The board effectively performs its role.
2. The agendas of meetings are balanced.
3. Work is done at the appropriate time in the year.
4. Committee work plans are aligned with the needs of the board and the board’s own work plan.
5. Education sessions are complementary to the board’s work.

To effectively create an annual work plan, the board must begin by identifying the major decision items and areas of discussion that the board needs to undertake over the course of a year. Attention must then be given to which meetings are most appropriate for each item of “work” so that agendas are not too heavily loaded at any one meeting.

See Resource 2.13 Sample Annual Board Work Plan.

## Effective Use of Committees

There are no required committees for a college. Accordingly, the board establishes the committees that the board needs in order to facilitate effective board meetings. Committees do board work, in effect “pre-work” on behalf of the board. Committees are almost always advisory to the board. Note that the ONCA places limits on delegation of director duties and prescribes specific rules for any audit/finance committee.

Committees aid in the discharge of the board’s oversight role generally and provide an opportunity for board members to work more closely with management. An additional benefit of a sound committee structure is that it allows governors with special skill to apply that skill on behalf of the board. For example, a governor with financial expertise, sitting on the colleges Finance Committee, is able to apply that expertise in an oversight role on behalf of the board.

Committees, however, do not do the work of management. When too much reliance is placed on members of management to structure committee agendas, there may be a “drift” away from board work to the work of management. Such a circumstance may then result in the board, in receiving and reviewing a committee report, also drifting into the work of management and away from its governance role.

Board meetings may become ineffective when the board fails to use its committees properly and the board “re-does” the work of the committee during the board meeting. This presents a frustration to those governors who are members of the committee. It may also frustrate governors who are prepared to rely on the work and recommendations of a committee.

Generally speaking, boards will re-do the work of the committee in the following circumstances:

- When the board does not appreciate why it has established its committees and how it is to relate to them;
- When the board lacks confidence in the governors who are the members of any particular committee; or
- When the issue is so material that it is inappropriate for it to have been assigned to a committee.

Accordingly, committees should be established with reference to sound governance principles. Committee terms of reference should be periodically reviewed, and boards should be thoughtful about the reporting mechanism used to bring reports and recommendations from the committee to the board.

See Resource 2.14 Sample Committee Principles and Rules and Regulations.

## Committees Reporting to the Board

Generally speaking, committee reporting to the board is important for two reasons:

- To bring specific recommendations to the board for the purposes of the board making a decision; and
- To ensure that the board exercises oversight of the work of the committee.

While governors should be entitled to see committee minutes, when the minutes are routinely provided to the board as the only method of committee reporting to the board, it often invites the board to re-visit the work of the committee. A better practice is to develop a protocol for committee reports.

It is important to distinguish between the board’s role in exercising oversight of the committee and the board relying on the committee, and not re-doing the work of the committee.

Given that boards establish committees to perform preliminary work on behalf of the board and work that the board does not have time to do, the format for committee reporting to the board should ensure that these purposes for establishing the committee are honoured by the board.



# CHAPTER 4

In summary, a best practice for committee reporting to the board would be:

- Adopt a form of committee report that summarizes the matters that were reviewed;
- Rely on a decision-support document, or board briefing report, to be used not only for recommendations coming to the board from committees, but also for recommendations coming from management; and
- Make committee minutes accessible to governors, but do not require governors to rely solely on committee minutes as the only way to prepare a governor to discuss committee recommendations at the board meeting.

## Bringing Recommendations to the Board

Typically, decision items come to the board either from management or from a board committee.

In order to ensure that the board has the necessary information to engage in an informed debate and to make a decision in the best interest of the college, it is useful to adopt a decision-support document, or board briefing report, that sets out standard headings under which information can be presented to the board. Typically, such a document would include the motion that the board will be asked to consider. It may be that the board will be asked to consider from a number of options. The document will also set out whether or not the matter has been reviewed by a committee and/or by staff.

In addition, the document would include the implications of the recommendation with reference to such matters as:

- Impact on students;
- Financial impact;
- Legal implications;
- Human resources implications;
- Relationship with stakeholders;
- Consistency with strategic direction;
- Implementation strategy; and
- Risks.

One of the advantages of a decision-support document, or board briefing report, is that it disciplines those putting the recommendation before the board to ensure that all relevant factors have been considered, and that relevant information is presented to the board to allow individual governors to come to the board meeting prepared to have an informed and reasoned discussion on a particular issue.

See Resource 4.09 Sample Format for Board Briefing Report.

## Meeting Evaluations

As part of the commitment to continuous improvement, a board should adopt a practice of assessing meetings through the use of a meeting survey tool. Some thought should be given to the frequency of assessing meetings. When the “standard form” meeting survey is completed at the end of each meeting it may become routine.

It is important that the results of the survey be reviewed and acted upon.

When the board has a practice of holding a meeting of external governors without management present, the board also has an opportunity to review the board-management relationship, particularly with respect to the quality of information being presented to the board. This will also aid the board in evaluating its meeting effectiveness in order to ensure that it reinforces good practices, and works to improve areas where practices can be strengthened.

See Resources 4.10 Sample Meeting Effectiveness Evaluation – Option 1 and 4.11 Sample Meeting Evaluation Form – Option 2.

# CHAPTER 4

## Principles and Practices for Effective College Governance for Chapter 4

Below we describe the principles and practices that are followed by boards who demonstrate effective governance.

The board adopts sound practices with respect to:

- Frequency of meetings;
- Agenda setting;
- Open and *in camera* meetings; and
- Distribution of materials in advance of meetings.

The board understands and supports the role of the chair in contributing to effective meetings.

The board adopts particular practices that will improve efficiency and effectiveness of board meetings, such as the use of an annual work plan and consent agenda process.

The board understands the role of board committees and does not re-do the work of a committee at a board meeting.

The board ensures that matters coming before the board for a decision are properly presented with appropriate information to allow the board to have an informed and reasoned discussion and make decisions in the best interest of the college. Use of a standard board briefing report will be effective in this regard.

## Resources for Chapter 4

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### 4.01 Sample Policy for Open and *In Camera* Board Meetings

#### Purpose

In accordance with the Regulation under the *Ontario Colleges of Applied Arts and Technology Act, 2002* ("OCAATA"), the public are welcome to observe the open portion of the board meeting to:

- Facilitate the conduct of the board's business in an open and transparent manner; and
- Generate trust, openness and accountability.

#### Policy

Members of the public are invited to attend the meetings of the board in accordance with the following policy.

#### *Notice of Meeting*

A schedule of the date, location and time of the board's regular meetings will be available from the board office and will be posted on the college's website. Changes in the schedule will be posted on the website.

#### *Attendance*

To ensure adequate space is available, individuals wishing to attend are requested to give at least 24 hours' notice to the board secretary.

#### *Conduct During the Meeting*

Members of the public may be asked to identify themselves. Recording devices, videotaping and photography are prohibited.

A person who displays improper conduct may be required to leave the meeting.

#### *Agendas and Board Materials*

Agendas for the open portion of the meeting will be distributed at the meeting and may be obtained from the board secretary prior to the meeting. Supporting materials will be distributed only to the board.

# CHAPTER 4

## *In Camera Session*

The board may move *in camera* or hold board meetings that are not open to the public where it determines a matter is confidential to the College in accordance with the criteria established by the college by-laws. Guests or counsel may remain during an *in camera* session with the permission of the chair or the consent of the meeting.

In accordance with the college by-laws, the following matters will be dealt with *in camera*: (Note: The list below is an example. The list should be consistent with the criteria in the by-law.)

- Student-specific issues;
- Matters relating to an individual board member or a prospective board member;
- Individual employee matters;
- Donor-specific issues;
- Any other matters where personal information about an individual will or may be revealed;
- Human resource and labour relations matters, including those pertaining to collective bargaining or terms of employment, including negotiations or potential negotiations;
- Litigation or potential litigation including administrative tribunal matters;
- Receipt of advice that is subject to solicitor-client privilege consent agenda including communications necessary for that purpose;
- The security of property of the College;
- Contract matters including negotiations or disputes;
- The acquisition, disposition, lease, exchange or expropriation of, or improvements to real or personal property, if the board considers that disclosure might reasonably be expected to harm the interest of the College;
- Board, committee and governor self-evaluation;
- Other matters that, in the opinion of the majority of governors, the disclosure of which might be prejudicial to an individual or to the best interests of the College; and
- Consideration of whether an item is to be discussed *in camera*.

In accordance with the Regulation under the OCAATA, where a matter of personal nature concerning an individual may be considered at a meeting, the part of the meeting concerning such individual shall be closed to the public unless such individual requests and the board agrees.

## ***Process to Move in Camera***

The chair may order that the meeting move *in camera*.

Any governor may request a matter be dealt with *in camera*, in which case the board will immediately move *in camera* and a vote will be taken, and if a majority of the board so decides, the matter shall be dealt with *in camera*.

## ***Delegations and Presentations*<sup>1</sup>**

Members of the public may not address the board or ask questions of the board without the permission of the chair.

## **Committee Meetings**

Meetings of committees are not open to the public

## **Contact Information**

Board Secretary [*Name, address, telephone and email*]

## **Approval Date**

## **Last Review Date**

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<sup>1</sup> For those boards wishing to adopt a process for members of the public to address the board, the following process could be included in this policy.

*Persons wishing to address the board concerning matters relevant to the College must do so following the procedures listed below.*

- 1. Written notice of the request to address the board meeting must be provided to the board secretary no later than 10 working days prior to the meeting date. A brief description of the specific matter to be addressed should be included in the request.*
- 2. Requests to address the board on a specific item will be granted (generally in order of the receipt of the requests) if approved by the chair of the board. Persons not permitted to address the board shall be so notified.*
- 3. The board may limit the number of presentations at any one meeting.*
- 4. Persons addressing the board will be required to limit their remarks to five minutes. If a group wishes to make a submission, a spokesperson for the group should be identified.*
- 5. The chair is not obligated to grant a request to address the board and the board is not obligated to take any action on the presentation it receives.*

# CHAPTER 4

## 4.02 Sample Policy for External Governors Meeting without Management

### Purpose

The purpose of this policy is to:

- Ensure the board exercises independent oversight of management;
- Provide an opportunity to assess board processes and, particularly, the quality of the material and information provided by management;
- Provide an opportunity for the board chair to discuss areas where the performance of governors could be strengthened; and
- Build relationships of confidence and cohesion among governors.

### Policy

The External Governors shall meet without management at every regularly scheduled board meeting.

### Process

- Timing of the session without management shall be set out in the notice of the meeting.
- Such a meeting shall not be considered to be a meeting of the board, but rather will be for information purposes only.
- Minutes will not be kept – the chair may keep notes of the discussion.
- The president may be invited by the chair to participate in a part of the meeting without management before being excused.
- The chair shall immediately communicate with the president any relevant matters raised in the meeting.

### Membership/Participation

A governor that remains in the meeting without management is identified as an “Independent Governor” who is described as being free of any special relationship with the college. Independent Governors are the external governors (Lieutenant Governor in Council and board appointees).

### Approval Date

### Last Review Date

## 4.03 Sample Board and Committee Meeting Attendance Policy

### Purpose

To ensure that board and committee members contribute their expertise and judgment to the business and affairs of the corporation by attending and participating in board and committee meetings.

### Application

All governors and non-board members of committees.

### Policy

Governors and committee members are expected to attend all board meetings and all meetings of the committees to which they are assigned.

It is recognized that governors and committee members may be unable to attend some meetings due to conflicts with other commitments or other unforeseen circumstances. An attendance rate of at least 75% is acceptable.

### Process

Where a governor or committee member fails to attend 75% of the meetings of the board or of a committee in a 12-month period, or is absent for three consecutive meetings, the chair of the board shall discuss the reasons for the absences with the member and may ask the individual to resign.

A member's record of attendance shall be considered with respect to renewal of a board term or future assignment to a committee.

The chair shall, in the chair's sole discretion, determine if a board or committee member's absences are excusable. The chair may grant a board or committee member a limited period of time to rearrange their schedule so that there are no conflicts with regularly scheduled board or committee meetings.

### Amendment

This policy may be amended by the board.

### Approval Date

### Last Review Date



# CHAPTER 4

## 4.04 Sample Board Agenda Development Policy

### Purpose

To ensure the governors understand the process for the development of, and have an opportunity to have input into, the board's agenda.

### Policy

It is the responsibility of the chair, in consultation with the president, to develop the agenda for board meetings.

Board agendas for regular meetings of the board are usually determined 10 days before a meeting.

A governor who wishes to add an item to the board's agenda, or to be provided with additional information with respect to a board matter (such as a legal opinion addressed to the board), should speak with the board chair.

If the governor and the chair are not in agreement, then the governor may, on notice to the chair, raise the request during the call for other business or approval of the agenda at the opening of the board meeting, and the matter shall be determined by the board.

### Amendment

This policy may be amended by the board.

### Approval Date

### Last Review Date

## 4.05 Sample Board Agenda

**Board of Governors Meeting  
with Consent Agenda and Session Closed to the Public**

Name of College \_\_\_\_\_

Date \_\_\_\_\_

Location (Address) \_\_\_\_\_

Room \_\_\_\_\_

**Education Session** [insert topic] at 00:00 a.m./p.m.

Agenda Item	Time	Responsibility
1. Call to Order	•	•
• Quorum		
• Declarations of conflicts*		
• Approval of agenda		
2. Consent Agenda Matters**	•	•
• Approval of previous meeting minutes		
• [Other consent matters to be listed]		
3. Business arising from minutes (not otherwise covered on agenda)	•	•
4. Matters requiring decision		
• First item		
• Second item		
• [Etc.]		
5. Matters for Discussion		
• First item		
• Second item		
• [Etc.]		
6. Information Only Items		

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Agenda Item	Time	Responsibility
• First item		
• Second item		
• [Etc.]		
6. Other business		
7. Closed session (Board of governors only) separate agenda		
8. Date of next meeting		
9. Termination***		

\*The Minister's Binding Policy Directive: *Conflict of Interest* requires that, at the beginning of every board meeting, the chair of the board of governors is to ask and have recorded in the minutes whether any governor has a conflict to declare in respect of any agenda items.

\*\*There will be no discussions or separate vote on any of these items. Any governor may request any item be removed from the Consent Agenda section either before the meeting, by advising the chair, or before approval of the Agenda at the meeting. Items not moved will be considered adopted by consent without debate. Items removed will be placed on the Agenda at an appropriate place as determined by the chair.

\*\*\*A session of independent (external) governors (without management or internal governors present) will be held upon termination of the meeting.

## Notes

1. Some boards will also distinguish between strategic items and business items. Strategic items include policy decisions. Some boards may also distinguish items between policy/strategic items and oversight matters.
2. The template agenda above has three main categories of business:
  - a. Decision items – the board is required to reach a decision in the meeting.
  - b. Discussion items – these are items where a future decision will likely be required and they are placed on the agenda so either board committees or management can receive the advice and input of the board before a final recommendation is brought forward.
  - c. Information items – matters where there is no decision required at the current meeting and where discussion is not anticipated. The board may have questions or comments on these matters.
3. The agenda for the closed portion will usually follow a similar format. However, as it is a continuation of the meeting, there is no call to order or declaration of quorum. There may be another call for conflicts related to the closed portion of the meeting. There may also be a Consent Agenda section on a closed agenda.

### 4.06 Tips for Minutes

Minutes are required to be made for all meetings of the board and board committee.

Minutes form part of the permanent records of the college and should be kept indefinitely.

Minutes should be signed by the chair.

There is no requirement to have minutes formally approved by the board at a subsequent meeting, but it is a good practice to do so. Once signed by the chair, the minutes are considered to be evidence of the proceedings taken unless the contrary is proved. Approval of the minutes reduces the risk of subsequent challenge to the minutes.

### Form and Content of Minutes

- Date, time, place.
- Name of chair and secretary.
- Names of the governors present.
- Names of absent governors.
- Name of invited guests in attendance. Where the public attends, the names of the members of the public present would not usually be listed.
- Confirmation that the chair asked if there were any conflicts to declare. If conflicts were declared they should be noted as required by the Minister's Binding Policy Directive: Conflict of Interest.
- Summary of the discussions including:
  - Rulings by the chair;
  - Motions;
  - Matters discussed [not a recitation of all comments, but an overview of the scope of discussions and the relevant questions and issues identified during discussion];
  - Results of the votes taken;
  - Record of "no" votes and "abstentions" when requested to do so;
  - Note of when governors arrive or leave during the meeting; and
  - List of the important documents presented or relied upon during the meeting, copies of which should be attached to, and become part of, the minutes.

# CHAPTER 4

## 4.07 Effective Meeting Management Tips for the Chair

1. Your role is to be the meeting manager – consider how you will balance your obligation to ensure the meeting follows a proper process and provides an opportunity for all governors to contribute while reaching decisions where required.
2. Become familiar with the by-laws and rules of order adopted by the college – if none have been adopted, pick rules of order you will be comfortable using.
3. Think of ways in which you can ensure each governor contributes to board discussions.
4. Recognize that the board may not always agree and respect the views of those in the minority.
5. Do not engage in argumentative debates with governors.
6. Recognize that the expression of a range of views is evidence the board is considering all factors.
7. Consider when it may be appropriate to defer a decision to a future meeting or to a committee rather than forcing the board to decide an issue before it is comfortable doing so.
8. When the board is divided, ask yourself if it is because they need more information, more debate or external advice. If none of these are factors, then it may be time to call for a decision.
9. Do not tolerate disrespectful behaviour from governors, or allow governors to dominate debate, or to intimidate other members of the board.
10. Recognize that you are the board leader, and your tone and demeanour will impact the board's culture. Be respectful and courteous.

## 4.08 Sample Consent Agenda Policy

### Purpose

To ensure efficiency and effectiveness of board meetings.

To provide an efficient process for approval of regular or routine issues that come before the board or matters where no debate is anticipated.

### Policy

#### *Content of Agenda*

The agenda for board meetings will distinguish between the following types of matters:

- Decision;
- Discussion; and
- Information.

Only decision items will require a motion, seconder and a vote.

Items requiring a decision that are expected to require no discussion or debate may, at the chair's option, be placed on the agenda under the heading "consent agenda".

Materials and motions proposed to be dealt with under the consent agenda portion of the agenda shall be clearly identified as falling under the consent agenda in the meeting packages. Governors should review the consent agenda items prior to the meeting on the expectation that no discussion will take place during the board meeting.

# CHAPTER 4

## ***Approval of Agenda***

The agenda will be approved by the board at the beginning of each meeting.

Governors may request that matters be added, deleted or that the order of items be moved, and the chair shall make a decision on each such request. Any such decision may be subject to challenge and reversed by the board.

Items may be moved out of the consent agenda section at the request of any member of the board prior to approval of the agenda. No motion or vote of the board is required with respect to a request to move an item out of the consent agenda.

Where a governor requests that an item be moved out of the consent agenda section, the chair shall decide where to place that item on the agenda.

Where only one item in a committee report does not qualify as a consent agenda item or is requested to be moved, that item shall be moved out of the consent agenda and the rest of the items in the report shall remain in the consent agenda.

Approval of the agenda by the board constitutes approval of each of the items listed under the consent agenda portion of the meeting. No separate vote to approve the consent agenda portion is required.

## ***Minutes***

Minutes of the meeting will include the full text of resolutions adopted under the consent agenda portion of the meeting.

## **Amendment**

This policy may be amended by the board.

## **Approval Date**

## **Last Review Date**

## 4.09 Sample Format for Board Briefing Report

<b>Board Briefing Report</b>	
<b>Title:</b>	
<b>Presented by:</b>	
<b>Date of Board Meeting:</b>	
<b>Chronology of Previous Board/Committee Consideration:</b>	
<b>Staff Resources:</b>	
<b>By-law or Board Policy Reference:</b>	
<b>Legislation:</b>	
<b>Issue</b> [Short description of issue or objective.]	
<b>Recommendation</b> [Usually stated in the form of the motion that will appear in the minutes – there may be circumstances where the board is asked to consider more than one option and neither management nor the relevant committee is recommending a preferred option.]	
<b>Background/Introduction</b> [Overview of chronology, process or circumstances leading to recommendation.]	
<b>Analysis</b> [Scope of analysis will depend on the nature of the issue, but may include sub-headings such as those set out below.]	
<ul style="list-style-type: none"> <li>• <b>Legislative Framework</b></li> <li>• <b>Legal Analysis</b></li> <li>• <b>Financial Analysis</b></li> <li>• <b>Student Impact</b></li> <li>• <b>Risks</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Options Considered &amp; Evaluation (pros and cons of each option)</b></li> <li>• <b>Stakeholder Implications</b></li> <li>• <b>Human Resource Implications</b></li> </ul>
<b>Questions for Board to Consider</b> [There may be specific questions the board needs to consider and answer in order to evaluate and/or formulate its recommendation. It may be helpful to set these out to guide governors in their pre-meeting consideration of the issue.]	
<b>Implementation Strategy</b> [Any matters to be addressed or steps to be taken to implement the recommendation.]	
<b>Summary and Recommendation</b>	

*A Board Briefing Report (sometimes called a Decision Support Briefing Note to the Board) is used by the board to ensure recommendations that come before the board address and present relevant information for the board's consideration. It is a useful tool for recommendations from board committees even in circumstances where a committee report is being provided to the board. It is also appropriate where recommendations from management are being presented to the board.*



# CHAPTER 4

## 4.10 Sample Meeting Effectiveness Evaluation Options

The purpose of a meeting effectiveness survey is to improve meeting quality and process. A survey or questionnaire usually asks questions aimed at evaluating the following:

- Quality and timeliness of materials;
- Effectiveness of the meeting;
- Agenda management;
- Effectiveness of the debate;
- Conduct of meeting participants;
- Effectiveness of chair; and
- Overall satisfaction.

The survey should be short enough to be completed before participants leave the room. The results should be shared with the chair as soon as possible, and should be periodically presented to the board.

## Option 1 – Sample Form

## Meeting Effectiveness Evaluation – Board or Committee Meetings

Materials	Yes	No		
1. Did you receive the materials in sufficient time for you to prepare for the meeting?				
2. Were relevant materials provided?				
3. Were the materials sufficient to assist you in forming an opinion on decisions made by the board?				
<i>Comments</i>				
Meeting Management	Satisfied	Satisfied Somewhat	Somewhat Dissatisfied	Dissatisfied
4. Were you satisfied with your opportunity to participate in the debate?				
5. Were you satisfied with the manner in which other board/committee members contributed to the debate?				
6. Was the chair effective in allowing all sides to be heard while bringing the matter to a decision?				
<i>Comments</i>				
Overall Satisfaction with Meeting	Satisfied	Satisfied Somewhat	Somewhat Dissatisfied	Dissatisfied
7. Were you satisfied with what the board/committee accomplished?				
8. Were you satisfied with the board's/committee's overall performance?				
<i>Comments</i>				
<b>Meeting Date:</b>				
<b>Meeting Type:</b>				
<b>Name of Committee:</b>				

# CHAPTER 4

## Option 2 – Sample Form

Meeting Evaluation		
Question	Agree	Disagree
1. Today's meeting started on time.		
2. The agenda was clear and realistic for the allotted meeting time.		
3. I had a clear understanding of the objectives for today's meeting.		
4. Agenda topics were appropriate (i.e., reflected Terms of Reference or board role and annual work plan).		
5. Adequate background information was provided for each agenda item.		
6. The time spent on each item was appropriate.		
7. I felt supported and valued as a member of this committee/board.		
8. I was encouraged to discuss and share my opinions openly.		
9. Disagreements were handled openly, honestly and directly		
10. The chair kept discussions on track.		
11. The chair was prepared for the meeting.		
12. Meeting participants were prepared for the meeting.		
13. Responsibilities for follow-up action items were clear to all meeting participants.		
14. Today's meeting finished on time.		
15. Overall, we accomplished a lot at this meeting.		
<i>Comments</i>		
<b>Meeting Date:</b>		
<b>Meeting Type:</b>		
<b>Name of Committee:</b>		



