

BRIEFING NOTE

TO: Board of Directors

FROM: Governance Committee

DATE: September 22, 2025

SUBJECT: Quarterly Policies for Content Review

☒ For Decision

☐ For Information

☐ Monitoring Report

Purpose:

To carry out a scheduled content review of policies 2-06, 3-03, 4-21 and 4-25 for the purpose of determining whether any amendments are necessary.

Background:

The board has implemented a schedule to regularly review the content of its governance policies to ensure that they remain relevant and continue to serve the board's needs and strategic objectives.

For Consideration:

The following policies are scheduled for content review in Q3 of 2025:

- 1. Investment Policy 2-06:** The policy is designed to outline the board's operational boundaries and risk tolerances for the Registrar, CEO regarding the management of COO investments. The board's role with respect to this policy is one of oversight, as it has delegated responsibility for investing to the Registrar, CEO. **No updates are proposed to this policy at this time (see Appendix A).**
- 2. Delegation to the Registrar, CEO 3-03:** The purpose of this policy is to clarify that the board is responsible for establishing the College's strategic outcomes and for delegating authority to the Registrar, CEO to achieve those strategic outcomes. **Amendments to this policy are proposed to align with the modified Policy Governance model that the COO has chosen to adopt, under which there is one general policy in the Strategic Outcomes category that mirrors the strategic plan (see Appendix B).**
- 3. Board Strategic Agenda/Workplan Policy 4-21:** This policy is designed to establish a clear framework and process for the board to develop its annual workplan and to monitor its progress throughout the year. **An amendment to the policy title is proposed to simplify the terminology, renaming it to Board Annual Workplan Policy (see Appendix C).**

- 4. Board Monitoring System Policy 4-25:** This policy is designed to outline the rationale, process and mechanisms that the board uses to monitor the Registrar, CEO/organization's achievement of results (Strategic Outcomes Policies) within operational risk boundaries (Operational Limitations Policies). **Amendments to this policy are proposed to align with changes made to the Registrar, CEO Performance Evaluation and Compensation Process Policy (3-06) which were approved by the board in October 2023. Changes included codifying a process for evaluating the monitoring reports that the Registrar, CEO delivers throughout the year for the purposes of the annual review (see Appendix D).**

Public Interest Considerations:

The board has recognized the importance of strong governance to carry out its object of regulating the profession in the public interest and has invested significant time and resources into updating its governance policies and processes. Reviewing the content of these policies ensure that they remain consistent and effective, and that the College is up to date with regulations, technology, and regulatory best practices.

Proposed amendments to the Delegation to the Registrar, CEO Policy align with the College's Policy Governance model by clearly instructing the Registrar, CEO to achieve strategic outcomes that are aligned with the College's public interest mandate. This creates a clear, accountable and structured governance approach.

Proposed amendments to the Board Monitoring System Policy align with the process for evaluating the performance of the Registrar, CEO, which includes the review of monitoring reports. Regular and thorough evaluations of the Registrar, CEO's performance is a key aspect of the board fulfilling its duty to govern the COO in the public interest.

Diversity, Equity, and Inclusion (DEI) Considerations:

The Governance Committee reviewed the proposed amendments and did not identify any concerns from a diversity, equity or inclusion perspective.

Risk Management Considerations:

Regularly reviewing the content of governance policies to ensure that they remain relevant and continue to serve the board's needs and strategic objectives aligns with the [COO's Strategic Plan 2023-2025](#) and helps to mitigate organisational risk.

The proposed amendments to the Delegation to the Registrar, CEO and Board Monitoring System Policy clarify that the board delegates responsibility for achieving strategic outcomes to the Registrar, CEO, while maintaining assurance that these outcomes are achieved within the established boundaries of risk, prudence and ethics. This assurance is based, not simply on trust, but on a carefully structured monitoring process as outlined in both policies.

Recommendations/Action Required:

The Governance Committee recommends that the board approve no changes to the **Investment Policy (2-06)**.

The Governance Committee recommends that the board approve the proposed changes to the **Delegation to the Registrar, CEO (3-03), Board Strategic Agenda/Workplan Policy (4-21)** and **Board Monitoring System Policy (4-25)**.

POLICY TYPE: OPERATIONAL BOUNDARIES

2-06 Investment Policy

PURPOSE

To outline the Board's operational boundaries and risk tolerances for the Registrar, CEO regarding the management of COO investments. The Board's role with respect to this policy is one of oversight, as it has delegated responsibility for investing to the Registrar, CEO.

BACKGROUND

The objective of this Investment Policy is to ensure the prudent management and stewardship of the financial resources of the College. This includes the reasonable safeguarding of the College's invested assets and reasonable expectations for growth. The capital reserves, held within COO's investments, exist to ensure COO's long-term operating stability and to provide a source of internal funds for organizational priorities such as capital improvements and strategic initiatives.

Investment Objectives and Risk Tolerances Summarized

The Board's primary objectives and risk tolerances are:

1. Preservation and protection of principle.
2. Maintenance of appropriate liquidity.

The Board's secondary objective is to achieve reasonable growth of the value of the investments.

POLICY

1. Investment Funds Management

Accordingly, the Registrar, CEO will not:

- a. Manage the COO investments without the services of a financial advisor to provide expertise in the investment approach and investment portfolio.
- b. Develop and update the investment approach without addressing the responsibilities of various parties, the allowable and prohibited investments, risk controls and monitoring and evaluation procedures, in accordance with Paragraph 2 of this policy.

2. Investment Parameters

In determining what are allowable and prohibited investments, the Registrar, CEO will not:

- a. Operate without meeting the Board's expectations of reasonable liquidity, achieving regular income, and ensuring preservation and appreciation of capital (except where the Board has approved the use of invested capital to cover deficit budgets and/or capital investments).
- b. Increase the organization's risk profile by operating without diversifying the investment portfolio.
- c. Unreasonably delay investing funds that are not required to ease cash flow or operational transactions.
- d. Invest capital in funds that do not have a demonstrated track record of achieving a reasonable return on investment.
- e. Invest or hold operating capital in insecure instruments, including uninsured chequing accounts and bonds of less than AA rating, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
- f. Fail to assess the effect of inflation and deflation on the investment.

- g. Fail to assess the social responsibility of the investment being considered, including whether the investment is consistent with the COO's organizational values.
- h. Borrow solely for investment purposes.

3. Evaluation of Results

Further, the Registrar, CEO will not operate without:

- a. Monitoring the financial advisor and the investments to ensure compliance with this Investment Policy and the investment approach.
- b. Assessing the adequacy of the performance of the financial advisor.

4. Reporting

Further, the Registrar, CEO will not operate without:

- a. Reporting semi-annually to the Board on investment results and compliance with this Investment Policy.

POLICY TYPE: BOARD - STAFF RELATIONSHIP

3-03 Delegation to the Registrar, CEO

The Board of Directors (“Board”) of the College of Opticians of Ontario (“College”) is responsible for setting the College’s strategic outcomes, and for delegating authority to the Registrar, CEO to achieve those strategic outcomes.

In delegating to the Registrar, CEO, the Board will:

1. Develop policies instructing the Registrar, CEO to achieve certain strategic outcomes that are aligned with the College’s public protection mandate results, for certain groups of people, with what priority of resources. These policies, ~~which~~ will be known as Strategic Outcomes policies, ~~will be developed systemically from the broadest, most general level to more defined levels.~~ These policies establish the outcomes that the Registrar, CEO is to achieve, without prescribing the specific means that must be used to achieve those outcomes.
2. Develop policies that define the limitations that the Board wishes to place on the Registrar, CEO’s latitude to choose the means to achieving strategic outcomes. These policies, which will be known as Operational Boundaries policies, will be developed systemically from the broadest, most general level to more defined levels and will describe those practices, activities, decisions and circumstances that the Board would find unethical or imprudent, and therefore unacceptable, even if they were to be effective.
3. Recognize that as long as the Registrar, CEO uses any reasonable interpretation of the Board’s policies, they are authorized to establish all further policies, make all decisions, take all actions and develop all activities. This does not prevent the Registrar, CEO from reviewing information in the delegated areas except where the information has been identified as confidential and/or personal information.
4. Recognize that any authority delegated to the Registrar, CEO may be further delegated by the Registrar, CEO to staff. Staff are accountable to the Registrar, CEO, who is in turn accountable to the Board.
5. Regularly monitor the Registrar, CEO’s interpretations of Strategic Outcomes and Operational Boundaries policies to ensure these interpretations are reasonable. Monitoring will be done in accordance with the Board Monitoring System Policy (4-25).
6. The Board may change its Strategic Outcomes and Operational Boundaries policies, thereby shifting the boundary between the Board and Registrar, CEO domains of authority. But as long as any particular delegation is in place, the Board will respect and support the Registrar, CEO’s decision.

POLICY TYPE: GOVERNANCE PROCESS

4-01 Board ~~Strategic Agenda/Annual~~ Workplan Policy

To keep on track with its strategic objectives, the Board will prepare and follow an ~~Annual Board Strategic Agenda/~~Work Plan, as follows:

Annual Process

The Board is responsible for leading its own strategic governance goals and agenda as well as the agenda for regular Board meetings. As such:

1. Each year at its December meeting, the board will review, discuss and approve its ~~Annual Strategic Agenda/~~Work Plan for the following year.
2. In May, the Board will briefly revisit the plan to determine if any course corrections are needed.
3. The Annual ~~Board Strategic Agenda/~~Work Plan will be recorded such that each Board Member can see at a glance the Board work plan for the year. Specific Board meeting agendas will be prepared in the context of the ~~Annual Board Strategic Agenda/~~Work Plan.
4. Committees can submit policy developments or monitoring report items to the agenda by submission to the Chair or to the Chair via the Registrar, CEO. The Chair, with Executive Committee, will carefully consider these items and schedule them according to priority themes, time availability and appropriateness with the governance approach. The Chair will consult with the Registrar, CEO regarding the operational aspects of such items and the time requirements for the preparation of suitable documents and background information for the Board.
5. Directors can submit potential policy agenda topics to the Chair or through the Registrar, CEO to the Chair. The Chair will apply the same criteria noted above when determining scheduling of the agenda topic.

~~Strategic Agenda/Annual~~ Work Plan Contents

The ~~Strategic Agenda/Annual~~ Work Plan will include the following:

1. Ongoing environmental scanning in order to inform the Board's strategic policy direction to COO.
2. Re-exploration of Strategic Outcomes policies as needed and as the environment changes.
3. Continuous improvement of Board performance through Board education and enriched input and deliberation.
4. The Board's regular review of all of its governing policies over a specified number of years outlined in a review schedule.
5. Conducting an Annual Registrar, CEO Performance Appraisal.
6. Reviewing the External Financial Audit Report.
7. Discussing Board succession planning.
8. Attending to consent agenda items as expeditiously as possible throughout the year.

POLICY TYPE: GOVERNANCE PROCESS

4-25 Board Monitoring System Policy

PURPOSE

This policy outlines the rationale, process, and mechanisms that the Board uses to monitor the Registrar, CEO/organization's achievement of results (Strategic Outcomes Policies) within operational risk boundaries (Operational Limitations Policies).

POLICY

Monitoring Registrar, CEO performance is primarily done by the Board by measuring achievement of and/or compliance with Strategic Outcomes Policies and Operational Boundaries Policies (collectively the "Policies"). Monitoring is therefore synonymous to evaluation of Registrar, CEO performance.

1. The purpose of 'monitoring' is to determine the degree to which Board policies on Strategic Outcomes and Operational Boundaries are being achieved by the Registrar, CEO.
2. The following principles will apply to the Board's monitoring of the Registrar, CEO:
 - a. The Board is committed to a thorough review and evaluation of Monitoring Reports and to providing useful feedback to the Registrar, CEO.
 - b. Monitoring will be as automatic as possible such that the majority of the Board's time can be focused on designing the future.
 - c. Monitoring of the Registrar, CEO is considered synonymous with monitoring organizational performance.
3. The Board's monitoring of the Registrar, CEO will follow one or more of the following processes to generate "monitoring data/reports":
 - a. Internal Monitoring Reports: The Registrar, CEO will provide Internal Monitoring Reports on the Policies to the Board in accordance with the schedule set out in Appendix 1 or as otherwise directed by the Board.
 - b. External Monitoring Reports: These are reports prepared by a qualified, impartial external reviewer who is selected and retained at the direction of the Board to assess the Registrar, CEO's performance or achievement of a Policy. External Monitoring Reports assess executive performance only against policies of the Board, not those of the external party unless the Board has previously indicated the external party's opinion/policies to be the standard. External Monitoring Reports may only be obtained in the following circumstances:
 - i. Where the Registrar, CEO has failed to provide a Monitoring Report in accordance with paragraph a;
 - ii. The Registrar, CEO provided a Monitoring Report in accordance with paragraph a, but upon review, at least 75% of Directors are of the opinion that further information is required in order to properly assess the performance of the Registrar, CEO; or

- iii. Where the Board has approved a policy for regularly scheduled external monitoring in accordance with the schedule set out in Appendix 1.
- c. Direct Board Inspection: This is a direct inspection of documents, activities or circumstances relating to the Registrar, CEO's performance or achievement of a Policy. The direct inspection may be carried out by the Board as a whole or delegated to a Director or committee and will apply a "prudent person" standard to the Registrar, CEO's performance/policy compliance. Direct Board inspection will only take place in the following circumstances:
 - i. Where an External Monitoring Report has been obtained in accordance with paragraph b, but upon review at least 75% of Directors are of the opinion that further information is required in order to properly assess the performance of the Registrar, CEO; or
 - ii. Where the Registrar, CEO has failed to provide a Monitoring Report in accordance with paragraph a, and at least 75% of Directors are of the opinion that it would not be appropriate to obtain an External Monitoring Report, having regard to all relevant circumstances.

4. During the year, at each Board meeting, Board members will be asked to assess by way of a motion, each monitoring report delivered by the Registrar, CEO, to confirm that the Registrar, CEO's interpretation of the relevant Strategic Outcomes or Operational Boundaries policy was reasonable and that the Registrar, CEO complied with the policy. The Board will have the opportunity to ask questions at each Board meeting.

4.5. As part of the Registrar, CEO's annual performance evaluation, the results of these motions will be used to tabulate in a year-end accumulated average overall score for how well the Registrar, CEO interpreted and achieved the various Strategic Outcome and Operational Boundaries policies [See Registrar, CEO Performance Evaluation and Compensation Process Policy, 3-07]. The Board will review and evaluate all Monitoring Reports submitted by the Registrar, CEO. The Board will record in the Board meeting minutes the outcome of its evaluation of each report as to whether the Registrar, CEO policy interpretation is reasonable and as to whether the evidence provided demonstrates policy achievement.

5. Each year by January/February, the Board will conduct a formal Annual Performance Evaluation Summary for the Registrar, CEO. This evaluation will consider monitoring data as defined in paragraph 3 and as reviewed throughout the year along with the Board's general feedback on performance trends [See Registrar, CEO Performance Evaluation Process Policy, 3-07].

Appendix 1 – Registrar, CEO Monitoring Schedule ~~Board Monitoring System Schedule of Registrar, CEO/Organization~~