

BRIEFING NOTE

TO: Board of Directors

FROM: Mike Smart RO Elected Member, Facilitating Director

DATE: February 22, 2021

SUBJECT: Board Process Achievement Reports: Board Monitoring System Policy 4-25

For Decision

For Information

Monitoring Report

Purpose:

To review the Board Monitoring System Policy 4-25 Report.

Background:

On October 5, 2020 the Board approved the Board Policy Development Policy 4-24. The purpose of this policy was to codify a process for developing, approving, updating and evaluating the success of governance policies.

The Board also approved the monitoring of eight of its own board policies in greater detail under Section 8b of the Board Policy Development Policy 4-24. This governance processes was to enable the development of informed, engaged, and wise policy direction by the Board.

For Consideration:

The first Board Process Achievement Report up for review is the Board Monitoring System Policy 4-25 and schedule (**Appendix A**). The Board director's report facilitating this review can be found in **Appendix B**.

Public Interest Considerations:

The Board has recognized the importance of strong governance in order 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. Monitoring important policies confirms that the Board is fulfilling its duties and responsibilities and that the appropriate processes are in place to ensure that they are giving due diligence to planning and oversight over the College and will help to identify and analyze potential risks before they negatively impact the College.

Diversity, Equity and Inclusion Considerations:

It is incumbent on the Board to consider whether the proposed report is consistent with the COO's organizational values relating to diversity, equity and inclusion.

Recommendations:

That the Board evaluate the success of implementing the Board Monitoring System Policy 4-25 as presented by the facilitating director's report.

POLICY TYPE: GOVERNANCE PROCESS

4-25 Board Monitoring System Policy

PURPOSE

This policy outlines the rationale, process, and mechanisms that the Board uses to monitor the Registrar, CEO/organization's achievement of results (Strategic Outcomes Policies) within operational risk boundaries (Operational Limitations Policies).

POLICY

Monitoring Registrar, CEO performance is primarily done by the Board by measuring achievement of and/or compliance with Strategic Outcomes Policies and Operational Boundaries Policies (collectively the "Policies"). Monitoring is therefore synonymous to evaluation of Registrar, CEO performance.

1. The purpose of 'monitoring' is to determine the degree to which Board policies on Strategic Outcomes and Operational Boundaries are being achieved by the Registrar, CEO.
2. The following principles will apply to the Board's monitoring of the Registrar, CEO:
 - a. The Board is committed to a thorough review and evaluation of Monitoring Reports and to providing useful feedback to the Registrar, CEO.
 - b. Monitoring will be as automatic as possible such that the majority of the Board's time can be focused on designing the future.
 - c. Monitoring of the Registrar, CEO is considered synonymous with monitoring organizational performance.
3. The Board's monitoring of the Registrar, CEO will follow one or more of the following processes to generate "monitoring data/reports":
 - a. Internal Monitoring Reports: The Registrar, CEO will provide Internal Monitoring Reports on the Policies to the Board in accordance with the schedule set out in Appendix 1 or as otherwise directed by the Board.
 - b. External Monitoring Reports: These are reports prepared by a qualified, impartial external reviewer who is selected and retained at the direction of the Board to assess the Registrar, CEO's performance or achievement of a Policy. External Monitoring Reports assess executive performance only against policies of the Board, not those of the external party unless the Board has previously indicated the external party's opinion/policies to be the standard. External Monitoring Reports may only be obtained in the following circumstances:
 - i. Where the Registrar, CEO has failed to provide a Monitoring Report in accordance with paragraph a;
 - ii. The Registrar, CEO provided a Monitoring Report in accordance with paragraph a, but upon review, at least 75% of Directors are of the opinion that further information is required in order to properly assess the performance of the Registrar, CEO; or

- iii. Where the Board has approved a policy for regularly scheduled external monitoring in accordance with the schedule set out in Appendix 1.
- c. Direct Board Inspection: This is a direct inspection of documents, activities or circumstances relating to the Registrar, CEO's performance or achievement of a Policy. The direct inspection may be carried out by the Board as a whole or delegated to a Director or committee and will apply a "prudent person" standard to the Registrar, CEO's performance/policy compliance. Direct Board inspection will only take place in the following circumstances:
 - i. Where an External Monitoring Report has been obtained in accordance with paragraph b, but upon review at least 75% of Directors are of the opinion that further information is required in order to properly assess the performance of the Registrar, CEO; or
 - ii. Where the Registrar, CEO has failed to provide a Monitoring Report in accordance with paragraph a, and at least 75% of Directors are of the opinion that it would not be appropriate to obtain an External Monitoring Report, having regard to all relevant circumstances.
- 4. The Board will review and evaluate all Monitoring Reports submitted by the Registrar, CEO. The Board will record in the Board meeting minutes the outcome of its evaluation of each report as to whether the Registrar, CEO policy interpretation is reasonable and as to whether the evidence provided demonstrates policy achievement.
- 5. Each year by January/February, the Board will conduct a formal Annual Performance Evaluation Summary for the Registrar, CEO. This evaluation will consider monitoring data as defined in paragraph 3 and as reviewed throughout the year along with the Board's general feedback on performance trends [See Registrar, CEO Performance Evaluation Process Policy, 3-07].

Appendix 1 – Board Monitoring System Schedule of Registrar, CEO/Organization

APPENDIX 1 – BOARD MONITORING SYSTEM SCHEDULE OF REGISTRAR, CEO/ORGANIZATION

Monitoring Schedule by Policy Topic								
Policy No.	Policy	Policy Type	Method	Frequency of Monitoring	2020	2021	2022	2023
1-01	Strategic Outcomes Policies	Strategic Outcomes	Registrar, CEO Report	Semi Annual	Feb (2020 Strategic Outcomes R/CEO Interpretation)	Feb (2020 Year End)	Feb (2021 Year End)	Feb (2022 Year End)
					Oct (2020 mid year)	Oct (2021 mid year)	Oct (2022 mid year)	Oct (2023 mid year)
2-01	General Executive Constraint	OB	Registrar, CEO Report	Every 3 years	-	-	Feb	-
2-02	Financial Planning and Budgeting	OB	Internal Report External Audit	Annual Annual	-	Feb	Feb	Feb
2-03	Financial Condition	OB	Internal Report	Annual	June	June	June	June
			External Audit	Annual	June	June	June	June
2-04	Asset Protection	OB	Internal Report	Every 2 years	-	Oct	-	-
2-05	Vendor Relations	OB	Internal Report	Every 3 years	-	June	-	-
2-06	Investment Policy	OB	Internal Report	Annual	Dec	Dec	Dec	Dec
2-07	Reserves Policy	OB	Internal Report	Annual	Dec	Dec	Dec	Dec
2-08	Human Resources Parameters • Relationship with Staff • Staff Compensation and Benefits	OB	Internal Report	Every 2 years	-	Oct	-	Oct
2-09	Relationship with Public and Other COO Beneficiaries	OB	Internal Report	Every 3 years	-	June	-	-
2-10	Member Relations	OB	Internal Report	Every 2 years	-	Dec	-	Dec
2-11	Communications and Support to the Council	OB	Internal Report	Every 2 years	Oct	-	Oct	-
2-12	Corporate Identify, Public Image and Communication	OB	Internal Report External Audit	Every 2 years	-	Feb	-	Feb
2-13	Intellectual Property	OB	Internal Report	Every 4 years	-	-	June	-
2-14	Emergency Registrar, CEO Succession	OB	Internal Report	Annually	Feb	Feb	Feb	Feb

Note: By December 2020, Council is committed to determining and recoding an external monitoring schedule which will likely involve one Executive Limitations Policy undergoing an External Monitoring Report by regular schedule every three to four years.

APPENDIX B

Board Monitoring System Policy 4-25 Report due February 22, 2021					
#	Policy Criteria	Board Interpretation of Policy Criteria	Evidence Board has met the criteria	Deficiencies and Recommendations	Conclusion: Level of Achievement 1 – Compliance Not Achieved 2 – Compliance Partially Achieved 3 - Compliance Fully Achieved –
1	The Board is committed to a thorough review and evaluation of Monitoring Reports and to providing useful feedback to the Registrar, CEO.	The Board will have fulfilled this policy criterion if it adheres to the schedule set out in Appendix 1 to policy 4-25	In 2020, the Board reviewed and provided feedback when necessary for the following monitoring reports: 1-01 Strategic Outcomes Policy (Feb, Oct) 2-03 Financial Condition Policy (May) 2-06 Investment Policy (Dec) 2-07 Reserves Policy (Dec)	None	3

			2-11 Communications and Support to the Board Policy (Oct) 2-14 Emergency Registrar, CEO Succession Policy (Feb)		
2	Monitoring will be as automatic as possible such that the majority of the Board's time can be focused on designing the future.	The Board will have fulfilled this policy criterion if it meets Policy 4-25 as per paragraph 2(b) in the policy.	The Registrar's monitoring reports for 2020 were clear, understandable and precise. The Board was given time to read and ask questions, if any. The Registrar supplied answers to any questions in a timely manner. The details were accepted and the Board moved on.	None	3
3	Monitoring of the Registrar, CEO is considered synonymous with monitoring organizational performance.	The Board will have fulfilled this policy criterion if it adheres to paragraph 2(c) of policy 4-25 in the policy.	The Registrar presented monitoring reports that were measurable and a reasonable interpretation of the policies; and the Board accepted them as such. The Board is monitoring its own organizational performance through the Registrar.	None	3
4	The Board will record in the Board meeting minutes the outcome of its evaluation of each report as to whether the Registrar, CEO policy	The Board will have fulfilled this policy criterion if it adheres to paragraph 4 of policy 4-25.	There is no evidence to be found that the Board recorded in the minutes whether: <ul style="list-style-type: none"> Registrar, CEO policy interpretation is reasonable 	<ol style="list-style-type: none"> There should be a motion and/or consensus on these two questions These two questions should be addressed in the 	1

	interpretation is reasonable and as to whether the evidence provided demonstrates policy achievement.		<ul style="list-style-type: none"> The evidence provided demonstrates policy achievement 	briefing notes and put to the Board 3. They should also be recorded in the minutes.	
5	Each year by January/February, the Board will conduct a formal Annual Performance Evaluation Summary for the Registrar, CEO.	The Board will have fulfilled this policy if it meets the criterion in policy 4-25 as per paragraph 5 in the policy.	There is no evidence that this was met. <ul style="list-style-type: none"> The old format was used to evaluate the Registrar's annual performance in 2020. The Board only approved the Registrar, CEO Performance Evaluation Process Policy, 3-07 in October of 2019 and the processes/templates attached to policy 3-07 wasn't ready until midyear 2020. There was also no monitoring data available from 2019 to present (monitoring reports began in 2020) 	Recommendation: The performance evaluation of the Registrar should follow paragraph 5 of policy 4-25 in 2021.	1

Respectfully submitted,



Mike Smart, Elected Member
Board Director Facilitating Review

February 12, 2021

Date