

**Protocol for Board Nominations and  
Appointments  
Colleges of Applied Arts and Technology of  
Ontario**

College Compensation and Appointments Council

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## PROTOCOL FOR BOARD NOMINATIONS AND APPOINTMENTS

### **New Context for Ontario**

The [Ontario Colleges of Applied Arts and Technology Act, 2002](#) received royal assent in June 2002 and was proclaimed April 1, 2003. The key changes relating to nominations and appointments to college boards of governors are:

Section 4. (1) of [O. Reg. 34/03](#) establishes that "A board of governors shall be composed of an even number of members, as established by the by-laws of the board of governors, but shall be composed of not less than 12 and not more than 20 members exclusive of the president and members elected under clause (c); the president of the college, by virtue of office, as a voting member; and one student, one academic staff member, one administrative staff member, and one support staff member, each of whom shall be elected by the students or by the relevant staff group."

Section 4. (2) says that the College Compensation and Appointments Council "shall appoint the members of the board of governors of a college except the president, who is a member by virtue of office, and the members elected under clause (1) (c)."

Section 6. (1) of O. Reg. 34 /03 authorizes a board of governors to set out in by-law the reasons for removing a member from the board and the procedure that is to be followed in removing such a member. On application by the person removed, the council may review the decision but is limited to considering only whether the removal was consistent with the by-law.

The Minister has the power to intervene in the affairs of the college and can take actions such as replacing any or all members of the board and may delegate to an agent these powers of intervention (Section 15. of O. Reg. 34 /03)

Policy documents that include Minister's binding policy directives, operating procedures, and resource documents support the legislation.

### **Purpose and Objectives**

The board of governors oversees the direction and management of a college so that it carries out its mandate and objectives effectively. Under the [Ontario Colleges of Applied Arts and Technology Act, 2002](#), Ontario colleges have the responsibility to offer a comprehensive program of career-oriented, postsecondary 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.

## **Roles and Responsibilities of a Board Of Governors**

### **Responsibilities of a College Board**

The board of governors for a college is responsible for defining the role and mission of the college and, thereby, setting the strategic directions for the college to achieve. The board of governors has responsibility for fiduciary oversight and institutional performance. All of its decisions and policies are made for the best interest of the institution, not for particular constituents. In this way the board is a governing board, not a management board.

### **Roles of a College Board**

A college board	A college board ensures that
<ul style="list-style-type: none"> <li>• Approves college plans and sets policy directions</li> <li>• Monitors institutional performance and defines policy standards for operations</li> <li>• Hires the president</li> <li>• Evaluates the president</li> <li>• Establishes the college budget</li> <li>• Represents the college to the community with a single and united voice</li> </ul>	<p>The practices and processes are in place to accomplish:</p> <ul style="list-style-type: none"> <li>– Quality management and administration of the college</li> <li>– Effective utilization of financial resources</li> <li>– Accessibility of services within the community</li> <li>– Quality of education and training services provided to students</li> </ul>

In O Reg. 34 /03, the size and composition of the board is set at no less than 12 and no more than 20 members to be appointed by the College Compensation and Appointments Council upon the recommendation of a college's board of governors. The college president is a voting member. Also, internal representatives (e.g., students, academic staff, and administrative and support staff) may be elected by the members of these groups. Each governing board will establish by-laws that set out the total number of governors to be appointed.

This protocol for the appointment process is intended to support the board of governors in meeting its obligations to students and employers in Ontario and as specified under the Act.

### **Operating Principles**

#### **Principles governing the nomination of governors**

The single, overriding principle for nominations and appointments is that all appointments are merit based. Qualified and experienced individuals who bring the

necessary skills and knowledge to the table will be considered for nomination. With merit as a precondition, then other principles come into play.

Appointments will reflect the **diversity** of the range of relevant background, experience, and professional skills. Each college will be seeking a range of relevant background for candidates that support the strategic directions of that college.

Appointments will support the **strategic directions** for the individual college. The strategic directions will determine the necessary skills and knowledge for board candidates. Candidates can be drawn from anywhere in Ontario, Canada, and even North America. There are no limitations of geographic catchment areas. These necessary skills and knowledge will be outlined in a board profile.

Appointments will be guided by **probity**. Individuals will understand that their responsibilities as a candidate for governor mean a commitment to the principles and values of public service and the success of the college, and to acting collectively with the board and not representing constituent interests. Individuals are free from conflict of interest.

### **Principles governing the nomination and appointment process**

The appointment process is **appropriate** to the nature of the position and the size and weight of the responsibilities. The process offers flexibility in that it is appropriate to the meet the needs of the college while ensuring effective practice.

Appointment decisions are made in a **timely** way to ensure the continuity and effective practices of the board.

### **Roles and Responsibilities**

#### **Minister/ministry**

The Minister and ministry have the following responsibilities:

- Recommend government policies and directions, including powers and duties and composition of boards
- Work with the college system to address postsecondary education needs
- Communicate government policies and directions
- Communicate decisions in a timely manner
- Recommend performance measures and reporting requirements
- Administer provincial grant allocations consistent with government direction

## College Compensation and Appointments Council

The College Compensation and Appointments Council to be appointed by the lieutenant governor in council has two major responsibilities:

- Central collective bargaining on behalf of the employers
- Appointment of external members to boards of governors

## Colleges

Colleges have the following responsibilities:

- Establish the strategic direction for the college
- Establish the board profile to support strategic directions
- Establish a clear statement on the roles and responsibilities of the board overall
- Establish a systematic approach to nominations, such as through an executive or a nominating committee
- Adopt the principles of merit, diversity, and probity in the recruitment process
- Adopt best practices in the recruitment, selection, and nomination of candidates
- Ensure that new members participate in the Association of Colleges of Applied Arts and Technology of Ontario (ACAATO) orientation
- Provide college-based induction and ongoing development activities for board members
- Conduct regular performance reviews and assessment of board effectiveness and appointments
- Provide reports to the Minister as required
- Take corrective action within the scope of authority at the college
- Recommend corrective action to the Minister

## Practices

[Appendix B](#) is a guidance document that provides a description of the recruitment and nomination process within the context of effective governance. The relationship of appointments to other aspects of board governance is identified, as are suggested best practices and processes.

## Process

[O. Reg. 34 /03](#) issued under authority of the [Ontario Colleges of Applied Arts and Technology Act, 2002](#) establishes the College Compensation and Appointments Council, which has the responsibility to appoint external members to boards of governors of colleges of applied arts and technology.

Colleges, at the local level, establish a process for recruitment and nomination of potential board members. This process can be based on existing practice and



experience, but colleges are also encouraged to consider adopting the best practices described in [Appendix B](#), as appropriate for the individual college.

A college is to submit its nominations to the College Compensation and Appointments Council utilizing the forms provided and information outlined in [Appendix A](#).

## Appendix A - Appointment and Reappointment Forms

### Governors Appointment Assessment Form

When considering nominations for college boards, the College Compensation and Appointments Council bases its assessment on the following principles from the document *Protocol for Board Nominations and Appointments*:

- **merit** – the skills and experience that the candidate brings to the board
- **diversity** – the candidate’s background, skills, and experience
- **strategic direction** – the candidate’s capacity to assist the college in achieving its strategic direction
- **probity** – the candidate’s commitment to the values and principles of public service

The council’s objective is to exercise its appointment obligations in a timely manner, taking into consideration each college’s unique needs, so that college boards are able to carry out their responsibilities effectively.

To assist the College Compensation and Appointments Council in carrying out its appointment responsibilities, please complete the following:

1. College: \_\_\_\_\_

2. Name of candidate: \_\_\_\_\_

3. Has this candidate served on your board previously:

Yes []                  No []

If yes, please give the date of the term(s) served: \_\_\_\_\_

4. Describe how the skills and experience of this candidate will help your board in the achievement of your strategic direction:

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5. How will this candidate complement the board composition in terms of representing a broad cross-section of your community (e.g., business, not-for-profit, etc.)?

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6. Please provide any relevant information on the candidate's commitment to the values and principles of public service (e.g., community voluntarism, etc.):

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7. Please add any other information you think relevant:

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For the council to process your nominations, please ensure that the following documentation is included with your submission:

- A. Current copy of the college's strategic direction
- B. Candidate's résumé or biography
- C. Status of external members: Vacancies:

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

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**FOR COUNCIL USE ONLY**

Date received: \_\_\_\_\_

Submission package complete:      Yes [ ]      No [ ] List what was missing

Moved by:

Carried/approved:      Yes [ ]      No [ ] Details: Date of motion:

**Governors  
Reappointment Assessment Form**

When considering reappointment nominations for college boards, the College Compensation and Appointments Council bases its assessment on the following principles from the document *Protocol for Board Nominations and Appointments*:

- **merit** – the skills and experience that the candidate brings to the board
- **diversity** – the candidate’s background, skills, and experience
- **strategic direction** – the candidate’s capacity to assist the college in achieving its strategic direction
- **probity** – the candidate’s commitment to the values and principles of public service

The council’s objective is to exercise its appointment obligations in a timely manner, taking into consideration each college’s unique needs, so that college boards are able to carry out their responsibilities effectively.

To assist the College Compensation and Appointments Council in assessing the performance of governors submitted for reappointment, please complete the items below.

1. College: \_\_\_\_\_
  2. Name: \_\_\_\_\_
  3. Period of appointment: \_\_\_\_\_
  4. Attendance at board meetings: \_\_\_\_\_
  5. Participation on committees (list committees): \_\_\_\_\_
  6. Contribution to discussions: \_\_\_\_\_
  7. Skills/expertise that led the board to nominate this governor: \_\_\_\_\_
  8. Reasons for candidate's reappointment (reference college's strategic direction): \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**FOR COUNCIL USE ONLY:**

Approved/ Yes [ ] No [ ] Moved by: Seconded by:  
carried: Date:

## Appendix B - Guidance Document on Appointments and Effective Governance

### Preface

This document is intended to illustrate the importance of a good nomination and appointment process in support of effective governance. It is not a prescriptive document; rather, examples are offered as suggestions and serve to demonstrate practices that are in place and used in some Ontario colleges, postsecondary institutions in North America, or public bodies in other parts of the world.

### Introduction

The observance of principles of good governance and effective practices, more than issues of control and financial reporting, is a way of ensuring responsible stewardship and quality education and training. Governance is defined as the process and structures for overseeing the direction and management of an organization so that it carries out its mandate and objectives effectively.

While there are clear differences among colleges in Ontario, there are common principles and practices of governance that can be applied to colleges to ensure their responsible direction and management of the college.

The basic principles of good governance are:

**Openness** in decision-making and actions;  
**Integrity** based on honesty and objectivity; and  
**Accountability** for stewardship and performance.

Four fundamental elements are needed in order to translate these governance principles into practice:

1. Clear understanding of roles and responsibilities
2. Effective business practices
3. Capacity to govern
4. Accountability and transparency

### Clear Understanding of Roles and Responsibilities

The role of the board is to provide stewardship to the organization. The board's role and responsibilities can be set out and shared with stakeholders in a statement that represents a code of corporate governance. Some organizations refer to this statement as the board charter. This statement will confirm the separation of the board's

responsibility for setting the strategic and policy direction of the college and management's responsibility for the operation of the college.

The statement addresses the board's responsibility for ensuring that the appropriate practices are in place for:

- Strategic planning
- Quality education and excellence
- Budget approval
- Internal controls and management information systems
- Risk management
- Recruitment, performance review, and compensation of the president
- Human resources strategy
- Capital asset management
- Open communications with all stakeholders
- Systematic approach for the nomination of new members
- Assessing board effectiveness
- Orientation of new members and ongoing development activities
- Public reporting

The members of the board agree to commit the time and resources necessary to carry out their responsibilities effectively.

### **Implications for Appointment Process**

During the recruitment process, this statement can assist the candidates in understanding how the board works and what role they will play in helping the board meet its objectives.

The board statement and the candidates' understanding of their role will give them an indication of the time commitment they are making.

The board's planning- and results-based focus and regular performance review and reporting will give candidates an indication of the professional commitment they are making.

### **Effective Business Practices**

#### Strategic Planning

The board establishes the mission statement for the college. Working with management, the board develops a strategic plan in support of that mission statement. The responsibility for implementation of the plan rests with management; the board, however, ensures that mechanisms are in place to monitor performance against the plan. The board also reviews, amends, and approves the annual budget that supports the plan.

### **Implications for Appointments**

Possible candidates are those individuals with expertise in areas that support the achievement of the strategic plan of the college.

The skill profile of the board should be matched to the strategic plan of the college.

### Quality Education and Excellence

The board ensures that proven methods for program development and review that involve stakeholders in an effective and meaningful way are used for the ongoing review and development of academic programs. Such engagement assures that stakeholders have confidence in the quality and outcomes of educational programs.

Continuing regard for the key performance indicators and regular review and tracking of student satisfaction provide a basis for continuous improvement. The introduction of a student service commitment establishes the board's commitment to quality and service.

Increasingly, colleges are developing applied research programs in support of major academic program areas. Applications to funding agencies, accountability for research funds, and possible commercialization of research outcomes present new responsibilities for many college boards.

### **Implications for Appointments**

The range of skills, knowledge, and experience would complement the academic program of the college. Board candidates could be drawn from the industry or professional sectors. Board candidates could be possible employers, industry association representatives, or experienced community leaders.

The composition of the board of governors as established by regulation is to include a student governor. Many boards and student governments may struggle with how to make this an effective position. The student body is to determine how the position is to be filled, but colleges and student governments need to work together to ensure that the student governor makes an effective contribution to the board.

Experience in obtaining research funding and pursuing the potential business opportunities flowing from a successful research program would contribute to the college's future direction. Board members with awareness of intellectual property and public/private partnerships can offer strategic policy direction in this regard.

### Internal Controls and Management Information Systems

The board ensures that control and management information systems are in place to assess and evaluate whether the college is being properly managed and whether

objectives are being met. These systems will flag issues that have an impact on the business and that are required for reporting. The board ensures that necessary audit systems are in place (through the use of internal and external auditors).

### **Implications for Appointments**

Generic skills required of board candidates can include operational or technical expertise relevant to the mandate of the college, financial literacy, and knowledge of government and regulatory requirements. Each college needs to consider whether board candidates have the specific expertise or knowledge that is required to support the achievement of the college's mandate.

Boards may choose to establish an audit committee to ensure the focus and attention on these issues. Members with accounting, financial, and/or investing background can offer strategic policy direction in this regard.

### Risk Management

The board ensures that the appropriate practices to identify and manage risk are implemented. When Ontario colleges are increasingly entrepreneurial in operations and the development of partnerships, a sound risk management framework is important.

### **Implications for Appointments**

This is a critical skill requirement for boards. It may be necessary to supplement the existing board with external expertise, either as consultant or non-governor membership on a committee of the board. Such specialized involvement may relate to specific projects or partnership proposals.

### Recruitment, Performance Review, and Compensation of the President

The board uses an established process for recruitment, performance review, and compensation of the president.

### **Implications for Appointments**

Board members with executive and/or human resources management experience can offer strategic policy direction in this regard.

### Human Resources Strategy

The board reviews and approves human resources plans and ensures that performance management approaches are aligned with the achievement of the strategic plan. The president has responsibility for developing and implementing the human resources strategy.



### **Implications for Appointments**

Board members with executive and/or human resources management experience can offer strategic policy direction in this regard.

Board members with operational and technical expertise can offer strategic policy direction in this regard.

### Capital Asset Management

The board ensures that there is an inventory of assets and an assessment of their condition. Key to its stewardship role, the board ensures the implementation of appropriate management strategies for the physical assets. In support of new responsibilities under the new college legislation, the board will need to ensure the capacity for capital asset management.

### **Implications for Appointments**

Board members with financial, asset, and/or property management experience can offer strategic policy direction in this regard.

### Open Communications with All Stakeholders

The board ensures that effective communications with students, industry/business, community stakeholders, and the ministry are ongoing, and that a comment and feedback loop of communication with students and business clients is established.

### **Implications for Appointments**

The board is a single unit and therefore speaks with a single voice. Some boards have adopted communications protocols that determine who speaks on behalf of the board. All candidates need to be aware of board communications policies during the recruitment process.

## **Capacity to Govern**

### Board Profiles

The board possesses the required skills, knowledge, and experience to carry out its responsibilities effectively. These skills are described in profiles that reflect the requirements of the position of the board member, rather than the individual. All board members demonstrate integrity and accountability in their decisions, informed and knowledgeable judgement based on experience, a commitment to the public trust that they hold, and the ability to work as part of a team.

### **Implications for Appointments**

The board profile should capture the diversity of positions on the board and represent the range of relevant background and experience needed to support the strategic direction of the college.

The success of the board in appointing members consistent with the profile can be a performance measure.

### Recruitment of Governors

Recruitment of governors is based on the board profiles. Individuals that bring the necessary skills to the boardroom table are the candidates to fill vacancies. In order to maintain continuity and experience for the board overall, best practice suggests that appointment terms for individual members be staggered (Auditor General, 2000). O. Reg. 34 /03 sets the terms for appointment and reappointment. Reappointment should be done with regard to performance and the board profile.

### **Implications for Appointments**

The college should have a systematic approach for recruitment. The board may choose to use the executive committee to provide such a focus, or in some cases a nominating committee may be established. Continuous consultation with stakeholder groups and industry representatives can provide ongoing identification and review of potential candidates.

Volunteer participation of alumni on board committees, business involvement in advisory committees, or experts' contributions to special purpose committees (such as fundraising cabinets, capital campaigns, event planning, and community outreach functions) can all provide a "feeder" supply of potential board candidates.

Non-governor participation on board committees can ensure the greater involvement of students, staff, and faculty.

Consistent with the strategic directions of the college, board members can be drawn from across the province and even the country. Use of technology, such as video conferencing and electronic documents, can broaden the base for representation and facilitate a wider selection of possible board candidates.

Consistent review of vacancies against the board profile will ensure that college objectives are met in any recommendation to reappoint for fill vacancy. Skills and experience requirements may change over time.

Board members should be reappointed only after a review of their performance has been conducted. Contribution to the working of the board, demonstrated commitment, and "fit" are important considerations in reappointment.

## Orientation of Governors

The board profile and the statement of responsibilities set out the expectations for new members. The overview orientation program for new governors conducted by the Association of Colleges of Applied Arts and Technology of Ontario (ACAATO), along with the Governors' Resource Manual available through the College Compensation and Appointments Council, offers a good outline of responsibilities. This orientation provides a briefing on the nature of education and training in Ontario, the challenges facing all colleges, the legal framework governing their obligations as governors, and the roles and responsibilities of the major players. Ongoing development activities of board members at the college level ensure that the objectives and strategic plan of the college are understood.

### **Implications for Appointment**

Stated expectations during the recruitment process, the nomination, and the performance review ensure that all board candidates fully appreciate their role, their contribution as part of a team, and the demands on their time.

O. Reg. 34 /03 states that internal candidates are elected by their membership. The board statement of roles and responsibilities should be widely available so that candidates seeking election fully appreciate their role, their contribution as part of a team, and the demands on their time.

The use of a second student governor-in-training, who does not have a vote and who could be known as the Observer Member, may also be appropriate. This practice allows a non-elected student observer to observe and participate in the board activities before beginning his or her term and to obtain advice from the departing student governor.

Candidates must be aware of possible conflicts of interest early in the recruitment process and at any time they may arise once appointed. The Minister's Binding Policy Directive on Conflict of Interest is intended to ensure that all members know how to conduct themselves.

## Board Assessment

The board establishes a formal and ongoing process of evaluation of its effectiveness. The performance measures for the assessment would match the fundamental elements needed to put governance principles into action. Do all board members have a clear understanding of roles and responsibilities? Has the board moved to ensure that effective business practices are in place? Has the board taken the necessary actions to ensure that the capacity to govern is assured? Are clear and strong accountability measures in place?

### **Implications for Appointments**

An assessment might consider:

the extent to which the board matches its nominations to its board profile; and

the extent to which the board has demonstrated adherence to the policy directions set by government.

In addition to a review of overall board effectiveness, reviews of the individual board members would be conducted. Attendance records and contributions to committees of the board are a few of the ways to measure the effectiveness of individual members.

### **Accountability and Transparency**

The board ensures that regular reports on the operational and financial situation of the college are done, including reports on the progress of meeting the strategic plan and objectives for the college, on performance measures, and on performance against benchmarks.

Ongoing communication and dialogue with students, staff, and the community on matters of business before the board, the work of committees, and major decisions ensure openness to the workings of the board.

### **Implications for Appointments**

It may be necessary for the board to take corrective action regarding an individual board member's performance.

The corrective action can only be within the scope of authority of the college and should be appropriate to the fault. Such actions can range from the chair speaking with the board member to seek clarification, to a review by college staff as an inquiry with a voluntary resolution, to a third party review for fuller examination, to a formal meeting to impose resolution, to a recommendation for termination to the College Compensation and Appointments Council.

O. Reg. 34 /03 authorizes each board of governors to establish a by-law that sets out the reasons for removing a member and the procedure to be followed in doing so. On application by the person who has been removed from a board, the College Compensation and Appointments Council may review the decision to remove that person from the board. The College Compensation and Appointments Council may only review whether the removal was for a reason and in accordance with the procedure, set out in the by-law

## **Appendix C - Overview of Nomination and Appointment Practices in Canada and Other Jurisdictions**

By reviewing practices in other sectors and jurisdictions, it is possible to identify trends in the nomination and appointment process. For the purposes of this review, recent innovations in the private sector, in the public sector, and in the postsecondary education sector were examined.

Jurisdictions in Canada, the United States, the United Kingdom, and Australia were selected for review. These jurisdictions were selected because they had recently conducted an examination and review of governance and accountability, a major public administration reform had occurred, or a significant change in the structure of postsecondary education had taken place.

### **Trends in Other Jurisdictions**

Whether in the private sector or the public sector, at a national or state level of government, across the system or in an individual institution, nomination and appointment practices display these common trends:

Recruitment of board members is regarded as one of the key elements for effective governance. This is an area in which established processes are needed to ensure that the organization can attract the right people. A single focus is often provided through the use of the executive committee or a nominating committee of the board.

Merit-based appointments are crucial. Any review, audit, or examination of the effectiveness of boards has concluded that qualified and skilled candidates are essential. Qualifications and skills are determined by the strategic directions, business plans, and objectives of the organization.

Orientation for new members is important for establishing a clear understanding of expectations, and ongoing development activities for sitting members is an important method of continuous improvement.

Public appointments should be free from partisan considerations. Many jurisdictions purposefully set objectives for public bodies to strive for boards of skilled and qualified members as a first order principle, while ensuring representation of gender and ethnicity.

Honesty and integrity are critical. Disclosure of potential conflicts and conducting business in an open and accountable manner are especially important for public boards.

Diversity is the key. Each board member brings his or her own set of skills and experience. A balance of views and skills contributes to effective governance. A broad range of stakeholders can be involved in governance without necessarily being governors.

A clear statement of the role and responsibilities of the board and its members is important. A profile of the skills and knowledge required to accomplish strategic directions is used to determine the recruitment and nomination of candidates. This statement and profile become the basis for other effective practices.

### **How Ontario Compares to the Trends**

Overall, Ontario colleges have demonstrated many of the leading trends in board recruitment and appointment processes. Some of the new innovations abroad are well-established practices here.

Ontario colleges have established processes and approaches for the nomination of board members. As part of the existing protocol, college boards have described and documented their nomination process.

Ontario colleges are committed to ensuring that appointments are made on the basis of merit. While college boards have regard for government policy, they have endeavoured to match the candidates' qualifications and experience to the skills and knowledge required to support the achievement of the college's strategic directions.

The Association of Colleges of Applied Arts and Technology of Ontario offers regular orientation sessions to new governors and is a leader in such practice among jurisdictions. Ontario colleges have a set of guidelines for new governors that have been prepared by the College Compensation and Appointments Council in consultation with the ministry and colleges.

Where the government makes appointments, many jurisdictions have attempted to establish independent nomination commissions as a means of ensuring non-partisan appointments. The experience in Ontario with the Council of Regents serves as an example of such an independent commission.

### **Summary of Nomination and Appointment Processes in Canada and Other Jurisdictions**

#### [Joint Committee on Corporate Governance, Ontario](#)

The Joint Committee on Corporate Governance, Ontario was established in July 2000 to review the current state of corporate governance in Canada, compare Canadian and international best practices, and make recommendations for changes. The final report, [Beyond Compliance: Building a Governance Culture](#) (November, 2001), emphasized the importance of the recruitment of directors as critical to successful governance. One of the key recommendations was for the Toronto Stock Exchange guidelines for listing and disclosure to include the establishment of nominating committees for recruitment.

Their findings and recommendations included the following: the need for boards' roles and responsibilities to be stated clearly in a board charter; the need for board members

to understand the practices for good governance (such as planning, risk management, and selection and review of the CEO); the need to address openly boards' capacity to operate effectively, for example, in the recruitment, orientation, and training of board members; the importance of the leadership role provided by the chair; a clear understanding of the legal framework in which decisions are made; and clear accountability through effective audit committees, risk management, reporting, disclosure, and communications.

### [Investing in Students Task Force, Ontario](#)

In 2000/2001, the Investing in Students Task Force conducted a review of the administrative practices in Ontario colleges and universities. A compendium of innovative, cost-effective practices already in place included examples of leading practices in governance and board appointments.

Lakehead University restructured the standing committees to reflect the university. The result has been that governors are more exposed to the operations of the university, the Student Liaison Committee increases the input from the student body, and allowing non-governors to be on standing committees increased the participation of students in governance.

Collège Boréal underwent a restructuring to increase regional representation. The result has been a wider pool of candidates for board membership from which to draw, supported by the use of technology in video conferencing and electronic transfer of documents.

Georgian College includes alumni in board activities as observers, thus providing the opportunity to draw on the expertise, enthusiasm and commitment of college graduates.

Northern College made the decision to ensure First Nations participation on its board of governors. Two members of the board represent the Aboriginal community, and the chair of the Northeastern Aboriginal Council on Education sits as an ex officio member.

### [Ontario Provincial Auditor Report, 1996 and 1998](#)

A review of the college sector in 1996 by the Ontario Provincial Auditor noted the strong commitment of the Council of Regents and the board chairs to ensure that board members were skilled, experienced, representative, dedicated, and connected to the communities they serve. To further the innovations and progress in the college sector at that time, the Provincial Auditor recommended that the ministry pursue a comprehensive legislative mandate for the college board of governors, and that the ministry, in conjunction with the Council of Regents and the Association of College of Applied Arts and Technology of Ontario, provide guidance to boards of governors on effectively carrying out their oversight responsibilities.

In the follow-up report in 1998, the Provincial Auditor found that the Council of Regents had issued conflict of interest guidelines for governors and a nomination and appointments protocol for members that included key responsibilities of an effective board. In addition, the council had developed proposals on management of the college president's performance for approval by the Minister.

### Auditor General of Canada

The [December 2000 report](#) of the Auditor General examined the effectiveness of governance of federal Crown corporations. The focus of this examination was on the appointment process, the relationship of the corporation to government, and the roles and effectiveness of the audit committee of the board. The findings of the Auditor General's review included the need for board members to have the necessary skills and capabilities to carry out their responsibilities, the need for a strategic plan, and effective governance practice that will maximize performance, prevent financial loss, and achieve the mandate.

The Auditor General recommended that the process for appointing board members be strengthened to ensure the necessary skills and capability, and that the timing of appointments be done in a way that ensures that a "nucleus of seasoned directors" is always in place, that the board leads in the recruitment and performance review of the CEO, and that the corporate strategic plan is in place as the cornerstone of operations.

Since that report, the Privy Council Office has identified best practices in recruitment and nominations, as well as the development of a guidance document on how to build director profiles in crown corporations.

### United Kingdom

In the United Kingdom, the [Cadbury Committee on Financial Aspects of Corporate Governance](#) established the foundation definitions and principles of corporate governance in 1992. Building on this work, as well as the work of the Nolan Committee on Standards in Public Life in 1995, the Chartered Institute for Public Finance Accountancy (CIPFA) has developed *Corporate Governance: A Framework for Public Service Bodies* (1995). This framework sets out the principles and standards of good corporate governance as organizational structure and processes, including roles and responsibilities, communication with stakeholders, and financial accountability; external reporting and internal controls, including annual reporting, audit, and risk management; and standards of behaviour, including a code of conduct. The framework is intended as a best practice example that is not prescriptive but offers guidance on how to translate the principles and practices of good governance into action.

This framework recommended that the public body make appointments using an established formal process to ensure that they are made in accordance with specified



criteria and on the basis of merit and the individual's ability to carry out a defined role on the board.

This report has guided the introduction of new administrative practices and requirements within the government of the United Kingdom. The Office of the Commissioner for Public Appointments (OCPA) was established. It is an independent organization that ensures that public appointments are based on merit, subject to scrutiny, reflect the diversity of the country, and ensure the integrity of appointees, and that the process of appointment is open, fair, and transparent. The office has developed guidelines on practice and policy for appointments, a code of practice and regular reports on achievement of the new process. The Office of the Commissioner for Public Appointments provides guidance and advice, while the recommendations for nominations come from the public bodies and the Minister makes the appointment.

#### New South Wales, Australia

In 1997, the Audit Office of the New South Wales government conducted an audit on the governance practices of public boards. The audit identified the need for transparent and consistent processes for appointment to boards and the need for obtaining the skills, knowledge, and expertise required for the operation of that organization. Also identified was the need for a rigorous approach to reporting on practices and transparent accountability for decision-making. The audit concluded that it was necessary to enhance governance practices to ensure efficient and effective management of public organizations.

The recommendations of the audit included the following: clearly understood and stated roles and responsibility; strong processes for appointment to ensure the proper skills and qualifications; a program for induction and training of new board members; establishment of transparent decision-making processes, including a code of conduct; an annual report on the organization, including an assessment of board effectiveness; and recruitment and performance evaluation of the CEO by the board.

The government has taken action on the basis this audit. The government introduced a new process of appointment to public bodies that embraces the merit principle as the priority for appointment and provides the generic skills needed for sitting on a public board. The Premier's department has an appointments office that provides advice and guidance on best practice and maintain the registry of profiles. Individual ministers make the appointments.

#### Technical and Further Education Commission, New South Wales, Australia

The legislation for the Technical and Further Education Commission requires the Minister to make appointments of individuals with qualifications and experience in areas of management, industry, commerce, industrial relations, higher education, vocational education and training, or community service. The Minister's appointments must also

reflect gender and cultural diversity while accommodating the requirement for qualified and experienced individuals.

### United States

In most states, trustees for state-funded higher education institutions are selected through gubernatorial appointment and confirmation by state senates. This process has proven to be vulnerable to politicization and delay (if the senate is not sitting, then appointments are not confirmed; if the governor is of one political stripe and the senate is dominated by another, then appointments are never confirmed). Many public institutions in the United States have recommended appointment processes that ensure that qualified candidates are appointed in a timely manner.

As a buffer to the political system, some states have adopted nominating commissions. These commissions are made up of experienced leading citizens who make appointment recommendations to the governor. The commissions establish selection criteria and ensure that good practices are followed, while the public institutions identify potential candidates to the nominating commission.

The Governor of Virginia has recently established such a commission because of the need for people to serve as trustees who are experienced, skilled, and committed to quality higher education. A provision in the governor's executive order concerning the timing of nominations will ensure that the appointments are made so that no vacancies are left.

New Jersey underwent a significant reform in higher education in 1994. The boards for public institutions are required in legislation to make recommendations to the governor for appointments to the board. A review in 1999, clearly stated the need for the timely appointment of highly qualified individuals, free of political considerations. The move of Governor Whitman to Washington, a period of an acting governor, and then a newly elected governor have meant that vacancies on boards have been left unfilled.

### [Association of Governing Boards of Colleges and Universities](#), United States

The Association of Governing Boards of Colleges and Universities (AGB) conducts research on best practices and surveys trends of trusteeship in postsecondary education in the United States. A recent survey on trends in public policy in trustee performance and the state governance showed three major themes: political leaders want strong and effective governing boards; board members take their responsibilities very seriously; and volunteer boards have strong support but need to demonstrate performance. The major findings of the full study were as follows: strong board governance is needed to prepare for the future; serving the public interest is best accomplished when the state clearly articulates public goals and objectives; politicization of appointments can lead to uneven calibre of trustees; accountability should be measured by performance, not by loss of board independence; and removing

impediments to effective governance should be a focus for all parties (board members, executive, and government).

The Association of Governing Boards of Colleges and Universities is an advocate of non-partisan citizen trustees for public institutions and offers an annual trustee orientation program for new trustees to introduce them to their roles and responsibilities. The association also works with institutions individually on board development.

## Appendix D - Resources and Sources on Governance Issues

A wealth of literature on trusteeship, governance, and board development is available. While many of these works are "armchair studies" from the annals of academe or are prescriptive exhortations from practitioners, some resources offer real life and real time experience. A sampling of such resources follows.

The **Conference Board of Canada** conducts research, benchmarking, seminars on governance and publishes various materials. The board has established the Public Enterprise Governance Forum, of which the members are provincial and national public bodies. While most of the board's services are available only to members or for purchase, some resources and publications are available on the web site [www.conferenceboard.ca](http://www.conferenceboard.ca).

Sample studies and resources of the Conference Board of Canada include the following:

Research on benchmarking best practices, begun in 1996 that sets out best practices in public enterprises. An executive summary is available on the web site; the full report is available for sale.

Regular seminars and workshops on governance issues, including recruitment throughout Canada.

The **Association of Governing Boards of Colleges and Universities** is a U.S.-based association representing trustees of publicly funded and non-profit postsecondary institutions (community colleges, colleges, and universities) in the United States, Canada, and other parts of the world. The association's mission is to provide continuing education to trustees and boards. The association offers on-campus board development programs based on self-assessment, executive search services, and publications and conferences. While most services are available only to members of the association or for purchase, some resources and publications are available on the web site [www.agb.org](http://www.agb.org).

Among the association's publications is *Improving the Performance of Governing Boards*, by R. Chait, T. Holland, and B. Taylor, Oryx Press, 1996. This book is a very practical guide for board self-assessment and improvement strategies. It contains checklists and suggested formats for sessions.

The **Association of Community College Trustees** is a U.S.-based association representing trustees of American community colleges. The association's mission is to develop governing board leadership effectively to strengthen the capacity to achieve boards' missions on behalf of their communities. The association offers a catalogue of set retreat topics, conferences, executive search services, and some publications. These services are available primarily to members of the association. The Association

of Community College Trustees publication *Trusteeship in Community Colleges: A Guide for Effective Governance*, by C. Smith, Association of Community College Trustees, 2000, is available for purchase on the web site [www.acct.org](http://www.acct.org). This book is an easy-to-read description of lessons learned from others about what effective boards should do.

The **Southern Ontario Library Service** is an Ontario-based non-profit corporation established by the trustees of Ontario libraries to offer trustee development programs. The membership developed and directs the trustee development program, and a wide range of helpful guides, fact sheets, and checklists of general interest are available. Many of these materials can be obtained free of charge on the web site [www.library.on.ca/trustee/trustmain.htm](http://www.library.on.ca/trustee/trustmain.htm), including the following:

Trustee Tips: fact sheets containing "how-to" information and examples of commonly used strategies. For example, one fact sheet, "The Board's Role in Recruiting New Members," outlines the steps involved in this process and provides a checklist.

Trustee Orientation: a manual that offers general orientation to new trustees and serves as a reference for experienced trustees on the elements of effective governance.