

## B – Governance Process

## Governance and Accountability

### Background

The Ministry of Colleges and Universities, through its Colleges of Applied Arts and Technology Policy Framework, specifically identifies a framework for Governance and Accountability. This framework clearly states:

*Governance may be defined as the legislation, policies and procedures under which an organization is governed and the decision-making structures it employs.*

*The authority to establish colleges of applied arts and technology is set out in the Ontario Colleges of Applied Arts and Technology Act, 2002. The Act identifies each college as a corporation without share capital and consisting of the members of its board of governors. The board of governors governs each college on behalf of the public. The Ontario Not-for-profit Corporations Act, 2010, governs the operation of the college except where limited by the Ontario Colleges of Applied Arts and Technology Act, 2002, and its regulations.*

*The objects of the colleges as set out in subsections 2 (2) and (3) of the Act:*

*“To offer a comprehensive program of career-oriented, postsecondary education and training to assist individuals in finding and keeping employment, to meet the needs of employers and the changing work environment and to support the economic and social needs of their local and diverse communities.*

*In carrying out its objects a college may undertake a range of education- and training-related activities including, but not limited to,*

- *entering into partnerships with business, industry and other educational institutions;*
- *offering its courses in the French language where the college is authorized to do so by regulation;*
- *adult vocational education and training;*
- *basic skills and literacy training;*
- *apprenticeship in-school training; and*
- *applied research.”*

*Members of college boards of governors are appointed in accordance with O. Reg. 34/03 (as amended) made under the Ontario Colleges of Applied Arts and Technology Act, 2002. The board of governors of a college is to govern effectively and is accountable to the citizens of Ontario for the successful achievement of this mandate in view of the financial support provided by the province. Good governance requires that the policies, processes, and structures be put in place to promote effective operation of the college and to allow it to fulfill its mandate and meet its objectives.*

|                                                                                                                              |                                                                                   |                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
|  <p>Board of Governors<br/>Policy Manual</p> |  | <p>Policy #: B-2<br/>Approved: 2008-01-08<br/>Revised: 2023-01-24<br/>Motion: 05-01-23</p> |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

## Policy

The Northern College Board of Governors will ensure that policies, processes, and structures are put in place to promote the effective operation of the College and to allow it to fulfill its mandate and meet its objects.

## Procedure

The Governance and Accountability framework states the Board's responsibilities and information requirements for college performance measurement.

### A. Responsibilities

1. Establishing governance structures to enable the achievement of expected institutional outcomes with clear lines of communication and internal accountability.
2. Setting the College vision, strategic directions, and overall goals and outcomes within the context of the appropriate laws, government policy, and local need.
3. Hiring the CEO (i.e., president), delegating to the CEO accountability for the operation of the College, and evaluating the CEO's performance.
4. Approving the College's annual business plan, budget, and annual report.
5. Assessing regularly the attainment by the CEO of corporate goals and outcomes, and the effectiveness of the board with respect to governance.
6. Taking appropriate corrective action, as necessary, where expected outcomes or quality of performance are not being achieved.

### B. Information Requirements and Responsibility

In order to assess that responsibilities have been carried out and that desired outcomes have been achieved, the college will provide to the public and government, key pieces of information prepared in accordance with the corresponding operating procedure. These include:

1. **Strategic plan** – The College is to have available to the public, at any given point in time, a plan with a minimum three-year focus to provide a multi-year strategic view of where the College is heading.

The Board is responsible for ensuring that:

- The College community is involved in the development of the strategic plan.
- The strategic plan reflects the College's legislated mandate to offer a comprehensive program of career-oriented, post-secondary education and training to assist individuals to develop the necessary skills in finding and keeping employment, to meet the needs of employers and the changing work environment and to support the economic and social development of their local and diverse communities.
- The strategic plan is developed and implemented in a way consistent with government directions and priorities.
- The strategic plan is made available to the public.
- Updated versions of the strategic plan are submitted to the Ministry.
- The strategic plan and the yearly planning cycle of the business plan and annual report are integrated.

2. **Business plan** – The College is to have available to the public a plan for each fiscal year that sets out specific operational outcomes for the coming year within the context of the strategic plan and the resources allocated for the year.

The Board is responsible for:

- Ensuring the implementation of the business plan in accordance with the Strategic Mandate Agreement, the budget and the recovery plan, as required.
- Ensuring that the business plan fulfills the operating procedure requirements of the Ministry.
- Submitting the business plan to the Ministry by June 30 of each year.
- Ensuring that the business plan is made available to the public.
- Monitoring performance against the Strategic Mandate Agreement and the business plan, reporting back on that performance in the annual report, and taking appropriate action.

3. **Annual report** – The College is to have available to the public an annual report, including audited financial statements, at the end of each fiscal year to report on the achievement of the operational outcomes established in the business plan. One or more persons licensed as auditors under the *Public Accounting Act, 2004* must annually audit the College's financial statements that are prepared in accordance with generally accepted accounting principles (GAAP).

The Board is responsible for:

- Ensuring the annual report fulfills the requirements of the Minister's Binding Policy Directive on Governance and Accountability, which includes fulfilling the requirements of the operating procedure.
- Approving the annual report and financial statements.
- Ensuring the annual report is submitted to the Ministry by July 31 of each year.
- Ensuring the annual report is made available to the public.

4. **Strategic Mandate Agreement** - the Strategic Mandate Agreement between the Ministry of Colleges and Universities and Northern College outlines the role the College currently performs in Ontario's postsecondary education system and how it will build on its current strengths to achieve its vision and help drive system-wide objectives and government priorities. The term of each Strategic Mandate Agreement (SMA) is determined by the Ministry.

The Strategic Mandate Agreement (SMA):

- Identifies and explains the shared objectives and priorities between the Ontario government and the College;
- Outlines current and future areas of program strength;
- Supports the current vision, mission, and mandate of the College and established areas of strength within the context of the College's governing legislation;
- Describes the agreed-upon elements of the new College funding model, including:
  - a College's enrolment plans and the initial midpoint levels of weighted funding units that will be funded in the corridor funding model during the period of this SMA; and
  - differentiation areas of focus including metrics, targets and performance funding weighting;
- Provides information on the financial sustainability of the institution; and,

5. **Performance measurement** – The College will support the collection and publication of specific college information respecting requirements as stipulated in the annual Strategic Mandate Agreement or subsequent reporting as required, with its respective provincial government Ministry. For example, such support can include and is not limited to:

- Calculating institutional graduation rates and other performance indicators.
- Submitting the data to the Ministry by the specified due date.
- Working consultatively with the Ministry to address issues and make recommendations concerning data collection and reporting.

- C.** The prudent management of resources means that the College is to balance expenditures with revenue sources when preparing and implementing a budget. Where an accumulated deficit is unavoidable in the opinion of the Board of Governors, Section 9 (2) of *O. Reg. 34/03* requires the College to obtain the approval of the Ministry of Colleges and Universities and provide a plan to eliminate the deficit. It is expected that the plan would normally eliminate the deficit within the subsequent two fiscal years.

**D. Accountability for Procurement, Travel, Meal and Hospitality Expenses**

The Board of Governors shall, establish policies and procedures that adhere to, or exceed, the policies and procedures in the Management Board of Cabinet Directives regarding procurement, travel and hospitality expenses.

**E. Advisory College Council**

The Board is to ensure that an advisory College Council is established, the purpose of which is to provide a means for students and staff of the College to provide advice to the president on matters of importance to students and staff.

The Board is responsible for:

- Ensuring that the structure, composition, terms of reference and procedures for the Council are established in by-law.
- Ensuring a report from this advisory council is included in the College's annual report.