

BRIEFING NOTE

TO: Board of Directors

FROM: Governance Committee

DATE: June 3, 2024

SUBJECT: 4.0 Quarterly Policies for Content Review

For Decision For Information Monitoring Report

Purpose:

To carry out a scheduled content review of policies 2-07, 2-08, 4-03, 4-08 and 4-09 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 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 Q2 of 2024:

1. **Reserves Policy 2-07:** This policy establishes that the College requires reasonable financial reserves to mitigate the impact of potential operating and financial risks to the organization in the future. The policy outlines the Registrar, CEO's responsibilities regarding this. Amendments are proposed to this policy to reflect the board's current processes and to ensure consistency with existing board policies. The policy has also been amended to reflect that the general reserve has been expanded to 12 months operational expenses, based on the direction from the board following a recommendation from the College's accountant. This change was reported to the board at its December 2023 meeting (see **Appendix A**).
2. **Human Resources and Relations Policy 2-08:** This policy outlines the Registrar, CEO's responsibilities with respect to the treatment of and relationship with COO employees. This addresses employee relations, compensation and hiring practices. Minor amendments have been made to ensure consistency with existing board policies. The proposed amendments do not change any substantive content of the policy (see **Appendix B**).
3. **Board Terms of Reference 4-03:** This policy is designed to outline the board's composition, accountability, role, authority, and responsibilities. Minor amendments have been made to ensure consistency with existing board policies. The proposed amendments do not change any of the substantive content of the policy (see **Appendix C**).

4. **Executive Committee Terms of Reference and Mandate Policy 4-08:** This policy is designed to outline the composition, authority, accountability, and responsibilities of the Executive Committee. Amendments are proposed to this policy to align with changes made to the Registrar, CEO Performance Evaluation and Compensation Process Policy (3-06). The policy has also been amended to remove reference to the committee making recommendations on the appointment of appointed committee members. This responsibility now lies with the Screening Committee (see **Appendix D**).
5. **Governance Committee Terms of Reference and Mandate Policy 4-09:** This policy is designed to outline the composition, authority, accountability, and responsibilities of the Governance Committee. Minor amendments have been made to ensure consistency with existing board policies. The proposed amendments do not change any of the substantive content of the policy (see **Appendix E**).

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 ensures that they remain consistent and effective, and that the College is up to date with regulations, technology, and regulatory best practices.

Diversity, Equity, and Inclusion Considerations:

The Governance Committee did not identify any concerns from a diversity, equity, and 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 Strategic Plan and helps to mitigate organizational risk.

Recommendations/Action Required:

The Governance Committee recommends that the board approve the proposed changes to the Reserves Policy (2-07), Human Resources and Relations Policy (2-08), Board Terms of Reference (4-03), Executive Committee Terms of Reference and Mandate Policy (4-08) and Governance Committee Terms of Reference and Mandate Policy (4-09).

BACKGROUND

The College of Opticians of Ontario (COO) Board [of Directors](#) recognizes that the COO requires reasonable financial reserves in order to mitigate the impact of potential operating and financial risks to the organization in the future. The reserve funds serve as one of the means for mitigating these risks. The establishment of reserve funds also meets financial planning best practices.

POLICY

The Registrar, CEO may not:

1. Operate without establishing and maintaining a reserve fund with assets which are segregated from the general operating fund (the “Reserve Fund”).
2. Fail to maintain the following minimum amounts in the Reserve Fund (the “Required Reserve”):
 - (a) An amount equal to ~~12~~ 6 months operating expenses, which shall be re-calculated annually based on the previous 12 months operating expenses (the “Contingency Fund”); and
 - (b) An amount equal to 4 times the maximum award which can be made under the *Regulated Health Professions Act* by the COO to a person in connection with allegations of sexual abuse by ~~a~~ registrants (the “Funding for Therapy and Counselling for Sexual Abuse Fund”).
3. Fail to establish a minimum amount that must be maintained in a discretionary reserve, which shall be determined on an annual basis and reported to the Board in the annual budget (the “Discretionary Reserve”).
4. Fail to specify the intended uses for the Reserve Fund, which uses shall be approved by the Board (the “Intended Uses”).
5. Utilize any of the Reserve Fund for reasons other than the Intended Uses without Board approval.
6. Fail to make annual reports to the Board regarding Reserve Fund balances, projected contributions and planned expenditure withdrawals.
7. Fail to report to the Board by no later than the next Board meeting where the amount in the Required Reserve has reached the following levels:
 - a. Contingency Fund: 10% or more below the minimum amount set out in section 2(a), above; and/or
 - b. Funding for Therapy and Counselling for Sexual Abuse Fund: 25% or more below the minimum amount set out in section 2(b), above;

8. Fail to invest monies in the Reserve Fund in accordance with the COO's Investment Policy; or
9. Without prior Board approval, use any investment income accrued in the Reserve Fund in any manner other than re-allocating it to the Reserve Fund.

APPENDIX B

POLICY TYPE: OPERATIONAL BOUNDARIES

2-08 Human Resources and Relations Policy

With respect to the treatment of and relationship with employees, the Registrar, CEO of the College of Opticians of Ontario (COO) shall not cause or allow conditions which are unlawful, disrespectful, discriminatory, inequitable, or unsafe.

EMPLOYEE RELATIONS

Accordingly, the Registrar, CEO shall not:

1. Operate without written human resources policies and procedures that are consistent with government legislation, human resource standards, and the values of the organization. These policies will not fail to clarify terms of employment, to guard against unlawful or inequitable working conditions, and to ensure equal opportunity employment.
2. Prevent an employee from reporting a complaint to the Board, through the Chair, when:
 - a. The internal complaint procedures have been exhausted; and
 - b. The employee alleges that the Registrar, CEO engaged in unethical, illegal conduct, or was dishonest.
3. Fail to acquaint employees with their protections under this policy and with their rights and responsibilities under any applicable Board policies.
4. Fail to promote an environment that values the contribution of employees, is equitable and supportive, and builds a positive morale.
5. Fail to provide reasonable and relevant opportunities for professional growth and development.
6. Fail to take adequate measures to prevent workplace violence, discrimination, and harassment.

EMPLOYMENT AND COMPENSATION

With respect to employment, compensation, and benefits for employees, the Registrar, CEO shall not fail to use sound principles of human resource management in accordance with the fiscal integrity and the reputation of COO.

Accordingly, the Registrar, CEO shall not:

Employee Compensation

7. Operate without providing employees with a reasonable compensation package.

Hiring Practices

8. Evaluate employees and candidates for employment using criteria other than objective job qualifications and/or job performance.
9. Hire or promote staff based on favouritism or nepotism.
10. Promise or imply permanent or guaranteed employment for any reason.

Registrar, CEO Compensation

11. Change their own compensation and benefits except as approved by the Board.

Note: For the purposes of this policy, the term employee(s) refers to all full time and part time ~~people~~ staff persons working for and paid by the College. For clarity, this policy does not apply to persons holding non-staff and/or contract positions with the College, including but not limited to Appointed Committee Members, peer assessors, investigators, inspectors, PLAR interviewers or examiners.

Board Composition

1. The Board of Directors is composed of elected and public members in accordance with the Opticianry Act, 1991.
2. Professional board members are elected and serve in accordance with the College of Opticians of Ontario (COO) by-laws.

Accountability and Role

3. The Board is established by the Regulated Health Professions Act, 1991 (RHPA) and is accountable to the Minister of Health.
4. The Board's role is to ensure that the COO operates in a manner that is legal, ethical and efficient, so that it fulfills its statutory mandate of regulating the profession of opticianry in the public interest.

Authority and Responsibilities

The Board has ultimate responsibility for its actions. The Board's responsibilities include:

5. Performing such functions as are assigned to it under these Terms of Reference, the RHPA, the Opticianry Act, 1991, the regulations under those acts, and the COO by-laws and policies.
6. Considering and proposing changes to applicable legislation and regulations.
7. Developing and approving by-laws, standards of practice and practice guidelines.
8. Developing, approving, and monitoring the implementation of board policies, including:
 - a. Strategic Outcomes Policies
 - b. Operational Boundaries Policies
 - c. Board-Staff Relationship Policies
 - d. Governance Process Policies
9. Setting the COO's strategic goals and direction and overseeing implementation of the strategic plan.
10. Approving the annual budget and audited financial statements.
11. Engaging a Registrar, CEO to oversee the operations of the organization and implement the Board's strategic plan.
12. Providing input and support to the Registrar, CEO to ensure they are provided with sufficient guidance and resources to achieve the Board's strategic outcomes.
13. Monitoring the Registrar, CEO's performance and, where necessary, determining to terminate the Registrar, CEO's employment.

14. Appointing statutory and non-statutory committees to carry out the functions assigned to them under RHPA and/or by the Board.
15. Appointing individuals to sit on COO committees in accordance with the by-laws.
16. Receiving and reviewing quarterly and/or annual reports from COO committees.
17. Ensuring, through regular stakeholder engagement, that COO policies and processes are consistent with the COO's mandate, changing public expectations, and the Board's values, including its commitment to diversity, equity, and inclusion.

Committee Composition

1. The Executive Committee is composed of five persons, as follows:
 - a. Three Directors who are registrants of the College; and
 - b. Two Directors who have been appointed to the Board by the Lieutenant Governor in Council.
2. Executive Committee elections for the upcoming calendar year are held annually at the last Board meeting of the year in accordance with the by-laws.
3. The Chair shall be chair of the Board and the chair of the Executive Committee, and the Vice-Chair shall also be the vice-chair of the Board and the vice-chair of the Executive Committee.

Authority and Accountability

1. The Executive Committee is a statutory committee as set out in section 10(1)1 of the Health Professions Procedural Code (the “Code”).
2. Between the meetings of the Board, the Executive Committee has all the powers of the Board with respect to any matter that, in the Committee’s opinion, requires immediate attention, other than the power to make, amend or revoke a regulation or by-law (Code, section 12(1)).
3. The Executive Committee shall function as the College’s Finance Committee and has the power to appoint a delegate for this purpose who, in the Committee’s opinion, is experienced in the assessment of financial matters.
4. The Executive Committee is accountable to the Board for:
 - a. Acting in accordance with the Regulated Health Professions Act, 1991 (“RHPA”), including the Code, the Opticianry Act, 1991, the regulations under those acts, the by-laws and any other laws that apply to its processes and decision making.
 - b. Fulfilling any other duties and responsibilities assigned to it by the Board.

Responsibilities of the Executive Committee

The Executive Committee shall:

1. Perform such functions as are assigned to it under the RHPA, Code, regulations, by-laws,

and policies of the College, or as otherwise assigned by the Board.

2. Report on its actions to the Board in accordance with section 12(2) of the Code at the next regular Board meeting in the event that it exercises a power under section 12(1) of the Code.
3. At the request of the Chair, review and/or approve the agenda for Board meetings as prepared by the Registrar, CEO in collaboration with the Chair.
4. Appoint a subcommittee to carry out an annual performance review of the Registrar, CEO and approve the Registrar, CEO's compensation package and contract. The sub-committee shall consist of the Chair, the Vice-Chair and one member-at-large of the Executive Committee to be selected by the full Board. The annual performance review of the Registrar, CEO shall be conducted in accordance with the Registrar, CEO Performance Evaluation [and Compensation Process Policy](#).
5. Submit an annual report to the Board. The report will include information on the Committee's activities for the year.
6. Assess registrants' eligibility for election to the Board in accordance with the eligibility criteria set out in the by-laws and/or policy.
7. Make recommendations to the Board on the composition of statutory and non-statutory committees.
- ~~8. Make recommendations to the Board on the appointment of Appointed Committee Members to statutory and non-statutory committees.~~

Responsibilities of the Finance Committee

The Finance Committee shall:

1. Review the annual budget and ensure that funds are suitably allocated with respect to ensuring the College's financial stability.
2. Monitor the College's financial performance in relation to the developed annual budget and provide reports to the Board as required.
3. Advise the Board on any emerging factors which may impact the budget and/or financial performance.
4. Assist with monitoring financial reserves and disclose significant developments to the Board.
5. Review annual and interim financial reports and provide recommendations to the Board on future adjustments for consideration.
6. Ensure appropriate information concerning the financial affairs of the College is effectively communicated to the Board.

7. Assess the performance of the external financial auditor and make recommendations to the Board on the annual appointment of the auditor.

POLICY TYPE: GOVERNANCE PROCESS

4-09 Governance Committee Terms of Reference and Mandate Policy

Committee Composition and Meetings

1. The Board of Directors shall appoint the members of the Governance Committee for the following year at the last Board meeting of the year in accordance with the by-laws.
2. The Governance Committee shall be composed of:
 - a. at least one Director who is a registrant of the College; and
 - b. at least two individuals who are not registrants of the College.
3. The chair and vice-chair of the Governance Committee shall be elected from among the members of the Governance Committee and the election may take place at or before the first committee meeting of the year.
4. The Governance Committee shall meet as required.

Authority and Accountability

5. The Governance Committee is a non-statutory committee of the Board of the College of Opticians of Ontario and is established as a standing committee pursuant to the by-laws.
6. The Governance Committee is accountable to the Board for fulfilling any duties and responsibilities authorized by the by-laws, by these Terms of Reference, and as otherwise assigned to it by the Board.

Responsibilities of the Governance Committee

The Governance Committee shall:

7. Perform such functions as are assigned to it under these Terms of Reference, the by-laws, and policies of the College, and as otherwise directed by the Board.
8. Regularly review governance processes and policies and make recommendations to the Board regarding the development of new governance policies, updates to existing governance processes or policies. The recommendations should strive to ensure that the Board fulfils its legal, ethical, and functional responsibilities through adequate governance policy development, Board development strategies, and training programs.
9. Monitor the Board's adherence to governance policies and processes.

10. Facilitate the Board effectiveness self-evaluation process and committee self-evaluation process.
11. Develop a governance action plan for the Board in accordance with the Board Effectiveness **Self-Evaluation** Policy (4-26) and make recommendations for committee action plans.
12. Consider and make recommendations to the Board for changes to applicable legislation, regulations, and by-laws, as well as programs that fall within its mandate and/or support the patient relations program.
13. Submit an annual report to the Board. The report will include information on the Committee's activities for the year. The Governance Committee may also submit a report to the Board in between annual reports.