Memorandum

TO:	Members of the Executive Committee
SPONSOR:	Richard Nunn, Chair, Governing Council
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DATE:	October 14, 2011 for October 19, 2011
AGENDA ITEM:	**3 (d)**
TITLE OF ITEM:	**Terms of Reference for Governing Council Boards and Committees: Revisions Arising from the Implementation Committee for the Task Force on Governance**
ACTION:	For Endorsing and Forwarding to Governing Council

JURISDICTIONAL INFORMATION:

- Section 2(14) (e) of the *University of Toronto Act* empowers the Governing Council to "appoint committees and delegate thereto power and authority to act for the Governing Council with respect to matters, provided that where power and authority to act for the Governing Council are delegated, a majority of the members of the committee shall be members of the Governing Council." Section 2(14)(na) permits delegation of authority to act for the Governing Council to committees that lack a majority of members from the Governing Council in certain purely academic areas: examinations, student academic awards, admission standards, curriculum and academic requirements.

- The Governing Council has established Boards and Committees and assigned responsibilities among those bodies through their terms of reference. The Governing Council has periodically approved changes in Board and Committee terms of reference to respond to changing circumstances and expectations of governance.

PREVIOUS ACTION TAKEN:

On October 28, 2010, the Governing Council approved in principle the *Report of the Task Force on Governance* and the 32 recommendations outlined in the *Report*. At that time, the Governing Council also established an Implementation Committee led by then Vice-Chair Richard Nunn. The mandate of the Implementation Committee was to oversee and coordinate implementation of the Task Force's recommendations, ensuring appropriate participation among relevant bodies of governance, administrative offices and the Secretariat.

PREVIOUS ACTION TAKEN (cont'd)

The Task Force recommended that, as a guiding principle, transactional matters be delegated to either the lowest appropriate level within governance, or where appropriate, to the administration with reporting back of decisions to a suitable level of governance. As expected, this principle has been key to the Implementation Committee's work on proposed revisions to Board and Committee Terms of Reference. Recommendations 15 to 21 specifically provide for the re-distribution or re-assignment of selected responsibilities among Boards and Committees; and for clarifying and reducing overlap between/among various Boards' and Committees' responsibilities. Recommendation 30 called for a reduction or elimination of routine or transactional items to enhance efficiency through consent agendas.

In May 2011, the Governing Council approved the re-alignment of responsibilities among the Committee on Academic Policy and Programs, the Planning and Budget Committee, the Academic Board and the divisional councils with respect to academic program review and approval. These revisions were derived from two parallel processes: – (1) the University's Quality Assurance Process arising from the Council of Ontario Universities, and (2) the recommendations of the Task Force Report intended to vest academic decision-making and oversight with the institution's expert academic bodies.

Further changes to the Academic Board's Terms of Reference were approved by the Governing Council at its meeting of June 23, 2011. The Connaught Committee was eliminated as a Standing Committee of the Board. To replace its functions, the Vice-President, Research established a committee to oversee the Connaught Fund; information on the new committee and the status of the fund are readily accessible on the Vice-President's website, ensuring the transparency and accountability intended by the original Standing Committee.

The additional proposed changes highlighted below have been presented to the Boards and Committees of the Council during Cycle 1 of the current governance year.

HIGHLIGHTS:

The major changes and key clarifications to the Terms of Reference for each Committee and Board are summarized in sections (a) through (h) below.

(a) EXECUTIVE COMMITTEE

The composition and responsibilities of the Executive Committee are described in Section 3 of the *University of Toronto Act, 1971*, in Section 28 (d) of By-Law Number 2 of the Governing Council and in various policies. Several changes relate to the re-organization of the Terms of Reference, inserting introductory headings and formatting changes.

HIGHLIGHTS (cont'd)

(a) EXECUTIVE COMMITTEE (cont'd)

3.1 Standing Committees

3.1.1 Elections Committee

Consistent with the Executive Committee's broad governance coordination role, the Elections Committee will become a standing committee of the Executive Committee.

Item 5. Areas of Responsibility

Item 5.5 - Confirmations and Approvals

It is proposed that the Executive Committee be assigned the authority to approve recommendations:

- for the expulsion of students under the *Code of Behaviour on Academic Matters* and the *Code of Student Conduct*;
- under the *Code of Behaviour on Academic Matters* for the cancellation, recall or suspension of degrees, diplomas, or certificates obtained by graduates.

These revisions reflect the principles outlined in recommendation 21 of the Task Force which stated that "*Like the roles played by the Agenda Committee, the Senior Appointments and Compensation Committee and the Executive Committee itself with respect to various appointments, the Executive Committee could focus more effectively on the number of cases and their implications than can the full Governing Council.*"

Item 5.9 - Presidential Review and Appointment

In keeping with good governance practice, the Executive Committee would determine the process for the review and evaluation of the President by the Senior Appointments and Compensation Committee.

Item 5.12 - Review of Reports

Consistent with the need to ensure confidential senior level governance oversight of risk management, the one key substantive revision would give to the Committee the responsibility to review a comprehensive annual report on enterprise risk management following initial review by the Audit Committee.

HIGHLIGHTS (cont'd)

(a) EXECUTIVE COMMITTEE (cont'd)

Item 5. Areas of Responsibility (cont'd)

Item 5.14 - Office of the University Ombudsperson

The additional text clarifies the role of the Executive Committee as defined by the Terms of Reference for the Office of the University Ombudsperson and would codify existing established practice. The Executive Committee would:

- review an interim written report from the University Ombudsperson early in the annual governance cycle,
- endorse and forward to the Governing Council the annual written report of the University Ombudsperson to the Council and to the University community;
- determine the manner in which the end of term review of the Office of the Ombudsperson will be undertaken;
- determine the appropriateness of a mid-term review of the Office and the manner in which such a review is to be undertaken;
- appoint the members of the search committee for the University Ombudsperson.

Item 5.17 - Governing Council and Academic Board Elections

 With the proposed revisions, the Executive Committee would:

- approve recommendations of the Elections Committee or forward them to the Governing Council for approval;
- consider amendments to the policy on elections or the Constitution of the College of Electors and recommends them to the Governing Council for approval;
- approve major amendments to the annual *Election Guidelines*;
- appoint the Chair of the Elections Committee;
- appoint the Chief Returning Officer on the recommendation of the Secretary of the Governing Council.

(b) ACADEMIC BOARD

Item 5 – Areas of Responsibility.

Academic Matters

The final decision-making authority of the Board in purely academic matters is now stressed in the description of the Board's overall function and is referenced in **Section 5.3.3, Matters Requiring Academic Board Approval**. This authority allows the Board to grant final approval for matters pertaining to examinations, student academic awards, admission standards, curriculum and academic requirements, without requiring subsequent confirmation of approvals by the Executive Committee of the Governing Council.

HIGHLIGHTS (cont'd)

(b) ACADEMIC BOARD (cont'd)

Item 5 – Areas of Responsibility. (cont'd)

Academic Plans

The Task Force Report recommended that "*the terms of reference of the Academic Board and its Planning and Budget Committee be revised to clarify their respective responsibilities for reviewing and approving divisional academic plans and to provide appropriate delegation and oversight to divisional Councils and to divisions.*" Consistent with the Task Force's recommendation, divisional academic plans would be developed according to guidelines prepared by the Provost, approved by the Academic Board, and confirmed by the Executive Committee. Divisional councils would consider their respective academic plans, prior to approval by the Provost. The divisional academic plans would then be forwarded to the Planning and Budget Committee and then the Board for information and feedback.

(c) COMMITTEE ON ACADEMIC POLICY AND PROGRAMS

Item 3 - Function.

The central role of the Committee is to ensure the quality of the University's academic programs. It performs this role through:
- consideration of proposals for new academic programs
- monitoring of reviews of existing programs, and, as stated in the current terms of reference,
- overseeing various academic policy matters.

It is the Committee's work in monitoring the quality of academic programs, through its consideration of reviews of those programs that enables the delegation of substantial authority to the divisional councils – an important goal of the Task Force on Governance.

Item 4.1 - Admissions policies

The Committee will continue to consider and recommend to the Academic Board any University-wide policies concerning admissions. New divisional admission policies, or major amendments to them that would affect the entire division, will be considered for approval at the Committee level. This reflects the goal of the Task Force on Governance to avoid duplication at various levels by delegating more responsibility to the lowest appropriate level of governance. More minor amendments would be approved by the divisional councils and reported to the Provost's Office.

HIGHLIGHTS (cont'd)

(c) COMMITTEE ON ACADEMIC POLICY AND PROGRAMS (cont'd)

Item 4.2 - Awards Policies

The Committee considers only University-wide policies on student awards, recommending any new policies or major amendments to the Academic Board and approving minor amendments. Divisional policies that are consistent with University-wide policies are within the authority of the divisional councils, with a report to the Provost's Office.

Item 4.3 - Academic regulations

The Committee considers, and recommends to the Academic Board, University-wide policies governing academic regulations such as policies on student academic appeals and standards of professional behaviour for students in professional faculties. Minor amendments to those policies may be approved by the Committee. With respect to divisional academic regulations, amendments that will have a major affect on the division or that are inconsistent with University policy require the approval of the Committee. Other amendments are within the authority of the divisional council, with a report to the Provost's Office.

Item 4.4 – Academic program proposals

This section contains certain clarifications to bring the terms of reference more clearly into conformity with the University's Quality Assurance Process. Certain definitions of changes to academic programs – including the definitions of new programs and major modifications to programs - were taken from the University of Toronto Quality Assurance Process and included in footnotes in the current terms of reference. Because it is anticipated that those definitions might be changed from time to time, the footnoted definitions were removed, and new footnotes instead provide the web reference to the Quality Assurance Process document.

Item 4.5 – Examinations and grading practices

Amendments to this section delegate to the Committee (from the Academic Board) responsibility to approve amendments to divisional policies on examinations and grading practices, apart from minor amendments that conform to University policy, which amendments would be within the authority of the divisional councils.

Item 4.7 - Earned degrees, diplomas and certificates

The Committee will approve proposals concerning the design of parchments, issuance of replacements, etc., rather than making recommendations to the Academic Board.

HIGHLIGHTS (cont'd)

(c) COMMITTEE ON ACADEMIC POLICY AND PROGRAMS (cont'd)

Item 4.9 – Monitorial responsibilities

To prevent duplication, the Committee will no longer receive the annual report of the Vice-President, Research. The report should not be made twice, and it is of such importance that it will be made directly to the Academic Board. Because almost all members of the Committee on Academic Policy and Programs are also members of the Academic Board, they will not lose the opportunity to hear this very important annual report. One or two members of the Committee might be members of the Governing Council but not the Academic Board, and they will certainly be welcome to attend the relevant meeting of the Academic Board to hear this report.

(d) PLANNING AND BUDGET COMMITTEE

Item 4.1 – Planning and Monitoring.

Consistent with the Task Force's recommendation noted above, divisional academic plans will be developed according to guidelines prepared by the Provost and approved by the Academic Board. Divisional councils will consider their respective academic plans, prior to approval by the Provost. The divisional academic plans would then be forwarded to the Committee and the Academic Board for information and feedback.

(e) BUSINESS BOARD

Item 5 – Areas of Responsibility: Human Resources and Equity

The responsibility for "personnel policy for administrative staff (except librarians)" has been revised to replace the term "personnel" with the term currently used in the University and elsewhere, "human resources."

Item 5.1(b) - Financial Policy and Transactions

A footnote will be added to establish a new responsibility for the Business Board in the area of financial policy– policy governing non-financial aspects of University investments. That responsibility was previously exercised by the University Affairs Board. The Board will review reports on the operation of any non-financial, as well as financial, aspects of University investments. This will include reports from the Responsible Investing Committee.

HIGHLIGHTS (cont'd)

(e) BUSINESS BOARD (cont'd)

Item 5.3 – University property and physical plant

The current terms of reference refer to "University-owned or leased property, physical plant, equipment and related matters." The Board is responsible for "approval of general policies on the acquisition and disposal of equipment" and "approval of any general policies governing the maintenance of buildings and grounds." In fact, no policies concerning acquisition and disposal of equipment and maintenance of physical plant have come before the Board for many years, if ever. These matters are too detailed to be of concern to University governance, particularly in the light of Task Force of Governance emphasis on consideration of matters of strategy and broad policy. These matters will be deleted from the responsibilities of the Business Board. To ensure clarity during the transitional period, these matters will be noted in the responsibilities of the President or designate for matters in the normal course of business.   Reports to the Board of approvals in this area will be required only for "matters of major significance to the University."

Item 5.4 – Ancillary operations

The current terms of reference require Business Board "acceptance of annual reports and financial statements" from the incorporated ancillary operations – the University of Toronto Press and the University of Toronto Asset Management Corporation. For some years, that acceptance was achieved by a resolution of the Board, indicating the Board's view that the work of the corporation was proceeding satisfactorily. In more recent years, the Board has agreed that no such resolution should be required. The nature of the Board's role will now be reflected more clearly by stating its responsibility as "review of" rather than "acceptance of" annual reports and financial statements.

HIGHLIGHTS (cont'd)

(e) BUSINESS BOARD (cont'd)

Item 5.5 – Fundraising

The current terms of reference make the Business Board responsible for making recommendations to the Governing Council concerning "policies and plans" for major campaigns and (with the concurrence of the Academic Board concerning academic priorities) for general priorities for campaigns. Given the importance of campaigns and given the need for academic advice concerning priorities, it makes sense to leave in place the current provision for approval at the level of the Governing Council.

The Board is also responsible for recommendations to the Governing Council concerning the acceptance of gifts with "terms and conditions of an unusual nature." The provision has rarely been put into effect. It arose from a proffered gift of a major art collection, accompanied by the requirement that it be maintained and displayed in the benefactors' former family home. (The gift was not accepted, in part because of the concerns of the neighbourhood.) The Provision was applied again when a major gift to an academic division was accompanied by detailed terms and conditions. Given these unusual circumstances, and their potential academic implications, it makes sense to keep the provision in place.

The Board is also charged to approve three matters itself:
- approval of strategies and policies concerning the general conduct of fundraising;
- approval of policies on the receipt, acknowledgement and use of gifts and bequests; and
- approval of the designation of the use of unrestricted gifts and bequests over $500,000 (1996 dollars)

In the general spirit of the Task Force on Governance, these matters will be moved to the responsibility of the President or designate.

Although, for many years, there have been no proposals to the Board for the designation of unrestricted gifts, the provision will be left in place, with the amount increased from $500,000 to $2-million (in 2011 dollars).

The annual report from the Vice-President, Advancement is now stated formally in the terms of reference.

Item 5.9 – Human Resources policy for administrative staff (except professional librarians) and benefit programs for all employees.

As in section 5 dealing with the general responsibilities of the Board, the reference to personnel matters is replaced with the newer term, human resources matters.

The responsibility for approving appointments beyond the usual retirement age within established policies that was exercised by the President or designate has been removed from the terms of reference along with the responsibility for the approval of early retirements before the usual retirement age of 65. Provision for the approval of early retirements is currently delegated by means of Board approval of regular or special early retirement provisions in the pension plan.

HIGHLIGHTS (cont'd)

(f) UNIVERSITY AFFAIRS BOARD

While the majority of the proposed amendments are minor housekeeping changes, there are two substantive amendments being proposed at this time – one with respect to elections, the other with respect to investments. The Implementation Committee has begun consideration of the Task Force's recommendation regarding the establishment of Campus Councils and Campus Affairs Committees. In the future, it is likely that additional changes to the University Affairs Board's terms of reference will be proposed in the context of this work.

Items 3 and 5.6 - Committees: Elections Committee.

As noted above, the Elections Committee will become a standing committee of the Executive Committee. Major amendments to the annual Election Guidelines will be approved by the Executive Committee, while minor amendments will be approved by the Elections Committee. The Chair of the Elections Committee will be appointed by the Executive Committee. The Chief Returning Officer will be appointed by the Executive Committee on the recommendation of the Secretary of the Governing Council.

The Executive Committee will also have responsibilities in relation to the College of Electors. Amendments to the policy on elections or the Constitution of the College of Electors will be considered by the Executive Committee and recommended to Governing Council for approval.

Item 5 - Areas of Responsibility

In keeping with the principle of reducing duplication and focussing responsibility, non-financial aspects of University investments will be assigned to the Business Board, while responsibility for elections will be assigned to the Executive Committee as indicated above.

(g) ELECTIONS COMMITTEE

Governance Structure and Function.

As noted above, the Elections Committee will become a standing committee of the Executive Committee. Major amendments to the annual *Election Guidelines* will be approved by the Executive Committee, while minor amendments will be approved by the Elections Committee. Policy on elections will be considered by the Executive Committee on the recommendation of the Elections Committee and recommended to Governing Council for approval.

HIGHLIGHTS (cont'd)

(h) PROCEDURES

Two procedural options are being added to the Terms of Reference of all Boards and Committees. The Chair would include certain routine items on the agenda of any meeting as "consent" items. Such items would normally be handled without presentation or discussion. Rather members would be invited to put any questions to the sponsor before the meeting. Any member with concerns could request that the item be dealt with in the usual way. The process would enable the Board to focus attention on the more substantial items on the agenda.

Similarly, certain reports for information could be published electronically, members notified of the publication, and questions put to the sponsor between meetings. Again, with sufficient notice, any member with a concern could request that the item could be placed on the agenda of the next Board/Committee meeting. The process would enable the Board to focus attention on more substantial items on the agenda. In addition, publication of items between meetings would keep members abreast of developments in a timely manner.

Action Sought:

> THAT the following recommendation be endorsed and forwarded to the Governing Council:
>
> THAT the Terms of Reference for Governing Council Boards and Committees contained in the Office Consolidation dated October 14, 2011 be endorsed and forwarded to the Governing Council for approval.

Consolidation of
Revised Terms of Reference
for Boards and Committees
of the Governing Council

October 14, 2011

Submitted for Approval by the Governing Council
October 27, 2011