

## Being An Effective Governor at the University of Toronto <sup>1</sup>

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### First Principle: Stewardship

With the privilege of being a Governor comes an absolute obligation: Governors are collectively and individually stewards of the University. Their stewardship must leave the University a better place and every decision governors make has to be guided by that first principle.

- Each Governor has the obligation to ensure his/her actions and choices always consider the long-term impact for the university as a whole.
- While each Governor may be informed by concerns of his/her individual constituency, it is the absolute duty of a Governor to do what he/she can to ensure that all the constituencies in the future will also be well-served by the decisions that are taken today.

Governance accountability in every forum is expected to begin and end with this first principle.

### Being an Effective Governor

In this context of Governors being responsible for oversight and highly accountable stewardship, several principles follow which are critical to being effective:

- Governors should have clear knowledge of and respect for the roles of each Board and Committee, of the administration and of themselves – Governors exist to govern, not to manage nor to dictate.
- While Governors' central focus is Oversight, it should also include insight and foresight:
  - a “value-added” approach, not just “compliant” approach.
- Interactions between Governors and with the administration should be guided by trust, constructive verification, and effective communication.
- Governors should expect the appropriate information, clearly presented with sufficient time for review, to avoid surprises and enable sound decisions in the best interests of all stakeholders and the University as a whole.
- Governors should assess with great care the proposals that come before them.

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<sup>1</sup> These principles were first presented by Ms Rose M. Patten, Chair of the Governing Council at the 2005 Orientation for members of the Governing Council.

- If a Governor finds the documentation inadequate or if there is substantial information missing that a Governor feels would be helpful in making a decision about any item, he/she can inform the Secretary, who will alert the appropriate University officials.
- Governors are expected to ask searching questions, contribute thoughtfully to the debate, and listen carefully to other members.
- Consultation and transparency become the mantra for how we operate and behave.

## Statements on Effective Trusteeship

The following excerpts are from three individual statements on the topic of effective trusteeship at the University of Toronto. The first is a brief statement from former Chair, Dr. Robert J. McGavin, made in November 1989 on governors and their constituencies; the second is an excerpt from a convocation address delivered by Secretary Emeritus, Dr. John G. Dimond in June 2001, and the third is a summary of the points made by a former Chair, Dr. Thomas Simpson, to members during the Governing Council Orientation in September 2004. Each excerpt speaks to the principles that underlie effective trusteeship.

### Dr. Robert J. McGavin

On November 20, 1989, Dr. Robert J. McGavin, then Chair of the Governing Council, made the following statement to the Council:

At the June meeting of Governing Council a member asked if governors sit as individuals or as representatives of their constituencies. I have no doubt that the proper role of a governor is to exercise his or her best judgement for the overall benefit of the University. I think that this is the case whether we consider the question from a legal, a moral or a political point of view.

From a *legal* standpoint, our basic duty as governors is stated clearly in Section 2(3) of the *University of Toronto Act*: "Members of the Governing Council shall act with diligence, honestly and with good faith in the best interests of the University..." It is no accident, for example, that those of us who are elected are not subject to recall. We each bring to the table our own perspectives and those of the groups with which we are associated. Our task is to bring these perspectives to bear on the problems the University faces. In doing so, we do not act as delegates of those who put us here. Our accountability is to the University and the public at large and to no one else.

From a *moral* standpoint, we should think of our task as ensuring that the institutional capacity for teaching, research and public service, which is the *raison d'être* of our University, can be handed on from our generation to those to come. This will not be done well if we think of ourselves primarily as vehicles for the expression of constituency concerns.

My point of view is even clearer if considered from a *political* standpoint. We all know that a governor who becomes known as primarily a constituency person thereby limits his or her influence on a wide range of matters. The most effective governors are those who take the broad and the long-range view, informed of course by their own perspectives but not limited by them. This is also true of Governing Council as a player on a much larger political stage. If we are known as a forum where the university's estates scratch each others' backs, we and the University lose credibility in the eyes of opinion makers, politicians and the wider public.

Members of Governing Council should, of course, make themselves accessible to their constituents and should, in various ways, inform themselves of the views of their constituents. Such knowledge should not, however, override the insight and judgement which the member acquires in the course of private deliberation, committee proceedings and parliamentary debate.

In summary, I can't improve on what Edmund Burke said over 200 years ago in a speech to the Electors of Bristol:

Parliament is not a *congress* of ambassadors from different and hostile interests; which interests each must maintain, as an agent and advocate, against other agents and advocates; but parliament is a deliberative assembly of *one* nation, with *one* interest, that of the whole; where not local purposes, not local prejudices ought to guide, but the

general good, resulting from the general reason of the whole. You must choose a member indeed; but when you have chosen him, he is not member of Bristol, but he is a member of parliament .... Your representative owes you, not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it to your opinion.

## **Dr. John G. Dimond**

On June 20, 2001, Dr. John G. Dimond, Secretary Emeritus of the Governing Council, addressed convocation after receiving an honorary degree from the University of Toronto. The following is an excerpt from that address:

Decisions on how to preserve and enhance a place like the University of Toronto are not just the product of public opinion surveys or of dividing up the available funds among everyone who wants a piece of the pie. Two things are needed to make fundamental decisions about our institutions that exist in the broad area we call the public and "not-for-profit" sectors: schools, universities, hospitals, government agencies, and so forth.

First, a guiding vision - a sense of what kind of an institution we want to build.

Secondly, the means of balancing all the present needs that are so urgently felt against the needs of the future.

Every public or not-for-profit institution should be fundamentally guided by the notion that it exists, not just for the benefit of those who happen to be its members, clients, or constituents at the moment. They must also exist for the benefit of those who aren't currently involved with them – indeed even for people who aren't born yet.

Making decisions that balance the needs of the present and those of the future is the core role of people whom I will collectively call trustees. They are the members of the Governing Council, of boards of directors, and of bodies with similar titles, which are ultimately responsible for our schools, libraries, museums, health care, educational institutions and many others. The people we elect to public office also have the responsibility of handing their institutions on to the generations yet to come, in at least as strong a condition as they found them. We may not call members of legislatures trustees, but, at least in this sense, they are.

Why should any of this matter to you, my fellow graduates? There are three reasons. First, our broad array of institutions matters. They are not just shells within which we as individuals seek our own private benefits. Our public and not-for-profit institutions are the means by which society delivers the essential goods and services that cannot be obtained by the actions of individuals or of voluntary groups of individuals.

Second, our governments, universities, charitable, artistic, cultural and sporting organizations are not going to disappear, notwithstanding theories found on the far left or the far right. Think of safe drinking water, effective air traffic control, health care, education, or the basic research and other activities that contribute to economic, societal, or personal well-being. Our institutions either provide these directly or determine the standards by which others provide them. And they will continue to do so. The issue is how well will they do it.

Thirdly, you, my fellow graduates, are about to become responsible for these institutions. Some of you will become trustees of educational, charitable, artistic, sports or other institutions in the public or not for profit sectors, formally responsible for their ultimate decisions. Some of you already may have had this experience. Eight students at U of T are members of the Governing Council and therefore trustees of the University. Some of you will get promoted into such positions, as, for example, were the President and the vice-presidents of the University of Toronto, and the Secretary of the Governing Council. All of you who are graduating today will be in a position to elect the members of our

legislatures – and perhaps to be elected to public office yourself. And there will be other circumstances in which you will be judging how fit someone is to hold an office – or will want to know how well you are doing yourself in such a role.

I have worked with a lot of people who sit on the boards of institutions. Many are excellent trustees, people:

- who have given selflessly of their time and effort,
- who have struggled with difficult issues,
- who have resisted the easy way out of letting others –even administrators – tell them what to do, and
- who have not let simplistic arguments or intimidation unduly influence their decision making.

I have also had the misfortune of working with – and observing in other institutions and in public life broadly – ineffective or self-serving trustees. How can you spot them? They are the ones in positions of responsibility:

- who take up a lot of time airing grievances,
- who are much better at making speeches than at listening,
- who view issues through a single lens,
- who care more for ideology than the health of an institution,
- who scapegoat advocates, or
- who always vote the way someone else wants them to do, never making up their minds on the basis of what, in the end, is in the best overall interests of their institution.

### **What It Takes To Be A Good Trustee**

1. **Focus on the issues** that steer the institution in a chosen direction. In making judgements, keep returning to basics: What is our mission? How does this decision advance our mission?
2. **Ask questions.** How do we know that we are making progress? Are we applying our standards fairly? Do we know when things go seriously off the rails? If not, why not?
3. **Listen well.** You will not become a trustee in order to demonstrate your own cleverness or to impose your view of the world on an institution. Your decisions should never be taken in isolation from the views of those who live and work in the institution, or who are affected by its operations. Remember too, that you have the job of not only listening to those who can speak, but also to those who can't speak.
4. **Appreciate complexity.** Issues that affect the fate of an institution are not often settled one by one. For example, any institution that struggles with tuition issues must also struggle with financial aid issues.
5. **Choose and support effective institutional leaders.** Such support should never be uncritical. The best policy decisions are products of dialogue between an institution's leadership and its trustees. However, the obligation to support leadership normally implies that trustees concentrate on policy, direction, values, and accountability, and not on second-guessing lower-order decisions.
6. As a trustee you will deal with many single-issue people. Advocacy is an honourable and essential element in our society. It is important to **treat advocates with respect** and to insist that others do as well. Listen to them. Make your decisions in a way that can be explained to them, should they wish to listen.
7. Most importantly, **make up your own minds.** Trustees should never be bound by opinion polls, or by the demands of the group or authority figure that made them trustees. A trustee has legal obligations,

among the most important of which is to make the fundamental decisions oneself and not let others make them for you.

Trusteeship is an equal opportunity position. It is not reserved for persons at one end or other of the political spectrum. What counts is the realization that it is an *institution* for which you are responsible, one that has a history which you have inherited, a present that you can improve upon, and a future for which you must lay the groundwork. When the trustees of our institutions are incompetent, unprincipled, or arrogant, the institutions are themselves weak, no matter how successful they might appear at the moment. Today, too many of our public and not-for-profit institutions are weak. Too many people are indifferent to how our institutions are governed. We also see many people, disillusioned and in the streets, conducting a bewildering variety of protests.

If you are indifferent to the fate of our institutions, I hope you come to care deeply about them. If you are at the barricades, protesting institutional evils, I hope you learn that to really make things better, ultimately you will have to take responsibility, in principled ways, for those very institutions. You may want to change them, and I hope you do. But eventually, you will have even more success if you can go beyond the concerns that brought you to the barricades in the first place. Institutions are not guided by impersonal forces; they are governed by people like you and me. In most cases, they are no smarter, nor more thoughtful, than we are.

My fellow graduates, as you get on with your lives, reserve some of your time, your energy, your votes, your voices, and your effort to preserve and improve the legislatures that govern us, the schools that educate us, the hospitals that care for us, the museums that enlighten us, and the myriad of other community organizations that sustain us all.

## **Dr. Thomas Simpson**

The Governing Council consists of members of the public and alumni, teaching and administrative staffs, students, the Chancellor and the President, along with two of his/her senior colleagues. As trustees, all members are asked to make decisions about the University that may have an immediate outcome, as well as a long-term effect. In so doing, trustees are asked to ensure that future generations inherit a University that continues to be a great centre of learning and scholarship.

Trusteeship has some specific implications: it involves a high standard of conduct, both at common law and according to the specific statutes that apply to the University. Trustees have two key duties: the fiduciary duty and the duty of care and diligence. Both are encapsulated in the clause of the *University of Toronto Act 1971*, which states that members of the Governing Council are to act "with diligence, honestly and with good faith in the best interests of the University". Members of the Governing Council have a strict obligation in law to act in the best interests of the University of Toronto. One obvious consequence is that they must avoid situations in which their own personal interests are put above – or even seen to be put above – those of the institution. Another is that members cannot use their positions for their own benefit.

The implications of being a guardian of the University's long-range health extend also to how one thinks of membership on Governing Council. Some members are elected by specific constituencies; others are appointed. Whatever the means by which an individual comes to serve on the Governing Council, a member's key responsibility is the well-being of the University as a whole. Each member has a responsibility to consider how the Council's decisions are going to affect the University, not just a particular constituency. While members bring to the table their own perspectives and those of the groups with whom they are associated, members do not act as anyone's delegate or primarily as vehicles for the expression of the concerns of a particular estate. The most effective members are those who take the broad and the long-range view, informed by their own perspectives but not limited by them. The Governing Council should be a forum where the University's estates meet and look beyond local or short-term concerns if the Council and the University are to maintain credibility in the eyes of opinion makers, politicians and the wider public. The personal knowledge, experience and opinions that each member

brings should complement the insight that is acquired and the judgments that are reached collectively after personal deliberation and committee debate.

Being a trustee of the University also involves:

- making judgments concerning the trust that members of the Governing Council hold. This is the Council's legislative role with respect to the direction of the University.
- oversight of the work others are doing. This is the Council's monitorial role, to ensure that the University is soundly managed and that the policies of Governing Council are being equitably applied.

The Governing Council's fundamental operating principle is that the authority of the Governing Council is sometimes exercised by the Council in full session, sometimes by the bodies reporting to it, and sometimes by the President. *By-law Number 2* and other enactments reserve to the full Governing Council decisions that are deemed to have major significance for the University as a whole or that have to do with the University's public or fiduciary responsibilities. They also delegate to the Academic, Business and University Affairs Boards considerable scope to exercise judgment. In cases where the majority of a Board or a Committee consists of members of the Governing Council, the body can be given authority to make final decisions on behalf of the Council. The Governing Council also delegates considerable responsibility to the President for the preparation of advice to the Council and for the implementation of policy. Such a system is necessary, but it will be successful only if there is respect for the sharing of authority and if there is considerable reliance on consultation throughout the decision-making processes.

In addition to its legislative role, the Governing Council monitors policy implementation and administrative activity. There are a number of ways in which this is accomplished. Each Governing Council meeting, for example, includes a Report from the President, as well as a formal question period and an item called "Other Business". There are similar items on the agendas of the Boards and Committees. The Governing Council and its Boards and Committees also receive regular written reports on a wide variety of matters.

How, though, does a member fulfill these responsibilities effectively? A reasonably prudent member of the Governing Council will:

- make every effort to understand and support the mission of the University.
- ask how proposals and decisions advance that mission, and how progress will be measured.
- work to understand the context and implications of matters before the Council.
- In reading documentation related to agenda items, ask such questions as: do I understand the issue? do I require further information? is there anything that I need clarified? are the University's standards/policies being applied fairly and appropriately?
- support the decisions of the Governing Council once a matter has been debated and resolved.
- commit to a good attendance record, both for the Governing Council and for Boards and/or Committees of which she/he is a member.
- declare conflicts of interest – real, potential or perceived.
- respect the distinct and separate roles of governance and administration. Simply stated, the Governing Council must ensure that the University is managed well, but responsibility for managing the University is delegated to the President and members of the administration.
- respect confidentiality of discussions and documentation.

The University is an autonomous and self-governing community. It exercises its self-government through the Governing Council and its Boards and Committees, through the President and through divisional councils and division heads. It is also a public institution and much of its income is derived from taxpayers and from benefactors. As trustees, members of the Governing Council are accountable to the public, to the University's teaching and administrative staff and to the University's students to ensure that the University maintains and enhances its position as an institution of academic excellence. The Governing Council must also assure that funds are spent responsibly and effectively.

Several years ago the Province commissioned a task force report on university accountability, the Broadhurst Report. The Report's main conclusion was that university boards should be the principal focus of our institutions' public accountability. To be accountable means, at its simplest, to be able to give an account or a justification of oneself. Accountability does not require members, individually or collectively, to follow the wishes of any particular estate, constituency or interest group. Nor do university boards have to personally approve all major activities in order for a university to be accountable. Indeed, if the University operated this way the Governing Council would meet much more frequently than it does.

**The creation and maintenance of an effective accountability system is an ongoing task – in part, because governance is dynamic. The Governing Council receives annually a report on the University's performance indicators. These indicators were approved by the Governing Council after a consultative process and have been refined and improved over time. Refinements and improvements will continue as the indicators are used as the benchmarks to judge the University's progress in the future.**