

# BRIEFING NOTE

**TO:** Board of Directors

**FROM:** Governance Committee

**DATE:** June 5, 2023

**SUBJECT:** Quarterly Policies for Content Review

For Decision  For Information  Monitoring Report

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**Purpose:**

To carry out a scheduled content review of policies 2-02, 2-03, 4-12 and 4-19 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 in order to ensure they remain relevant and continue to serve the board's needs and strategic objectives.

**For Consideration:**

The following policies were reviewed by the Governance Committee in Q2 of 2023:

1. **Financial Planning and Budgeting Policy 2-02:** No updates are proposed to this policy at this time (see **Appendix A**).
2. **Financial Condition Policy 2-03:** No updates are proposed to this policy at this time (see **Appendix B**).
3. **Discipline Committee Terms of Reference and Mandate Policy 4-12:** No updates are proposed to this policy at this time (see **Appendix C**).
4. **Role of Committee Chairperson Policy 4-19:** No updates are proposed to this policy at this time (see **Appendix D**).

**Public Interest Consideration:**

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 policies are 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 or inclusion standpoint relating to these policies.

**Action:**

That the board approve no changes to the proposed updates to the Financial Planning and Budgeting Policy, Financial Condition Policy 2-03, Discipline Committee Terms of Reference and Mandate Policy and Role of Committee Chairperson Policy, as recommended by the Governance Committee.

## Appendix A

### POLICY TYPE: OPERATIONAL BOUNDARIES

#### 2-02 Financial Planning and Budgeting

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The Registrar, CEO shall not permit financial planning that allocates resources in a way that deviates materially from the Board-stated strategic outcomes priorities, that risks fiscal security, or that is not derived from a multi-year plan.

Further, the Registrar, CEO shall not:

1. Operate without a multi-year strategic plan that is reasonably consistent with the strategic outcomes set by the Board from time to time.
2. Permit financial planning that doesn't assign the funds reasonably necessary for the College to fulfil its regulatory responsibilities and strategic outcomes.
3. Permit financial planning that does not provide the amount determined annually by the Board for the Board's direct use during the year, such as costs of fiscal audit, Board ongoing development, Board and committee meetings, Board legal fees, and stakeholder engagement activities.
4. Permit financial planning that does not permit for the regular analysis of strengths, weaknesses, opportunities, and threats, including external environmental issues, which may impact the organization's short and long- term future and budget.
5. Permit financial planning that omits credible projection of revenues and expenses, separation of capital expenditures and operational expenses, cash flow projections, and disclosure of planning assumptions.
6. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period unless the Board expressly authorizes the use of reserves for a specific purpose.
7. Permit planning that endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve strategic outcomes in future years.
8. Develop a budget for each budget cycle without:
  - a. Seeking Board input on key budget planning assumptions prior to the last Board meeting of the year.
  - b. Rendering the first draft of the budget no later than the last Board meeting of the year.
  - c. Ensuring any significant changes made by the Board are reflected and sent to the Board for approval by the first Board meeting of the year.

## Appendix B

### POLICY TYPE: OPERATIONAL BOUNDARIES

#### 2-03 Financial Condition Policy

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With respect to the ongoing financial health and condition of the COO, the Registrar, CEO shall not cause or allow the development of unnecessary financial risk, such that there would not be sufficient cash flow to meet obligations in the normal course of business. Further, the Registrar, CEO shall not cause or allow material deviation of expenditures from the Board priorities established in the Strategic Outcomes Policies.

Accordingly, the Registrar, CEO shall not:

#### Financial position

1. Finish the fiscal year in an annual operating deficit with expenditures that exceed revenues without prior approval of the Board.

#### Expenditure

2. End the fiscal year without sufficient liquidity to operate in the next year.
3. Make a single unbudgeted purchase or commitment of greater than \$30,000 without prior Board approval. Splitting orders to avoid this limit is not acceptable.
4. Deviate from the overall budget in any quarter by more than twenty-five percent (25%) without prior Board approval unless the financial plan for the remainder of the year is adjusted to address the deviation by year-end.
5. Receive, process, or disburse funds under controls which are insufficient to meet the Board-appointed auditor's standards.

#### Debt

6. Borrow from a financial institution without prior Board approval.
7. Without prior Board approval, indebt the organization by an amount greater than can be repaid by unencumbered revenues within 90 days or by the end of the fiscal year (whichever comes first).
8. Loan COO funds to any party.

#### Reserve Funds

9. Use internally restricted funds for purposes other than those designated in the budget, e.g. funding for sexual abuse therapy may not be allocated to other budget line items, such as investigations. (See Reserves Policy, 2-07).
10. Fail to ensure that reserves are maintained as per the Reserves Policy.

#### Payables and Receivables

11. Allow payroll, source deductions or other government payments to be overdue.
12. Fail to pay other accounts payable in a timely manner and according to the terms of any contractual agreement.
13. Fail to employ reasonable measures to pursue receivables after a reasonable grace period.

#### Reporting

14. Fail to report on the financial condition of the College to the Board on a quarterly basis.

**POLICY TYPE: GOVERNANCE PROCESS**

**4-12 Discipline Committee Terms of Reference and Mandate Policy**

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**Committee Composition and Meetings**

1. The Board shall appoint the members of the Discipline Committee for the following year at the last Board meeting of the year in accordance with the by-laws.
2. The Discipline Committee shall be composed of:
  - a. at least four Directors who are members of the College;
  - b. all Directors appointed to the Board by the Lieutenant Governor in Council;
  - c. and at least four members of the College who are not Directors; and
  - d. if the Board so decides, and the by-laws so permit, up to three individuals who are not registrants of the College and who are not Directors.
3. The chair and vice-chair of the Discipline Committee shall be elected from among the members of the Discipline Committee and the election may take place at or before the first Committee meeting of the year.
4. No one may serve as chair and vice-chair of the Discipline Committee while they are also a member of the Inquiries, Complaints and Reports Committee.
5. When required, panels of the Discipline Committee shall be selected by the chair of the Discipline Committee from among the members of the Committee and each panel shall be composed of at least three and no more than five persons, at least two of whom shall be persons appointed to the Board by the Lieutenant Governor in Council.
6. Panels of the Discipline Committee, and the committee as a whole, shall meet as required.
7. All Discipline Committee members are required to attend such training sessions as may be deemed appropriate by the chair of the Discipline Committee and/or the Board.

**Authority and Accountability**

8. The Discipline Committee is a statutory committee of the College as set out in section 10(1)4 of the Health Professions Procedural Code (the “Code”).
9. The Discipline Committee is accountable to the Board for:
  - a. Acting in accordance with the Regulated Health Professions Act, 1991 (the “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 Discipline Committee**

The Discipline Committee Shall:

- 10. Perform such functions as are assigned to it under the RHPA, Code, regulations, by-laws, and policies of the College including providing a fair hearing and rendering a decision in cases of alleged professional misconduct or incompetence in accordance with applicable legislation, and established rules and procedures.
- 11. 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 discipline process.
- 12. Submit an annual report to the Board. The report will include information on the number of hearings, the types of matters dealt with, and the dispositions of those matters generally.

The Discipline Committee may:

- 13. Submit a report to Board in between annual reports.

## Appendix D

### POLICY TYPE: GOVERNANCE PROCESS

#### 4-19 Role of Committee Chairperson

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#### **POLICY PURPOSE AND APPLICATION**

The Committee Chair is the chair of a statutory, standing or ad-hoc committee of the College of Opticians of Ontario (COO).

The purpose of this policy is to clearly articulate the mandate, scope, and responsibilities of the position of Committee Chair.

#### **POLICY**

1. Committee Chairs are appointed or selected in the manner set out in the COO By-Laws.
2. A Committee Chair is the first among equals within the committee and is responsible for leading and facilitating the committee's work, with the support of other committee members, and the Registrar, CEO (or delegate staff member appointed by the Registrar, CEO), and for bringing the committee to a consensus, where possible and appropriate.
3. The Committee Chair generally has no individual authority to make decisions, however nothing in this policy prevents the Committee Chair from:
  - a. Making decisions of a procedural or administrative nature (e.g. setting meeting dates and agendas, etc.);
  - b. Exercising decision-making powers conferred on them by statute, regulation, by-law or other applicable authority (e.g. selecting panels); or
  - c. Making any other decisions that are delegated to the Committee Chair by the committee.
4. Within this mandate, the Committee Chair responsibilities include:
  - a. Participating in any applicable Committee Chair orientation/training programs.
  - b. Chairing committee meetings on a regular basis, as required to fulfill the committee's mandate.
  - c. Utilizing the applicable rules of order, by-laws and code of conduct to manage and facilitate committee meetings, including introducing strategies to resolve any conflicts that may arise, and consulting with the Board Chair for assistance where appropriate.
  - d. Collaborating with the appropriate staff person to:
    - i. Orient new committee members;
    - ii. Develop agendas for committee meetings; and

- iii. Prepare committee reports to the Board.
- e. Where applicable, supporting the committee to develop an annual committee work plan to proactively achieve the committee's mandate and responsibilities and to ensure committee meetings are scheduled consistent with the committee work plan.
- f. Ensuring that the committee functions within its terms of reference and working with the committee to make recommendations to the Board for any proposed changes to the terms of reference.
- g. Encouraging the active preparation and participation of all committee members in committee activities.
- h. Where applicable, ensuring the committee has appropriate policies related to regulatory processes and decision-making criteria and that these are reviewed annually or as scheduled.
- i. Acting as the principal spokesperson for the committee at all Board meetings.
- j. Reporting to the Board on committee work and achievement of its mandate and responsibilities, and where applicable, achievement of the annual committee work plan.
- k. Ensuring that the committee functions effectively and efficiently and remains mindful of any applicable budgetary considerations.
- l. In appropriate circumstances, supporting committee members in identifying conflicts of interest, whether real, potential or perceived, and ensuring that the proper process is followed in accordance with any applicable by-laws or policies. For clarity, the Committee Chair will not provide this support where doing so will put the Committee Chair in a conflict of interest as well.
- m. Seeking assistance from the Registrar, CEO (or designate) and conferring with the Board Chair in matters the committee is unable to resolve.