

# TASK FORCE ON GOVERNANCE

## Terms of Reference

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### **1. Introduction and Background**

#### **(a) Context**

*Towards 2030* is an initiative launched to respond to the question: “Looking to and beyond our second centennial, how can we ensure that our institution reaches new levels of excellence?” University-wide discussion began in June, 2007, with the release of the discussion paper – *Towards 2030: Planning for a Third Century of Excellence at the University of Toronto* – that outlines many of the key issues the University is facing. Building on feedback from individuals and groups, the next brief phase of the process includes further consultation and focused deliberation, and will rely on the work of several Task Forces established from among the diverse constituencies that comprise the University community. They are:

- the Task Force on Long-Term Enrolment Strategy,
- the Task Force on Institutional Organization,
- the Task Force on University Resources,
- the Task Force on University Relations and Context, and
- the Task Force on Governance.

In general, the Task Forces are asked to:

- Consider applicable goals for the institution or relevant components thereof.
- Delineate and defend a set of preferred goals applicable to their respective Task Forces for 2030 and beyond.
- Examine long-term strategies to achieve those goals.
- Recommend a limited range of goals and practical strategies for achieving those goals.
- Consider the best set of long-term objectives to adopt in response to those forces shaping the institution and our own traditions/values.

They are also asked to prioritize certain cross-cutting themes:

- Enhancement of our students’ experiences.
- Nature of three campus system and its future.
- Strengthening our education and research missions.
- Improving the quality of our working environment.
- Responding to internationalization and global change as forces shaping all institutions.

Taking into account these guiding principles, this document defines the terms of reference for the Task Force on Governance. More details on the *Towards 2030* process and Task Forces can be found at <http://towards2030.utoronto.ca>.

## **(b) History of the Governing Council**

### **(i) Establishment**

The Governing Council of the University of Toronto was established on July 1st, 1972, by Provincial Statute. With this new *University of Toronto Act*, our form of governance changed from a bicameral system of Senate and Board of Governors to a unicameral system. Continued in the Governing Council were the powers and duties of the former Senate and Board of Governors – that is, oversight of the academic, business, and institutional affairs of the University. In contrast, most North American institutions of postsecondary education maintain the separation of academic from other oversight functions.

The 50-member Governing Council comprises representatives from all estates of the University community, half of whom are external and half internal. In addition to the Chancellor and the President, who are *ex officio* members, the Governing Council includes:

- 2 Presidential Appointees (senior officers)
- 16 Appointees of the Lieutenant Governor In Council
- 8 Alumni
- 12 Teaching Staff
- 2 Administrative Staff
- 8 – Students – 2 graduate , 4 full-time undergraduate, 2 part-time undergraduate

The *University of Toronto Act* also established a fourteen member Executive Committee that reflects the composition of the Governing Council with roughly the same proportional representation. As well, it gave to the Governing Council the authority to determine an appropriate committee structure with which to fulfill its duties.

### **(ii) Review and Reform**

Over the last three decades, four significant events have contributed to the development of the University's present governance structure. They are:

- the review of the *University of Toronto Act* conducted in 1973-74, as required under the *University of Toronto Act, 1971*,
- the Dunphy Study in 1975-76 established after a submission from the University of Toronto Faculty Association,
- the Review of the Unicameral Experiment conducted by Dr. J. B. Macdonald in 1977, and
- the 1987-88 governance review.

Appendix A contains a synopsis of these initiatives.

(iii) [Recent Refinements](#)

Since the Balfour and Broadhurst Reports, Board and Committee terms of reference have been reviewed and revised periodically with minor amendments, including clarifications, codification of practice or alignment with policy changes approved by the Governing Council. Equally important, there have been refinements within our current structure – modest, deliberate changes in approach that improved communication and transparency. Recent important examples that highlight the impact of refinements made within the current structure include adjustments to practice that strengthened and focused the role of the Executive Committee, and revisions in policy and practice that led to a new *Policy on Appointments and Remuneration* and a revised role for the Senior Appointments and Compensation Committee.

## 2. [Current-State Thinking](#)

### (a) [Governance Process](#)

In light of the evolution of the institution and its mission, as well as of thinking and practice with respect to governance and accountability, it is timely to consider whether the University's governance – its foundation, structure and operation – are meeting the institution's needs and obligations. With the evolution of the three campuses new complexities have emerged that were not contemplated when the Governing Council and its Board and Committee structures were established. Now, there is a need to re-think our practices and consider key questions with respect to our internal accountability framework.

### (b) [Towards 2030 Context](#)

*Towards 2030* identified a number of strategic questions to promote dialogue on governance and administration. They were:

*In the light of current best practices, is the University's current governance model optimally structured to:*

- a) facilitate inclusive debate and decisions on issues of importance to the long-term interests of the institution?*
- b) ensure accountability at the appropriate levels within the University while providing efficient assessments and approvals of key initiatives?*
- c) provide the appropriate linkages with relevant internal constituencies and external communities?*
- d) address the unique governance and oversight needs of a three-campus institution?*

*Is the distribution of responsibility among the Governing Council and its Boards and Committees appropriately balanced? Is the division of responsibility between the central governing bodies and the divisional governing councils appropriately balanced?*

*If there are concerns about our current governance, what changes to the structures and processes would improve efficiency and responsiveness in decision making, while building on current strengths and sustaining our standards of transparency and accountability?*

### **3. Mandate**

#### **(a) Assumptions**

From this consultation phase there emerged a set of assumptions to guide the work of the Task Force, as well as more specific questions. The assumptions are:

- there is nothing to point us to change from our unicameral system;
- if necessary, the *University of Toronto Act* will be revisited;
- representation of the five key estates (administrative staff, alumni, students, teaching staff and government appointees) will be preserved; and
- our governance must address the complexity of decision-making and improve governance oversight of our three campuses.

#### **(b) Role**

Unlike its companion Task Forces, the Task Force on Governance will proceed in two phases: the first will result in a high-level report to the President and to the Governing Council in January that will identify the issues that should be considered and possible solutions; the second, proceeding with the approval of the Executive Committee and Governing Council, will consider how those possible solutions could be realized and will make recommendations regarding specific directions for the next phase of work. The President will synthesize the input and advice from this Task Force's first report – and from those of the four other *Towards 2030* Task Forces – to create a comprehensive document that will outline directions and recommendations for the long term, and that will inform academic planning cycles and guide advancement and university relations well into the future.

Relevant macro-level questions to be addressed by the Task Force include:

- Are the levels of authority balanced within the current governance structure to ensure appropriate central and de-centralized oversight and accountability for the St. George, UTM and UTSC campuses?
- Similarly, does the delegated authority of divisional councils on the St. George campus provide mechanism for sufficiently rigorous reviews and oversight?
- Can we create a more streamlined and agile set of governance processes with reduced repetition? Are the Boards and Committees optimally structured to enable this?
- How can we ensure an appropriate forum in governance for discussion of strategic questions

In conducting its work, the Task Force will be informed by input and advice received through the *Towards 2030* consultation processes, as well as by that received through formal and informal consultations that have occurred both in the recent past and over time. The deliberations of the Task Force will also be informed by and contribute to those of the Task Force on Institutional Organization.

The report to the President and the Governing Council in early 2008 – the Task Force’s Phase 1 report – should define gaps or deficiencies, as well as strengths, in our current system relative to best governance practices and taking into account the University’s future directions. Phase 2 should recommend possible steps that could close those gaps, build those strengths, and specify how that can be accomplished.

#### **4. Membership**

To be approved by the Governing Council on the recommendation of the Executive Committee, the proposed membership of the Task Force on Governance is attached as Appendix B.

## 5. Workplan

The schedule below provides highlights of the Task Force's activities.

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|--------------------------------|--|
| <b>September, 2007</b>         | Development of Task Force mandate, membership and timing.<br><br>Call for nominations for membership.<br><br>Consultation with Executive Committee members, Board Chairs and Vice-Chairs. (September 26, 2007).  |
| <b>October, 2007</b>           | Recommendation of the Chair regarding the draft mandate and membership of the Task Force on Governance for Executive Committee endorsement and forwarding to Governing Council for approval. (October 17, 2007)<br><br>Governing Council consideration of mandate and membership of Task Force. (October 30, 2007) |
| <b>November, 2007</b>          | Task Force begins its work.  |
| <b>January, 2008</b>           | Report to the Chair and the President. Report will include recommendations for next steps in a review.   |
| <b>February, 2008</b>          | Executive Committee and Governing Council consideration of membership and mandate of Working Group (continuing with or changing the Task Force membership).  |
| <b>March, April, May, 2008</b> | Working Group consultations and deliberations.   |
| <b>June, 2008</b>              | Final report and recommendations, including action plan, considered by the Governing Council   |

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## APPENDIX A

### Synopsis of Governance Reviews and Reforms

Following the University of Toronto Act, 1971, the first review of our governance focused primarily on “housekeeping” matters but did make major recommendations on the composition of the Governing Council that would have increased its membership by adding additional alumni, teaching and administrative staff members. None of the recommendations arising from this review was implemented by the Provincial Legislature.

The reviews of 1975 and 1977 led to the introduction and improvement of mechanisms to ensure greater input from the academic divisions and to foster communication about decisions taken by the Governing Council. They also led to the adoption of principles that continue to guide Council’s work today:

That the Governing Council exercise its powers through judging matters of broad policy and through monitorial functions.

That the Governing Council and its Committees while retaining the authority to take any action that is appropriate, normally limit themselves to approval, rejection or referral-back of items before them.

That the Governing Council normally initiate and act on policy matters only after receiving the advice of the President.

The most recent review – conducted 20 years ago – built on the work of previous reviews, articulated additional key principles, and established the current Board and Committee structure. (An organizational chart is included as Figure 1.) At the time, the Chairman, St. Clair Balfour, initiated a review process with the support and direction of the Executive Committee and the Governing Council. Following early deliberations, the Governing Council approved nine proposals for reform that were intended to introduce structural changes not requiring amendments to the *Act*. They included the following, among others:

- **Increasing the academic voice in the University’s governance** – The merging of the then Academic Affairs Committee and the Planning and Resources Committee to form an Academic Board, the majority of whose members would not be members of the Governing Council. Its membership would include the heads of all academic divisions, ex officio, representation from all of the estates on Governing Council, and a significant majority of teaching staff.
- **Delegation of authority to the Executive Committee to confirm decisions of the Academic Board.** Because the Board would not include in its membership a majority of Council members, it could not, under the Act, have delegated to it decision-making authority except in the case of purely academic matters.
- **Delegation of authority to the Business Affairs Committee to act on behalf of Governing Council in the areas of personnel policy, negotiations with staff groups, fiscal policy and audit.**

- **Amendments to Council's accept-reject-refer back rules to allow greater input into policy development.** It was recognized that the adoption of these rules in 1978 had resulted in an inordinate burden on the central administration to take a position on every issue coming before Council or one of its committees.
- **Amendments to the conflict of interest by-law.**

With these proposals as a starting point, the Chair's Advisory Committee also agreed that "a well-organized governing system for the University of Toronto" should possess the following characteristics:

- **Effectiveness** – *The system should facilitate the making of decisions required for the operation of the institution as well as for its adaptation to changing needs and circumstances.*
- **Participation** – *All estates given statutory representation on the Governing Council will continue to share in governance.*
- **Distribution of Responsibilities** – *Within a framework in which Governing Council will retain authority to take any action that is appropriate, a greater degree of delegation of authority will be encouraged with the Council structure. In particular, means should be provided for focusing the judgement of the teaching staff and academic leadership on matters of institutional policy and planning. Means should also be provided to focus lay members' judgement on financial affairs, property and other assets, on personnel policy, and on the oversight of contractual relations with staff groups. Students and representatives of other internal constituencies should have clear means of influencing policy on the services which are provided to the University community as a whole.*
- **Efficiency** – *The system should minimize the number of times the same issue must be formally considered by different bodies. The system should encourage the concentration of individual members' time.*
- **Accountability** – *The Council in its structure, membership and operations should reflect the interests of the University community and the broader public interest in the policies, programs and administration of the University. Governors should act with diligence, integrity and good faith in the best interests of the University. They should, through their participation in governance, acquire insight that will enable them to explain the University to the wider community.*

The final *Report of the Chairman's Advisory Committee on Governance* (also known as the Balfour Report), approved by the Governing Council in May, 1988, recommended a number of enhancements but also recommended a significant change – the creation of three boards:

- an **Academic Board** combining the responsibilities of the Academic Affairs and Planning and Resources Committees;
- a **Business Board** to deal with the responsibilities of the Business Affairs Committee (but with greater delegated authority in some areas than the Business



Affairs Committee) and the development and public and community relations functions previously handled by the Committee on Campus and Community Affairs;

- a **University Affairs Board** responsible for student and campus services and policy matters of interest to all constituencies of the University.

Smaller committees reporting to each of the Boards were also created to deal with particular aspects of their respective Board's terms of reference.

In May of 1993, the Task Force on University Accountability chaired by William H. Broadhurst, submitted its report – *University Accountability: A Strengthened Framework* – to the Minister of Education and Training. Its 47 recommendations, based on the principle that the governing body is “the primary and most effective locus of institutional accountability”, included those related to composition, selection procedures, orientation of members, requisite support systems, members’ legal liabilities, conflicts on interest and openness. Several recommendations addressed what the Task Force considered to be the two essential accountability functions of universities’ governing bodies: approval of policies and procedures governing institutional performance and the monitoring of those policies and procedures. The Task Force recommended, too, that in addition to having a mission statement and clearly defined academic and financial plans to assess progress in fulfilling that mission, governing bodies determine an appropriate set of performance indicators. The Task Force also addressed and made recommendations on academic affairs and financial issues, and their treatment in universities’ governance.

The University of Toronto submitted a formal response to the report and, as well as articulating the ways in which it met or exceeded the Task Force’s expectations on accountability, undertook a number of refinements to ensure continued strengthening of its governance. Among these enhancements was the introduction of an annual report to the Governing Council on performance indicators that has continued to evolve and to be adapted since its introduction.

## **APPENDIX B**

### **Membership**

To be approved by the Governing Council on the recommendation of the Executive Committee, the proposed membership of the Task Force on Governance is:

Ms. Rose M. Patten – Chair (Former Chair, Governing Council)

Mr. P.C. Choo (Administrative Staff Governor; Member, Business Board and Elections Committee, former Member, Executive Committee)

Professor Ray Cummins (Former Teaching Staff Governor and Chair, Academic Board)

Dr. Claude Davis (LGIC Governor; Chair, University Affairs Board)

Professor Vivek Goel – Vice-Chair (Vice-President and Provost)

Professor Michael Marrus (Teaching Staff Governor; Chair, Academic Board; Chancellor Rose and Ray Wolfe Professor Emeritus of Holocaust Studies)

Professor Arthur Ripstein (Teaching Staff Governor; Member, Executive Committee and Business Board; Professor, Faculty of Law)

Mr. Stephen Smith (Alumnus Governor; Chair, Elections Committee; Member, Business Board and Senior Appointments and Compensation Committee;)

Ms Estefania Toledo (Undergraduate Student Governor, Arts and Science; Member, Executive Committee, University Affairs Board)

Mr. W. David Wilson (LGIC Governor; Member, Business Board, Senior Appointments and Compensation Committee)

Mr. Louis R. Charpentier – Secretary

**Figure 1: The Governing Council and its Boards and Committees**

