



Memorandum to: Members of the Governing Council

From: John F. (Jack) Petch
Chair

Date: October 26, 2010

Re: **Report of the Task Force on Governance**

Over the last few weeks, the Chair and Vice-Chair of the Task Force on Governance and I have been pleased to have had informal discussions with governors on the *Report of the Task Force on Governance* and on my response and recommendations. We have had eight such meetings with each of the Governing Council's estates, concluding with an information session for all governors on October 19. We are grateful for your participation, your careful consideration of the *Report* and your thoughtful expressions of advice and support.

A number of themes emerged from these conversations and we thought it important to share those themes with you in order to provide greater background for the Governing Council meeting later this week. They included questions about:

- ensuring broad application of the underlying principles of good governance;
- using the Governing Council's time most effectively;
- distribution of responsibilities within governance and between governance and the administration, and the intent of delegation of responsibility;
- tri-campus governance;
- approval "in principle"; and
- the manner in which implementation is expected to proceed.

Perhaps not surprisingly, the matters you have raised reflect the six areas the Task Force identified and on which it focused. They were:

- oversight and accountability – the quality of the Governing Council's meeting agendas.
- overlap/duplication, deficiencies, ambiguities – Board and Committee mandates.
- delegated authority for academic divisions – lack of clarity, inconsistency.
- delegated authority in the tri-campus context – levels of oversight and accountability, and redundancy.
- quality of governors – experience mix and representation.
- roles of and appropriate interfaces between governors and the administration.

Underlying Principles

Early in their deliberations, members of the Task Force worked hard to establish a common understanding of good governance generally and for good governance of universities and the University of Toronto in particular. They dedicated a significant part of their efforts to articulating the fundamental foundations of governance – the principles of good governance, the mandate of governance and the quality of governors. In our discussions over recent weeks, members of the Governing Council also highlighted the importance of these foundations and

expressed their strong support for the *Report's* principles-based approach. Governors noted, too, that **it must be clear that the foundation statements apply throughout our governance structure – to Council's Boards and Committees and to non-governor members of those bodies.**

Approval "In Principle"

Clarity on "in principle" approval was also sought. This approach is normally used in approval of major planning documents. For example, in June 2008, the Governing Council approved in principle the *Long-Term Planning Framework for the University of Toronto* arising from the *Towards 2030* planning initiative. In so doing, the Council approved the directions comprising the *Framework* with the expectation that as more detailed work is undertaken and particular proposals developed, recommendations would be brought forward for governance consideration.

The Governing Council also routinely uses approval in principle for capital project proposals. The proposal as a whole is approved in principle; specific recommendations relating to project cost, site and source of funding are also approved. **"In principle" ensures approval of the broad parameters within which implementation is to occur; operationalizing the principles, however, requires input of relevant parties to work through various steps that need to be taken.** In some instances, with additional work and information, governance is asked to consider more fully-developed or refined proposals or changes to the original approval.

In the case of the *Report of the Task Force on Governance*, **we are seeking in principle approval with the expectation that, under the auspices of the Implementation Committee, various proposals will be brought forward for consideration in the future following further discussion within and input to the Committee – for example, revisions to the By-law, to Board or Committee terms of reference or to policy.**

Implementation

Just as the review of governance was driven by governors, so too, will the implementation of the Task Force's recommendations be driven by governors. The proposed Implementation Committee, comprising the leadership of governance, will be charged with overseeing the realization of the recommended directions. **As part of operationalizing the statements of principle, putting the recommendations in action, the Committee will require input from appropriate parties. As necessary and at the appropriate time, proposals will come forward for the Governing Council's consideration.** At the outset, the Committee will consult with the Executive Committee on a plan for the next several months, recognizing that the plan will be re-calibrated if needed.

Quality of Governors

This component of the *Report* has received much positive attention. In our discussions with members of the Governing Council, individuals repeatedly expressed **strong support for enhancing orientation, education and evaluation, as well as for the directions proposed to improve election / selection processes in all estates.** The feedback also confirmed that **approaches to election and selection will need to be tailored to the unique nature of each estate – but all approaches will need to be guided by the *Principles, Mandate and Expectations.***

Using Governing Council's Time Effectively

This theme encompasses several related or overlapping dimensions of distribution of responsibilities, including tri-campus considerations.

Governing Council Meetings – Governing Council meetings have much to accomplish. The Council's agendas are full but discussion of strategic matters is noticeably absent – as you reiterated in our discussions, we need to be concerned with what the Council is not doing now. **The Task Force's challenge was to find ways to utilize the Council's Board and Committee structure to relieve the Governing Council's agendas.** At the same time, any changes must ensure that no item that should legitimately come to governance would be absent. **The Task Force's recommendations are intended to re-balance the role of governance and ensure its engagement in the strategic direction of the University.**

Recommendations 15 and 21 – The proposed delegations or distribution of responsibilities are intended to enable discussion of critical and strategic matters at the Governing Council by utilizing committees already in place – and addressing the most frequently-stated concern the Task Force heard. As well, implementation of such changes must ensure that important issues will come to the appropriate level within governance. Nothing will stop at a Committee or Board if it is of particular impact on the University. In this context, Recommendations 15 and 21 were of particular interest to governors in our informal sessions.

Recommendation 15 regarding re-distribution and greater delegation of responsibilities is meant as a statement of principle, reinforcing the need to enable the Governing Council to spend more time on strategic matters and use its Boards and Committees more effectively. The *Report* (pp 33-34) describes such matters and possible agendas for the Council:

- the long-term institutional plan. Such plans, of which the recent *Towards 2030* Planning Framework is an example, are approved only periodically and the Governing Council's ongoing responsibility is for monitoring the actions and directions arising from the plan.
- the annual operating budget and tuition fee schedule.
- the annual financial statements.
- capital plans / campus master plans. Like long-term institutional plans, Governing Council approves capital plans only periodically but has an ongoing monitorial responsibility with respect to implementation.
- University-wide / institutional policies.
- any matters that by virtue of government statute or regulation must be considered by the Governing Council itself.
- matters of such institutional significance that the Executive Committee determines they require consideration by the Governing Council.

Each Governing Council meeting would comprise four substantive components:

- items for approval,
- reports from Boards and Committees,
- a report from the President, and
- a briefing session for governors on a topical strategic matter.

Again, the goal of this “delegation with continued oversight” is to enable the Governing Council to dedicate more time to strategic and “big picture” matters and, in turn, to enable its Boards and Committees to deal with substantive matters. To accomplish this, transactional matters need to

move 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. An enhanced role for the Executive Committee is essential to the achievement of this goal.

Tri-campus Considerations – The Task Force has made few specific recommendations related to tri-campus governance but we are confident that strengthening governance overall in the manner proposed will benefit divisional and campus governance generally. Throughout our information sessions concern was expressed about governance in the tri-campus context but there was acknowledgement – as in there was in the Task Force – that some institutional decisions still need to be made before considering further governance changes.

I hope that these clarifications will facilitate our discussion on Thursday.