

NORTHERN LIGHTS COLLEGE

Best Practice Guidelines:

Guideline 1: Board Composition and Succession

1.1 Describe the process by which the board identifies new candidates for recommendation to Government.

The board consults (through the Board Chair) with BRDO to develop governor selection criteria for board members as a whole and for specific vacancies. The board identifies and recommends candidates to government for appointment or re-appointment. Sources of candidate names are MLA's and personal contacts of board members.

1.2 Disclose whether the board has a committee that identifies and recommends candidates for appointment or reappointment. If the board does not have a nominating committee, describe the process used to identify required competencies and potential candidates.

The board consults with BRDO to identify required competencies. See 1.1 (above) regarding identifying candidates.

Nominees are contacted to see if they would be interested in the position. If so, they are asked to send a resume and a completed "Candidate Profile and Declaration – Governing Board" directly to the BRDO for its consideration. The Board Chair often follows up on nominee information and keeps the Board informed. Individual nominees are encouraged to send the information directly to the Board Resourcing and Development Office through its web-site. They are also encouraged to share the information with the local MLA's.

1.3 Disclose board members' names, appointment terms and detailed biographies on the organization's web site.

Information on appointed board members is available through the college's web page by way of a link to the BRDO's web site. The college web site publishes a list of names at the following address: <http://nlc.bc.ca/about.board.php>. The college will look at adding terms and information on elected board members to the web site by June 30, 2006.

Guideline 2: Board Responsibilities

2.1 Disclose the text of the board's charter. If the board does not have a charter, describe how the board delineates its roles and responsibilities.

The board does not have a "charter" per se, but Board policies under "Governance Process" including: "Governance Commitment", "Governing Style" (see "6.1 individual directors"), "Board Job Description" and "Chairperson's Role", address roles and responsibilities.

These policies are part of an overall policy review and will be posted to the web site by June 30, 2006.

Guideline 3: Committees

3.1 Disclose the members of each committee.

Board Committees are struck as they are needed and membership decided based on interest and expertise. (See policy in 3.2 below.)

3.2 Disclose the terms of reference for each committee. If the board does not have written terms of reference for any committee, describe how the committee delineates its roles and responsibilities.

Following is the board policy around forming committees:

"Board committees, when used, will be assigned so as to minimally interfere with the wholeness of the Board's job and so as never to interfere with delegation from Board to President. Committees will be used sparingly, only when other methods have been deemed inadequate.

1. Board committees are to help the Board do its job, not to help the staff do its jobs. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. Board committees are not to be created by the Board to advise staff.
2. Board committees will not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the President.
3. Board committees cannot exercise authority over staff. Because the President works for the full Board, the President will not be required to obtain approval of a Board committee before an executive action. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations.
4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a Board committee which has helped the Board create policy on some topic will not be used to monitor organizational performance on that same subject.
5. This policy applies only to committees which are formed by Board action, whether or not the committees include non-Board members. It does not apply to committees formed under the authority of the President."

3.3 *Disclose the terms of reference, including the termination date, for all board task forces and working groups.*

Please see the foregoing policy on committees. Examples of committees struck for specific purposes of the Board during the past year include a Presidential Search Committee, three Policy review sub-committees and most recently, a committee drafted the response to this Best Practices disclosure document for board endorsement.

Guideline 4: Audit Committee

4.1 *Disclose the members of the Audit Committee*

In December 2004 the Northern Lights College Board disbanded its separate “finance committee” and the board as a whole has accepted the responsibility. In 2005 the Board reviewed its executive limitation policies including: *Budgeting, Financial Condition, Asset Protection, Distribution, And Use; Compensation and Benefits*. These are posted on the NLC website.

4.2 *Describe the financial expertise of audit committee members.*

Board members have a variety of backgrounds including business operations, industry, banking, and previous experience with public sector organizations.

4.3 *Disclose the text of the Audit Committee’s terms of reference. If the Audit Committee does not have written terms of reference, describe how the Audit Committee delineates its roles and responsibilities.*

N/A

Guideline 5: The Board Chair

5.1 Disclose the text of the chair's position description. If the board has not developed a written position description for the chair, describe how the board delineates the chair's roles and responsibilities.

In the "governance process" section of Board policy the Board Chairperson's role is described as follows:

"The Chairperson assures the integrity of the Board's process and, represents the Board to outside parties. The Chairperson, or a designee appointed by the Chair, is the only Board member authorized to speak for the Board.

1. The job output of the Chairperson is that the Board behaves in a manner consistent with its own rules and those legitimately imposed upon it from outside the organization.
 - 1.1 Focus meetings to legitimate Board business.
 - 1.2 Deliberation will be fair, open, and thorough, but also efficient, timely, orderly, and to the point.
2. The authority of the Chairperson consists in making decisions that fall within the topics covered by Board policies on Governance Process and Board-President Relationship, except where the Board specifically delegates portions of this authority to others. The Chairperson is authorized to use any reasonable interpretation of the provisions in these policies.
 - 2.1 The Chairperson is empowered to chair Board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).
 - 2.2 The Chairperson has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Chairperson has no authority as an individual to supervise or direct the President.
 - 2.3 The Chairperson will represent the Board to outside parties in announcing Board-stated positions and in stating Chair decisions and interpretations within the area delegated to him or her.
3. The Chairperson is to ensure the vice chairperson is informed of current and pending Board issues and processes."

5.2 Disclose how the board maintains its working relationship with the responsible Minister.

As a public post secondary institution, the president communicates with the Ministry of Advanced Education at various levels and generally acts at the direction of the Board as the Board's liaison to the Minister's office. The President keeps the board informed, either through the Chair or directly to the whole board. The board chair meets with, or speaks with, the Minister responsible only when necessary.

Guideline 6: Individual Directors

6.1 Disclose the charter of expectations for directors. If the board does not have a charter of expectations for directors, explain how the board makes clear its expectations for individual directors.

Following are the relevant board policies:

Governing Style: The Board will govern with an emphasis on outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, clear distinction of Board and presidential roles, collective rather than individual decisions, future rather than past or present, and proactivity rather than reactivity.

The Board will:

1. Cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be an initiator of policy, not merely a reactor to staff initiatives. The Board will use the expertise of individual members to enhance the ability of the Board as a body, rather than to substitute the individual judgments for the Board's values.
2. Recognize the viewpoint of individual members of the Board. Each Board member in turn acknowledges his/her responsibility to represent the region as a whole in making decisions.
3. Direct, control and inspire the organization through the careful establishment of the broadest written policies reflecting the Board's values and perspectives. The Board's major focus will be on the intended long term impacts outside the operating organization (*ends*), not on the administrative or programmatic means of attaining those effects.
4. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, confidentiality, policy making principles, respect of roles (e.g., protocol), speaking with one voice, and ensuring the continuity of governance capability. Continual Board development will include orientation of new members in the Board's governance process and periodic Board discussion of process improvement. The Board will allow no officer, individual or committee of the Board to hinder or be an excuse for not fulfilling its commitments.
5. Monitor and discuss the Board's process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Staff Relationship categories.

6.2 Disclose the annual attendance record of the chair and each director.

Attendance is disclosed in Board minutes. Minutes are published on the college web site at: <http://nlc.bc.ca/public.minutes>. According to Section 59(7) of the College and Institute Act, "If a member of the board has not attended 3 consecutive regular meetings of the board, the member is no longer a member of the board unless excused by a resolution of the board."

During the period April 1, 2005 to March 15, 2006, the board held 11 regular meetings. Unless otherwise noted Board members are appointees. None of the absences noted below were consecutive. Attendance was:

Name	Position	Absences
K. O=Neil	Board Chair	0
G. Apperloo	Board Member	2
L. Hayward	Board Member, Elected Support Staff	0
J Kendrew	Board Member	3
L. Legault	Education Council Chair	0 Resigned December, 2005
J. McNaughton	Board Member	3
P. O=Reilly	Board Member	0
R. Powell	Vice-Chair	0
T. Rechsteiner	Board Member, Elected Faculty	0
B. Shirley	Board Member	4
P. Smith	Board Member	1 Term expired July 31, 2005
D. Stirling	Board Member	4
M. Webster	Board Member, Elected Student	4 Elected student, term expired Sep 30
T. Kostuik	Board Member, Elected Student	3 Elected student, resigned Feb 27/06
W. Normandeau	Board Member	1 (Appointed Oct/05)
C. Allard	Education Council chair	0 (replaced Legault January 2006

6.3 Annually disclose the total remuneration paid to the chair and each director for the preceding fiscal year.

Remuneration to all board members including expense claims is published annually as part of the Public Bodies Report filed with the Ministry of Advanced Education.

Guideline 7: The Chief Executive Officer or President

7.1 Disclose the text of the CEO's position description. If the board has not developed a written position description for the CEO, describe how the board delineates the CEO's roles and responsibilities.

The board's expectations of the President & CEO are delineated in their Executive Limitations policies and Ends policies. See website. <http://nlc.bc.ca/about.board.php>.

The Board policy on the President's role reads as follows:

"The President, as chief executive officer, is accountable to the Board acting as a body. The Board will instruct the President through written policies, delegating to him or her interpretation and implementation of those policies."

7.2 Describe the annual assessment process for the CEO. If there is no formal assessment process, describe how the board satisfies itself that the CEO is performing effectively.

The board monitors the president's performance against the Executive Limitations and Ends policies on a cycle described in the policies and in the President's contract. A compilation of the monitoring results is assessed annually to satisfy the board that the president is performing effectively. This process is currently under review to ensure effectiveness. The policy states:

“As the Board's single official link to the operating organization, the President's performance will be considered to be synonymous with organizational performance as a total.

Consequently, the President's job contributions can be stated as performance in only two areas:

1. Organizational accomplishment of the provisions of Board policies on *Ends*.
2. Organization operation within the boundaries of prudence and ethics established in Board policies on *Executive Limitations*.”

7.3 Disclose the organization's policy on board meetings without management.

The practice of the board is to provide an opportunity on the private session agenda for discussion(s) that might exclude management. Directors are responsible for scheduling these opportunities in advance through the Board Chair. Executive Compensation would be an example.

Guideline 8: Corporate Secretary

8.1 Disclose the text of the corporate secretary's position description. If the board has not developed a written position description for the corporate secretary, describe how the board delineates the corporate secretary's roles and responsibilities.

The board does not have a written position description for a "corporate secretary." The Executive Assistant to the Board and Administration fulfills the function of the Corporate Secretary.

Following are excerpts from the job description that pertain to the Board:

"Reporting to the President, . . . (position) involves complex administrative functions and flexibility to accommodate the changing needs of the President's Office and the Board. The position is viewed internally and externally as the spokesperson for the President's Office and the Board. ...Assists President, Board and administration committee members with policy and administrative guideline development. . .

Serve as the Board's administrative support by assisting with the operational affairs of the Board, coordinating the Board's professional development program, preparing minutes, initiating follow-up, providing background material for meetings, arranging Board members' travel, distributing information on the Board's behalf, providing secretarial assistance to the Chair and other Board members as required and providing information to Board members on request, . . .

Develop and maintain effective, secure and archival system for the Board, President and corporate offices."

Guideline 9: Code of Conduct and Ethics

9.1 Disclose whether the board has adopted a written Code of Conduct and Ethics for directors, officers and employees.

The board has adopted a written Code of Conduct as follows:

The Board commits itself and its members to ethical and business-like conduct. This commitment includes proper use of authority and appropriate decorum when acting as Board members.

1. Board members must represent unconflicted loyalty to the interests of the ownership. This accountability also supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. This accountability supersedes the personal interest of any Board member acting as an individual consumer of the organization's services.

2. Board members must avoid any conflict of interest with respect to their fiduciary responsibility.

2.1 There must be no self-dealing or any conduct of private business or personal services between any Board member and the organization except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.

2.2. When the Board is to decide upon an issue, about which a member has an unavoidable conflict of interest, that governor may, at the discretion of the Board, absent him/herself during the discussion and shall not vote on the issue in question.

2.3 Board members must not use their positions to obtain employment in the organization for themselves, family members or close associates. Should a public Board member be considered for employment, s/he must temporarily withdraw from Board deliberation, voting and access to applicable Board information.

2.4 Except as provided under legislation, Board members shall not retain their Board membership if they are employed by the College in a regular full time capacity. This does not, however, preclude Board members from accepting short term appointments or contracts with the college.

2.5 Board members will annually disclose their involvements with other organizations, with vendors, or with any other associations which might produce a conflict. The disclosure process will normally occur in August or, in the case of new Board members, upon initial appointment.

3. Board members shall not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.

3.1 Board members' interaction with the President or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.

3.2 Board members' interaction with the public, press or other entities must recognize the same limitation and the similar inability of any Board member to speak for the Board.

4. Board members will respect the confidentiality appropriate to issues of a sensitive nature.

9.2 *If the board has adopted a written code:*

i *disclose how an interested party can obtain a copy of the code; and*

Currently the College policy manuals are available on request from administration on all campuses and regional office. The goal is to ensure the policy manual is available on the web-site. The Board's Code of Conduct will be available on the college website by June 30, 2006.

ii *describe how the board monitors compliance with the code.*

The board monitors its policies annually to determine if the policy is met and if there is need for revision. It is currently reviewing its policies and related monitoring tools to ensure relevancy.

9.3 *If the board has not adopted a written code, describe the steps taken by the board to foster a culture of ethical business conduct.*

N/A

9.4 Describe the process whereby directors disclose real or potential conflicts of interest.

As part of the board policy (see earlier), the board is required to annually disclose conflicts or potential conflicts. Conflict of interest is also embodied in the board's bylaws.

9.5 If the organization's Code of Conduct and Ethics allows the board to grant waivers for any of its provisions, disclose whether the board granted any such waivers during the preceding year and, if so, the reasons for so doing.

A form of waiver is acceptable under item 2.4; however, no waivers have occurred in the recent past.

Guideline 10: Orientation and Professional Development

10.1 Describe what measures the board takes to orient new directors regarding:

i) the relationship and division of responsibilities between the board and Government;:

The board chair (and/or a representative) meet with new governors to help them understand the differing roles and responsibilities.

ii) the role of the board, its committees and directors; and

As above.

iii) the mandate and operations of the organization.

As above and part of the board's ongoing education program usually includes a workshop providing an institutional financial/budget overview.

10.2 Describe what measures the board takes to provide members with ongoing education. If the board does not provide ongoing educational opportunities, describe how the board ensures that its directors maintain the skills and knowledge necessary to meet their obligations as directors.

Board members receive a package of written information as reference to help them in their role as governors. This includes a variety of college related documents and the policy handbook. They are encouraged to attend relevant conferences. Written information explaining the model of governance is available for circulation to board members. The board is always monitoring its policies and updating them as required. Education and information sessions occur at most meetings and there are annual retreats explaining the governance model. The Board Governance Process Policies include the Board's commitment to orientation and ongoing board development.

Guideline 11: Board, Committee and Director Assessment

11.1 Describe the assessment process that was used in the preceding year for the board, its committees and individual directors. If there was no formal assessment process for the board, its committees or individual directors, describe how the board satisfies itself about effective performance.

The board assesses itself by monitoring its Governance Process and Board-President Linkage policies. In the past year it has reviewed self-monitoring tools and is still assessing them for value and relevancy. The board has spent the last year reviewing the governance model and looking at ways to improve the language of its policies. The new president has provided the board her interpretation of those policies and the board has clarified its policy language to ensure that its expectations are met.

Guideline 12: Communications Strategy

12.1 Describe the organization's practice for reporting on financial and other affairs of the organization.

The financial and budgeting limitation policies were reviewed recently and are monitored by the board. The president reports to the board and the independent auditors provide the fourth quarter report.

The Public Bodies report is submitted to government and is available upon request.

The college submits a variety of reports to the government. The Service Plan, and Multi-Year Plan and subsequent updates and reports are required annually. The updates and reports show progress around management goals and objectives. The Service Plan is available on the college web-site.

The college also publishes an annual report that includes the independent audited financial statements and enrollment reports.