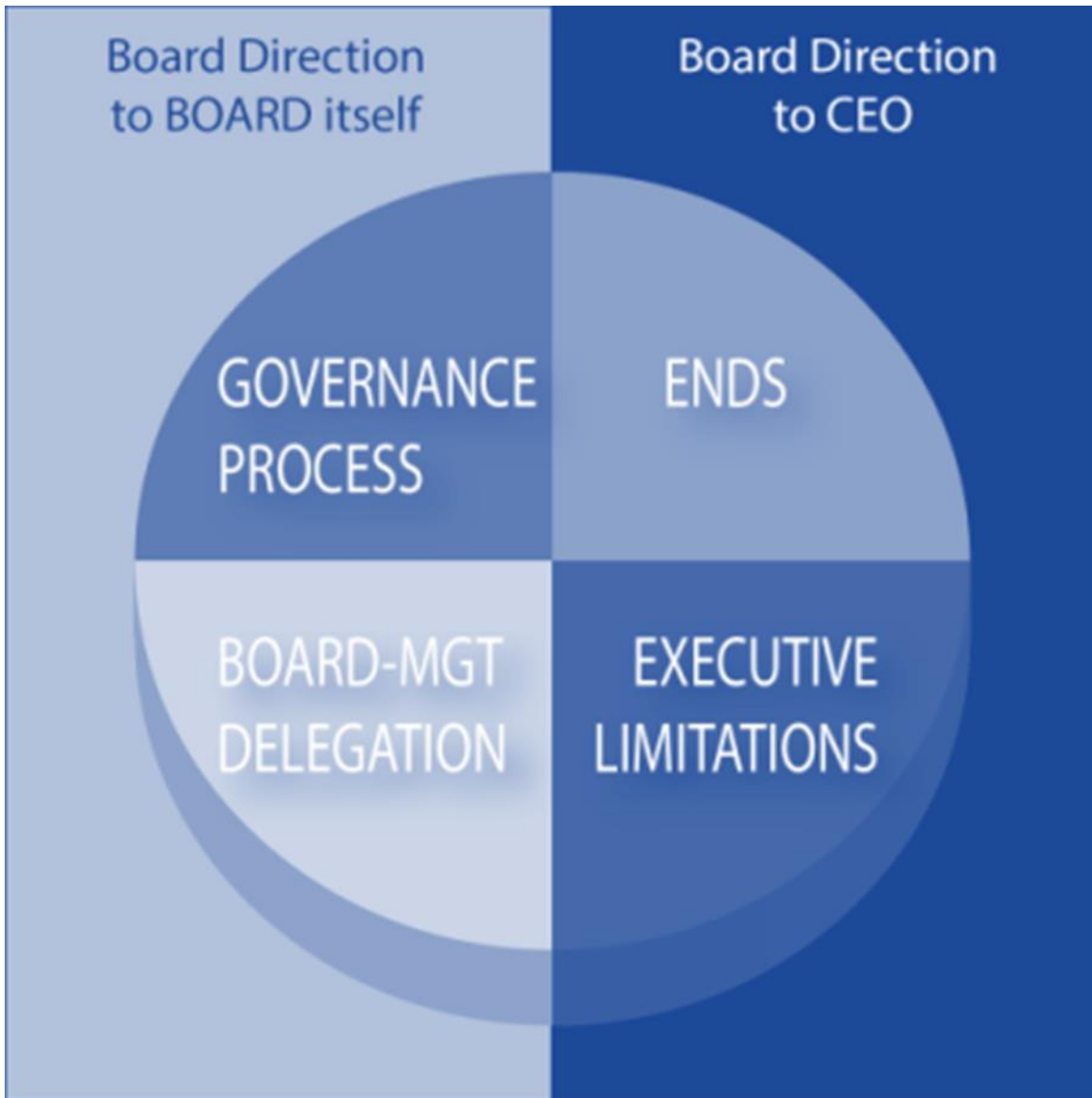




# Governance Policy Manual



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## Definitions and Acronyms

**“Act”** means the *Canada Not-for-Profit Corporations Act*

**“Auditor”** means the auditor appointed by the Members at the AGM

**“Board”** means the board of directors of the OEBC; see [GP-3 Board Job Description](#)

**“Bylaws”** the bylaws approved by the Members

**“casting vote”** means the vote that the presiding officer of the Board or Committee may exercise to break a deadlock (occasionally in addition to a regular vote as a member of the body to resolve a deadlock).

**“CEO”** means the chief executive officer appointed by the Board

**“Chair”** means the Chair of the Board; see [GP-9 Role of the Chair](#)

**“Committee”** means a committee, established following, see [GP-4 Board Committee Principles](#)

**“Consultant”** means a consultant engaged by OEBC

**“director”** means a member of the Board; see [GP-5 director Code of Conduct](#)

**“Governance Policies”** means The Governance Process (GP), Board-Management Delegation (BMD), Executive Limitations (EL), and Ends (E) Policies approved by the Board And published in this manual

**“Legal Counsel”** means legal counsel approved by the Board

**“Meeting of Members”** includes Meeting of Members and Special Meeting of Members as defined in the Bylaws

**“Members”** means the members of the Corporation, the ten provincial optometric regulatory authorities

**“OEBC”** means Optometry Examining Board of Canada, the **“Corporation”** under the Act

**“Officers”** means Chair, CEO, Secretary, and Treasurer the offices of the Corporation — set out in section 7.01 of the Bylaws

**“Operational Policies”** means policies approved by the CEO and published

**“optometric regulatory authority”** means the provincial or territorial body responsible for the professional regulation of optometrists, as established by provincial or territorial statute

**“Policies”** means Governance Policies and Operational Policies

**“Signing Officers”** means the Chair, CEO, and others as approved by the Board

**“staff”** means the staff of OEBC

**“Volunteers”** means volunteers engaged by OEBC

## Overview of OEBC Governance

### Mission, Vision, and Values

- Vision** To be the sole provider of competence assessments for optometric regulatory authorities in Canada.
- Mission** To continually develop and administer a legally valid and defensible entry-to-practice examination to assess competence in the practice of optometry in Canada that meets Members' expectations.
- Values** Trust, Integrity, Transparency, Engagement, and Responsibility.

### Style of Governance

Board governance refers to the job of a board of directors. For the OEBC to live up to its potential and achieve relevant results for its Members, good Board governance is critical.

**1. Authority and Accountability:** The Board's ultimate authority comes from the Members. The governance job of the Board comes down to four things:

- a) Having an ongoing dialogue with the Members to discern their expectations for the results OEBC should produce;
- b) Translating those expectations, plus other information and the directors' perspectives and the Corporate values, into strategy and written criteria for success
- c) Checking to see that those criteria were met; and
- d) Managing risks. A Risk Register will be maintained and discussed at each Board meeting.

**2. Governance Position:** The board is a vital link in the chain of command with the Members above and operational matters below. Its role is the commander. The Board exists to exercise that authority and empower others to act. Accordingly, the Board bears full and direct responsibility for the governance process and products and accountability for any authority and performance expectations delegated to others.

**3. Board Holism:** The Board's authority is a group authority rather than a summation of individual authorities. It makes sound decisions directed toward the CEO, directors, and committees only as a group.

**4. Strategy:** The Board has a unique wealth of strategic and leadership experience available to the CEO. However, when the Board gets bogged down in detail, it is detrimental to the strategic intent. The CEO must help the Board think and act strategically. Strategy is the very essence of the Board, and policy is the result of its strategic deliberations. The plan to implement strategy/policy is the domain of the CEO.

The Board's approach to strategy focuses on the problem, risks, or aspirations rather than on specific solutions.

**5. Governance Policies:** These policies are made beginning at the broadest, most inclusive level and, if necessary, continuing into more detailed levels that narrow the interpretative range of higher levels,

proceeding one articulated level at a time. These documents replace the Board's expressions of mission, vision, philosophy, values, and strategy.

**a) Ends Policies:** The Board defines in writing the (a) the results, changes, or benefits that should come about for (b) specified recipients, beneficiaries, or other targeted groups, and (c) at what cost or relative priority for the various benefits or various beneficiaries.

These are not all the possible benefits that may occur but are those that form OEBC's purpose. The achievement of the policies constitutes organizational success. Therefore, the Board has approved the following Ends (E) policy:

- [E-1 Global Ends](#) — Ends objectives for OEBC. Competency assessment for entry-to-practice in Canada for the optometry profession.

**b) Executive Limitations Policies:** The Board guides its CEO's means decisions and actions in a proscriptive way to (a) avoid prescribing means and (b) put off-limits those means that would be unacceptable even if they work. OEBC has the following Executive Limitations (EL) Policies:

- [EL-1 General Executive Constraint](#) — A general directive not to cause or allow any unlawful act or decision or in violation of professional ethics.
- [EL-2 Treatment of staff](#) — A "floor" for fair treatment of staff.
- [EL-3 Compensation and Benefits](#) — Characteristics not tolerated in any wage and salary or benefits issues.
- [EL-4 Treatment of Volunteers](#) — A "floor" for fair treatment of volunteers.
- [EL-5 Financial and Accounting Policies](#) — Clarifies financial conditions to avoid.
- [EL-6 Financial Planning and Budgeting](#) — Unacceptable risk for financial planning and budgeting.
- [EL-7 Asset Protection](#) — Unacceptable risk and treatment of fixed and liquid assets. Minimum standards for insurance coverage.
- [EL-8 Communication and Support to the Board](#) — Requirement for the CEO to ensure the board's information and support.

**c) Delegation to Management:** When the Board chooses to delegate to management, it honours the CEO's exclusive authority and accountability as the only connector between governance and management. Accordingly, the Board has approved the following Board-Management Delegation (BMD) policies:

- [BMD-1 Global Board Management Delegation](#) — A general policy that the Board's sole official connection to the operational organization is through its CEO.
- [BMD-2 Unity of Control](#) — Clarifies that the CEO treats the Board as a whole and acts on its decisions.
- [BMD-3 Accountability of the CEO](#) — Clarifies that the CEO is the only link to the operational achievement of OEBC and the inability of the Board to direct or evaluate staff.
- [BMD-4 Delegation to the CEO](#) — Clarifies the Board's delegation to the CEO to achieve ends within limitations set out and allows the CEO to use any reasonable interpretation of the policy.
- [BMD-5 Monitoring CEO Performance](#) — Sets out the monitoring schedule for Ends and Executive Limitations policies.

**d) Governance Process Policies:** The Board defines in writing those behaviours, values, practices, disciplines, and conduct of the Board itself and the Board's delegation and accountability. The Board has approved the following Governance Process (GP) policies:

- [GP-1 Global Board Governance Commitment](#) — A general policy committing to achieving the members' results at a reasonable cost.
- [GP-2 Governing Style](#) — Sets out Policy Governance as a style of Board governance.
- [GP-3 Board Job Description](#) — Sets out Board member's job description.
- [GP-4 Board Committee Principles](#) — Sets out principles to govern the establishment of Board committees.
- [GP-5 director Code of Conduct](#) — Sets out the code of conduct for Board members.
- [GP-6 Board Linkage with the Members](#) — Affirms the linkage between the Members and the Board.
- [GP-7 Agenda Planning](#) — Sets out policy regarding an annual planning calendar for Board meetings.
- [GP-8 Accountability and Values](#) — Sets out the values of OEBC and a whistleblowing procedure.
- [GP-9 Role of the Chair](#) — Sets out the Chair's authority and role as chief governance officer.
- [GP-10 Board Meetings](#) — Sets out policies to govern the conduct of Board meetings.
- [GP-11 Voting at Meetings](#) — Sets out policies for voting at meetings of the Board.
- [GP-12 Cost of Governance](#) — Provides for developing an annual budget to support Board expenses and training and Board work.
- [GP-13 Board Elections](#) — Sets out a policy to govern Board elections.
- [GP-14 CEO Succession Planning](#) — Sets out a policy regarding succession planning for a CEO.

**6. Reasonable Interpretation:** In delegating decisions beyond the ones recorded in Board policies, the Board grants the right to use any reasonable interpretation of:

- Ends and Executive Limitations policies to the CEO, and
- Governance Process and Board-Management Delegation policies to the Chair, except when the Board has explicitly designated another Board member or Board committee.

**7. Monitoring:** The Board monitors organizational performance through fair and systematic assessment of whether a reasonable interpretation of its Ends policies is achieved within the boundaries set by a reasonable interpretation of its Executive Limitations policies. This monitoring informs the CEO's evaluation. (see [Monitoring Schedule](#))

## Ends (E)

### E-1 Global Ends

On behalf of Members, OEBC assesses if a candidate has met the entry-level competence required for practice and recovers the costs for this service from candidates.

1.1 The competency assessment will be valid, defensible, reliable and relevant to practice in Canada.

1.1.1 The competency assessment will be available in both English and French.

1.1.2 The competency assessment will be based on a competency profile.

1.2 OEBC will use resources effectively, equitably and responsibly to achieve excellent outcomes in providing competency assessment at a justifiable cost/investment.

## Executive Limitations (EL)

### EL-1 General Executive Constraints

The CEO shall not knowingly cause or allow any practice, activity, decision or organizational circumstance which is unlawful, imprudent or in violation of any legislation, Values, or commonly accepted business and professional ethics and practices.

### EL-2 Treatment of staff

The CEO shall not knowingly cause or allow working conditions for the staff or Volunteers that are illegal, unfair, disrespectful, unsafe, disorganized or unclear.

Further, the CEO shall not fail to:

1. Have written personnel rules that:
  - a. detail the expectations and working conditions for the staff;
  - b. provide for effective handling of grievances; and
  - c. protect against illegal, unfair, disrespectful, unsafe or wrongful working conditions; and is, at a minimum, following current applicable employment standards legislation.
2. Inform staff regarding the standards for assessing their performance.
3. Assess staff per the expected performance standards annually.
4. Prepare staff to deal with emergencies.

### EL-3 Compensation and Benefits

The CEO shall not cause or allow compensation and benefits to staff, Consultants, contract workers and volunteers to jeopardize the fiscal integrity, legal liability or public image of OEBC.

Specifically, the CEO shall not:

1. Change the CEO's compensation and benefits.
2. Promise or imply unconditional, permanent or guaranteed employment.

3. Create employment or contractual obligations over a term longer than revenues can be safely projected.
4. Establish or maintain current compensation and benefits which deviate from:
  - a. the geographical or professional market for the skills employed
  - b. Provincial Employment Standards and other government requirements
5. Allow staff to be uninformed of their annual compensation and benefits package.
6. Dismiss staff without regard for appropriate employment standards, proper legal procedures and OEBC policy.

#### EL-4 Treatment of Volunteers

Volunteers are essential to OEBC in carrying out its business. Therefore, the CEO shall not knowingly allow individuals to be out of pocket for expenses incurred while conducting authorized, pre-approved business on behalf of OEBC.

Further, the CEO shall not fail to:

1. Inform Volunteers regarding allowable travel or other expenses while conducting OEBC business.
2. Inform Volunteers regarding:
  - a. role and responsibilities;
  - b. confidentiality and code of conduct; and
  - c. avoidance of conflict of interest in exam preparation and delivery.
3. Provide an honorarium for attending Volunteers' meetings and events related to developing and administering the exam.

#### EL-5 Financial and Accounting Policies

Concerning the actual ongoing financial conditions and activities, the CEO shall not knowingly cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from priorities established in Ends Policies.

The CEO has a supervisory role in all aspects of financial management. However, the CEO may delegate these responsibilities as they see fit.

Further, the CEO shall not fail to:

##### **General Requirements**

1. Remit tax payments or other government-ordered payments and accurate government filings on time.
2. Settle payroll and debts on time.
3. Pursue receivables after a reasonable grace period.
4. Obtain Board approval before making a single purchase or commitment of greater than \$120,000. Splitting a purchase or commitment to avoid this limit is not acceptable.
5. Disclose annually to the Board all contracts valued at \$50,000 or more per year.



**Fee Policy**

6. Set Exam Fees on using the following governing principles:
  - a. fees should be fair, reasonable, predictable, and stable;
  - b. fees should not cross-subsidize written exam or OSCE candidates;
  - c. fees should balance candidate affordability and Members’ risk tolerance regarding the validity and defensibility of the assessment;
  - d. administrative costs in setting, collecting and administering fees should be minimized;
  - e. fees should recover costs and meet OEBC financial and Reserve Fund requirements;
  - f. fees should be easily adaptable to changes in the operating environment;
  - g. fees should be reviewed annually; and
  - h. new or amended fees should be applied consistently across the components of the exam.
7. Maintain published Exam Fees once an exam registration has opened.
8. Review the allocation of governance and administration expenses to written exam and OSCE on a five-year rolling ratio of administration and development expenses (current year, two previous years and two forecast years.) The expense allocation for exam components is as follows:

Expense Category	Allocation	
	Written	OSCE
<b>Governance</b>	25%	75%
<b>Administration</b>	25%	75%
<b>Competency Model and Blueprint</b>	50%	50%
<b>Exam Administration - OSCE</b>		100%
<b>Exam Development - OSCE</b>		100%
<b>Exam Administration - Written</b>	100%	
<b>Exam Development - Written</b>	100%	

**Reserve Policy**

9. Obtain Board approval before drawing on Reserve Funds.
10. Maintain the following *Internally Restricted Reserve Funds*:
  - a. **Exam Development Fund** — to provide funds for the development of OSCE, written exam, exam blueprint, and competency model.  
*Funding goal* — maintain fund between \$300,000 and \$750,000
  - b. **Administration Contingency Fund** — to provide funds for operational activities in the event of fiscal deficit; unplanned, unforeseen and extraordinary events beyond management control; unexpected reduction in candidate numbers; one-time projects, strategic initiatives; research and development; or other circumstances approved by the Board.  
*Funding goal* — maintain funds between \$500,000 and 55% of the operating expenses
  - c. **Risk Management Contingency Fund** — to offset or fund costs related to litigation activities and human rights claims.  
*Funding goal* — \$200,000
  - d. **Capital Reserve Fund** — to purchase required capital assets.  
*Funding goal* — \$100,000

11. Transfer of available discretionary funds from any confirmed surplus from net income at each fiscal year-end, meet the Reserve Funds' funding goals, in priority order of Exam Development Fund, Administration Contingency Fund, Risk Management Contingency Fund, and Capital Reserve Fund.
12. Reduce fees when the Reserve Funds meet the funding goal, in conjunction with the annual fee review.

### Accounting Policies

13. Prepare statements per Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:
  - a. **Fund Accounting** — The unrestricted fund records the revenue and expenses related to optometry entry-to-practice examinations administration. The internally restricted funds report the funds that have been allocated and set out for specific purposes.
  - b. **Revenue Recognition** — Fees paid for examinations are recorded as revenue when the examination occurs. Member contributions are recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest income is recognized as revenue in the year in which it is earned.
  - c. **Financial Instruments** are recorded at fair value on initial recognition. Investments are subsequently measured at fair value. All other financial instruments are recorded at fair value.

**Transactions Costs** incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, amortized on a straight-line or declining basis as applicable.

**Financial Assets** are assessed for impairment at the end of each fiscal year if there are indicators of impairment. If there is an indicator of impairment, the OEBC determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, being the amount that could be realized from selling the financial asset or the amount OEBC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be changed to the extent of the improvement, not exceeding the initial carrying value. Impairments are recognized through an allowance account, with a corresponding charge in the Statement of Operations.

- d. **Short-term and Long-term Investments** consist of guaranteed investment certificates and are recorded at the quoted market value. Investments that do not mature at the end of the following fiscal year are recorded as long-term.
- e. **Prepaid Expenses** are comprised of advance payments made to vendors for insurance, facilities and exam administration services to be received in the following fiscal year.

- f. **Property and Equipment** (*SECTION 4433 - Tangible Capital Assets*<sup>1</sup>) — Property and equipment are recorded at cost and amortized on the straight-line method over the following estimated useful lives:

Computer hardware	5 years
Furniture and equipment	10 years
Optometric equipment	10 years
Leased equipment (capital lease)	Lease period

- g. **Intangible Assets** (*SECTION 4434- Intangible Assets*<sup>2</sup>) — Initially recorded at the cost of acquisition and amortized on the straight-line over their useful lives:

Computer software	5 years
Databases	15 years
Exam Development	15 years
Competency Model	15 years
Exam Blueprint	15 years

When an intangible asset no longer contributes to the OEBC's ability to provide services, its carrying amount is written down to its fair value or replacement cost.

- h. **Deferred revenue** consists of application fees and member contributions received in the current fiscal year, related to the subsequent fiscal year.
- i. **Measurement Uncertainty** — The CEO makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. The area requiring judgment relates to the estimated useful lives of capital assets and accrued liabilities. Actual results may differ from these estimates.
- j. **Contributed Services** — OEBC uses volunteers to assist in its activities. While these services benefit OEBC considerably, a reasonable estimate of the time spent and its fair market value cannot be made. Accordingly, these contributed services are not recognized in the financial statements.

## EL-6 Financial Planning and Budgeting

The CEO shall not cause or allow fiscal planning in any fiscal year or the remaining part of any fiscal year to deviate materially from the Ends priorities, risk financial jeopardy, or fail to be derived from multiyear planning.

The CEO will not allow budgeting to:

1. Risk incurring those situations or conditions described as unacceptable in [EL-5 Financial Condition and Activities](#).
2. Omit credible projection of revenues and expenses, separation of capital, reserve and operational items and disclosure of planning assumptions.
3. Provide for fewer Board prerogatives during the year than outlined in [GP-12 Cost of Governance](#).

<sup>1</sup> Canadian accounting standards for not-for-profit organizations

<sup>2</sup> Canadian accounting standards for not-for-profit organizations

## EL-7 Asset Protection

The CEO shall not knowingly cause or allow assets, including Reserve Funds, to be unprotected, inadequately maintained or managed, unnecessarily placed at risk or fail to be maximized.

Specifically, the CEO shall not fail to:

1. According to the Auditor's standards and recommendations, prudently manage OEBC's financial affairs following generally accepted financial practices.
2. Maintain adequate insurance coverage, which addresses the loss of assets belonging to OEBC.
3. Maintain adequate insurance coverage, which protects against claims of liability.
4. Protect intellectual property, confidential information and files from loss, damage, theft, inappropriate use or inappropriate access.
5. Update the National Competency Model at least every five years.
6. Ensure adequate protection against conflict of interest when making purchases.
7. Request more than one quote for expense items over \$25,000.
8. Ensure against improper wear and tear and maintenance of property and equipment.
9. Maintain and operate physical facilities in a manner that ensures a state of good repair and safety.
10. Identify, through approval of the Board, all Signing Officers.
11. Manage the financial instruments or investments entered into by OEBC (where the principal is guaranteed) appropriately and make non-neglectful efforts to optimize the financial returns of such instruments or investments without exposing these assets to undue risk.

## EL-8 Communication and Support to the Board

The CEO shall not permit information and advice to the Board to have significant gaps in timeliness, completeness or accuracy, nor cause or allow the Board to be uninformed or unsupported in its work.

Further, without limiting the scope of the above statement by the following list, the CEO shall not fail to:

1. Submit monitoring data required by [BMD-5 Monitoring CEO Performance](#) in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, including CEO interpretations consistent with [BMD-4 Delegation to the CEO](#), as well as relevant data.
2. Advise the Board of any actual or anticipated noncompliance with any Ends or Executive Limitations policies regardless of the Board's monitoring schedule.
3. Make available to the Board adequate information about the environment to support informed Board decisions or allow the Board to be unaware of material internal and external changes, trends and conditions.
4. Make available to the Board a current Risk Register at every Board meeting.
5. Inform the Board of any significant incidental information, including any anticipated media coverage, threatened or pending lawsuits or benefactor donations or gifts that could be either beneficial or a threat to OEBC.
6. Present information in an understandable form or in a way that differentiates among:
  - information for decision making,
  - information for monitoring, or

- that which is for information purposes only.
7. Inform the Board that, in the CEO's opinion, the Board is not in compliance with its Governance Process and Board-Management Delegation policies, including when Board noncompliance is detrimental to the working relationship between the Board and the CEO.
  8. Submit a consent agenda that is free of items delegated to the CEO yet required by law, regulation or contract to be Board-approved, along with applicable monitoring information.
  9. Provide the Board with a workable mechanism for official Board, officer or Committee communications.
  10. Uniformly deal with directors, except when:
    - a. responding to or briefing officers or committees duly charged by the Board; or
    - b. at his/her discretion, fulfilling reasonable individual requests for information.

### EL-9 Selection of Competency Measurement Technique Criteria

When using live patients, standard patients and models in an OSCE, the CEO shall not knowingly cause or allow an OSCE station that is not valid, defensible, reliable and relevant to practice in Canada.

Further, without limiting the scope of the above statement by the following list, the CEO shall not fail to:

1. Include a combination, when deemed appropriate, of live patients, standard patients and models in each OSCE administration.
2. Stay current on the best practices of measuring competencies.

### EL-10 Treatment of Members

Regarding interactions with Members, the CEO may not cause or allow conditions, procedures, or unsafe, undignified, unnecessarily intrusive decisions, or that fail to provide appropriate confidentiality or privacy.

Specifically, the CEO shall not fail to:

1. Treat Members with a level of courtesy and respect expected in everyday business practice.
2. Communicate significant changes to the competency model, exam blueprint, structure or content and provide a mechanism to receive information and provide feedback.
3. Provide information within a timely matter on any matter when requested, except personal information related to staff or specific exam questions.
4. Provide a mechanism for the regular communication of OEBC business to Members, including issuing a Summary after every Board meeting.
5. Consult with Members regarding the structure and content of the exam and offer Members practical mechanisms to raise issues of concern.
6. Make presentations at Members' Council meetings if requested.

## Board-Management Delegation (BMD)

### BMD-1 Global Board-Management Delegation

The Board's sole official connection to the operational organization, its achievements and conduct will be through the CEO.

## BMD-2 Unity of Control

Only officially passed motions of the Board are binding on the CEO.

1. Decisions or instructions of individual directors, Officers or Committees are not binding on the CEO except in rare instances when the Board has specifically authorized such exercise of authority.
2. In the case of directors or committees requesting information or assistance, the CEO can refuse such requests that require a material amount of staff time or funds or are disruptive.

## BMD-3 Accountability of the CEO

The CEO is the Board's only link to the operational achievement and conduct of staff. Therefore, the accountability of staff, Volunteers, and Consultants are considered under the CEO's authority and responsibility.

The Board and the Members will refrain from:

- a) Giving instructions to persons who report directly or indirectly to the CEO
- b) Evaluating, either formally or informally, any staff other than the CEO
- c) Micro-managing or engaging in any activity that undermines the authority of the CEO

The Board will view CEO performance as identical to organizational performance.

## BMD-4 Delegation to the CEO

The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and proscribe organizational situations and actions to be avoided (Executive Limitations), allowing the CEO to use any reasonable interpretation of these policies.

Accordingly,

1. The Board will develop [Ends policies](#) instructing the CEO to achieve specified results for specified recipients at a specified cost/value. Policies are developed systematically from the broadest, most general level to more defined levels. All issues that are not Ends issues as defined here are means issues.
2. The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. Policies are developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the CEO.
3. As long as the CEO uses any reasonable interpretation of [Ends policies](#) and [Executive Limitations policies](#), the CEO is authorized to establish all further operational policies and procedures, take all actions, establish all practices and develop all activities. Such decisions of the CEO shall have the full force and authority as if decided by the Board.
4. The Board may change its Governance Process policies and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. But as long as any particular policy is in place, the Board will respect and support the CEO's choices. This Policy does not prevent the Board from obtaining information from the CEO (except for confidential data) for Board policy decision-making.

## BMD-5 Monitoring CEO Performance

Systematic and rigorous monitoring of CEO job performance will be solely against the only expected job outputs: the organizational accomplishment of Board policies on Ends and administrative operation within the boundaries established in Board policies on Executive Limitations.

1. Monitoring is simply to determine the degree to which Board policies are being met. Information that does not do this will not be considered to be monitoring information.
2. The Board will acquire the monitoring data by one or more of the following methods:
  - a. By internal report, in which the CEO discloses information to the Board;
  - b. By external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; and
  - c. By direct Board inspection, a designated director or directors determine compliance with the appropriate policy criteria.
3. In every case, the Board will judge (a) the reasonableness of the CEO's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
4. The standard for compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness judging with a "reasonable person" test.
5. Policies that instruct the CEO will be monitored at a frequency and method chosen by the Board. The Board can monitor any Policy at any time by any method but will ordinarily depend on the Policy Monitoring Schedule.
6. Once a year, the Board will complete the evaluation cycle by formally assessing performance based on the year's monitoring data. This formal performance review will be conducted by cumulating the regular monitoring data (internal and external reports) and direct inspection provided during the year. The Board's reported acceptance or non-acceptance of these reports and identifying performance trends evidenced by that data.

## Governance Process (GP)

### GP-1 Global Governance Commitment

The purpose of the Board, on behalf of the Members, is to:

- a) Ensure oversight of the OEBC exam to the Members' satisfaction
- b) Ensure that OEBC operates effectively and efficiently.
- c) Ensure compliance with Bylaws and Policies.
- d) Ensure that OEBC adheres to all applicable legislation.
- e) Achieve the appropriate result for the appropriate people at the appropriate cost (as specified in the [Ends Policies](#)).
- f) Avoid unacceptable actions and situations (as prohibited in [Executive Limitations](#) policies).

Specifically, the Board is also responsible for:

- a) Approving of the Legal Counsel.
- b) Recommending the appointment of an Auditor to the Members.

## GP-2 Governing Style

The Board will govern lawfully, observing the principles of its governance model, with an emphasis on:

- a) an outward vision rather than an internal preoccupation,
- b) encouragement of diversity in viewpoints,
- c) strategic leadership more than administrative detail,
- d) clear distinction of Board and chief executive roles,
- e) collective rather than individual decisions,
- f) future rather than past or present, and
- g) proactivity rather than reactivity.

Accordingly,

- a) The Board will cultivate a sense of group responsibility.
- b) The Board will not allow any officer, individual or Committee to constrain it from fulfilling Board commitments.
- c) The Board, not the CEO, will be responsible for excellence in governance.
- d) The Board will establish policy.
- e) The Board will govern, direct, and inspire OEBC by carefully establishing broad written policies reflecting the Board’s values and perspectives about ends to be achieved and means to be avoided.
- f) The Board’s policy focus will be on the intended long-term effects of OEBC, not on the administrative or program means used to attain those effects.
- g) The Board will enforce upon itself whatever requirements are needed to govern with excellence.
- h) Ongoing Board development will include the orientation of new directors in the Board’s governance processes.
- i) The Board will monitor and discuss its processes and performance at regular intervals, including at its Board meetings as appropriate.

## GP-3 Board — Job Description

The role of the Board is to determine and demand appropriate organizational performance.

Accordingly,

1. The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision:
  - a. [Ends](#): Organizational impacts, benefits, outcomes; recipients, beneficiaries; and their relative worth in cost or priority;
  - b. [Executive Limitations](#): Constraints on CEO authority that establish the boundaries of prudence and ethics within which all CEO activity and decisions must take place;
  - c. [Governance Process](#): Specification of how the Board conceives, carries out and monitors its task;
  - d. [Board-Management Delegation](#): Sets out the delegation of power and its proper use



monitored; the CEO's role, authority and accountability.

2. The Board will evaluate the CEO's performance against [Ends](#) and [Executive Limitations](#) policies.

#### GP-4 Board Committee Principles

1. Committees help the Board do its job, assisting the Board by preparing policy alternatives and implications for Board deliberation.
2. The Board will use committees sparingly and in an ad hoc capacity.
3. Committees will be assigned to reinforce the wholeness of the Board's job and never interfere with delegation from Board to CEO.
4. Committees are not to help or advise the staff. In keeping with the Board's broader focus, Committees will typically not directly deal with staff operations.
5. Committees may 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 to avoid conflict with the authority delegated to the CEO.
6. Committees cannot exercise authority over staff. Because the CEO works for the entire Board, they will not be required to obtain approval from a Board committee before they take action.
7. A Committee that has helped the Board create a policy on some topics will not monitor organizational performance on that same topic.

This Policy applies to any group that is formed by Board action. It does not apply to any committee established under the authority of the CEO.

#### GP-5 Director Code of Conduct

Directors must understand their responsibilities and what is expected to ensure that Governance Policies are followed in an ethical, responsible, transparent, judicious and fair manner.

It is each director's responsibility to:

- a) Carry out their term with honesty, integrity and good faith.
- b) Behave in an ethical and exemplary manner.
- c) Not engage in verbal, physical or sexually harassing behaviour.
- d) Always act in the best interests of OEBC.
- e) Be prepared for and actively participate in OEBCs' meetings in an atmosphere of mutual respect and courtesy.
- f) Respect the confidentiality of information received and discussed.
- g) Avoid and declare any real or potential conflict(s) of interest as declared by themselves or reported by others.
- h) Not intervene in what has been delegated to the CEO.
- i) Report any questionable, fraudulent or illegal events or material actions in violation of Governance Policy.
- j) Participate in OEBC governance training and other developmental activities.
- k) Respect the authority of the Board. Open and respectful debate is encouraged. However, once a decision is made, directors must respect and publicly support that decision with one voice regardless of their position on the issue.
- l) Directors may not attempt to exercise individual authority over OEBC.

- m) Directors do not interact directly with or provide instruction to staff (except the CEO) unless explicitly authorized by the Board.
- n) The Chair and the CEO are the spokespersons for OEBC, and any requests for public statements should be directed to them.
- o) Except for participation in Board deliberations about whether the CEO has achieved any reasonable interpretation of Board policy, directors will not express individual judgment of the performance of staff or the CEO.

Any director who is unable or unwilling to comply with this policy will be asked to resign.

If a director has a conflict of interest with any discussion item, they must declare that conflict ahead of any discussion. A conflict of interest is defined as anything in which a director may benefit by virtue of a decision by OEBC. A conflict may be real or perceived, direct or indirect. It may also arise from failure to disclose pertinent information or personal, professional or business affiliations, interests or influences that produce a duality of commitments.

As disclosing such conflicts is paramount to maintaining appropriate ethical and moral standards, any director with a real or perceived conflict of interest on a particular issue cannot participate in deliberations or vote on the specific item.

When a director's conflict of interest is identified by another director but has not been self-declared, the matter should be reported to the Chair. The Chair shall bring the matter to the entire Board for discussion to determine if a conflict occurs.

## GP-6 Board Linkage with the Members

As the Board's primary emphasis is to produce relevant results as directed by the Members, regular two-way communication between the Board and the Members must occur as follows,

1. The Chair (or their designate) shall be the primary liaison and communication portal between the Board and the Members.
2. The Board shall attend Meetings of Members.
3. The Board shall:
  - a. annually seek to identify the aspirations of the Members related to the exam and its administration;
  - b. maintain a Member-Board responsibility matrix to ensure clarity regarding oversight and control that Members want to exercise directly over OEBC and the Board;
  - c. seek input into the structure and content of the exam and encourage Members to raise issues of concern;
  - d. seek feedback on significant changes to the structure or content of the exam, blueprint and the competency model;
  - e. provide regular communication of OEBC business to Members, which includes issuing a Summary after every Board meeting; and
  - f. provide information transparently to Members, other than matters of a confidential nature per GP-10 Board Meetings.
4. Board policy GP-7 Agenda Planning shall include a mechanism to permit Members to add items to the Board agenda and receive timely responses.

## GP-7 Agenda Planning

The Board will follow an annual planning cycle to optimize its effectiveness in governing, directing and inspiring OEBC.

Accordingly,

1. The Board meets a minimum of four times a year and, if possible, has at least one meeting in person.
2. The Board will examine its Risk Register at every meeting.
3. The Board will examine its Ends policies annually.
4. The Board will continually improve Board performance through Board education and enriched input and deliberation.
5. The Board agenda planning cycle will conclude each year on the last day of June to allow administrative planning and budgeting based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.
6. The Board planning cycle will start with the Board's development of its agenda for the next year, ensuring the inclusion of:
  - a. consultation with the Members and stakeholders; and
  - b. governance education and education related to Ends determination.
7. CEO monitoring will be on the agenda when reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.
8. A director may recommend or request an item for Board discussion by submitting the item to the Chair no later than fourteen (14) days before the Board meeting.
9. A Member may recommend or request an item for Board discussion by submitting the item to the Chair no later than twenty-one (21) days before the Board meeting. The Board will provide a status report to the Member within seven days of the meeting.

## GP-8 Accountability and Values

OEBC is committed to the highest standards of openness, probity and accountability. Its values are a commitment to trust, integrity, transparency, engagement, and responsibility. Our decisions are made objectively and with a sense of fairness to all involved.

An important aspect of accountability and transparency is enabling staff, directors, Members and others to voice concerns and provide input responsibly and effectively. It is a fundamental tenet that staff, Contractors and Volunteers will faithfully serve OEBC and not disclose confidential information about OEBC's affairs.

Nevertheless, where individuals discover information that they believe shows serious malpractice or wrongdoing within OEBC, they should disclose it internally without fear of reprisal. There should be arrangements to enable this to be done independently of line management.

A "Whistleblower Policy" is published on the website for staff, Volunteers, directors or Members to use rather than airing their complaints publicly. This policy assists an individual who believes they have discovered malpractice or impropriety. It is not designed to question financial or business decisions

taken by OEBC, competence assessment decisions, nor should it be used to reconsider any matters which have already been addressed under harassment, complaint, disciplinary or other procedures.

### GP-9 Role of the Chair

The Chair is the chief governance officer. The chair is a specially empowered director that assures the integrity of the Board’s process and occasionally represents the Board to outside parties.

The assigned result of the chair’s job is that the Board behaves consistently with its own rules and those imposed upon it through legislation.

- a) Meeting discussion content will only be those issues that, according to Board policy, clearly belong to the Board to decide or monitor.
- b) Information other than monitoring performance or Board decisions will be avoided or minimized and always noted.
- c) Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.

The Chair’s authority consists of making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, except for (a) employment or termination of a CEO and (b) where the Board specifically delegates portions of their authority to others. The Chair is authorized to use any reasonable interpretation of the provisions in these policies.

- a) The Chair is empowered to chair Board meetings with all the commonly accepted power of that position, such as ruling and recognizing.
- b) The Chair has no authority to make decisions about the Board’s policies within Ends and Executive Limitations policy areas. Therefore, the Chair has no authority to supervise or direct the CEO.
- c) The Chair may represent the Board to outside parties in announcing Board-stated positions and state Chair decisions, and interpretations within the area delegated to that role.

The Chair shall be a director.

When chairing a meeting, since the Chair also serves as a director, and is allowed to vote. Thus, the Chair is not permitted to have a second or Casting Vote.

An individual may serve as Chair for a maximum of six (6) consecutive years.

The Chair will:

- a) When present, preside at the Meeting of Members, Special Meetings of the Members and Board meetings.
- b) Be the public representative of OEBC, unless delegated to someone else by the Board.
- c) Remain impartial while conducting and chairing meetings.
- d) Serve as the Board’s primary communication and liaison with the Members.
- e) Create a meeting agenda. All agenda items and background information documents are expected to be forwarded to the Chair no less than fourteen (14) days before the meeting date to facilitate circulation no less than seven (7) days before the meeting to allow appropriate review by directors before the meeting.
- f) Set the dates and locations for Board meetings.

If the Chair is unable to fulfil their duties, the Vice-Chair will assume the Chair’s responsibilities.

## GP-10 Board Meetings

In addition to the Board, attendance at Board meetings is open to:

- a) CEO
- b) Auditor
- c) Legal Counsel
- d) Any other individual on the invitation of the Chair or by a Board resolution

Meetings shall be governed by the Bylaws and the most current edition of Robert's Rules of Order. If a dispute arises, it shall be settled by the Chair. If the Chair is unable to Chair a meeting, the remaining directors shall select a chair.

The Board shall consider matters of a confidential nature in-camera which may include but not be limited to the following:

- a) Acquisition or sale of land or other assets
- b) Litigation or potential litigation
- c) Receiving advice that is subject to solicitor-client privilege
- d) Any other matters which the Board, by a majority vote, determines that would be prejudicial to the interests of the Corporation, the Members or its clients
- e) Matters related to the assessment of competence
- f) Conflict of interest issues
- g) Personnel matters

*In-camera sessions* shall be attended by directors and other specific individuals invited by the Board to remain in attendance.

## GP-11 Voting at Meetings

At all meetings of the Board, voting shall proceed as follows:

- a) All directors shall have one (1) vote each.
- b) Proxy votes are not allowed.
- c) The Chair does not have a second or Casting Vote on any votes.
- d) Any director, including the chair, may call for a recorded vote and when there was a recorded voting, the Chair shall vote last.
- e) A simple majority carries motions and thus tie votes defeat motions.

A quorum at Board meetings shall be 50% + 1 of directors entitled to vote at the meeting. If a quorum is present at the start of the meeting, the directors present may proceed with the meeting even if a quorum is not present throughout the meeting.

## GP-12 Cost of Governance

To govern effectively, the Board will invest in its governance capacity.

Accordingly, the Board will invest in and be accountable for an annual budget that shall include costs for:

1. The development of skills, methods and supports sufficient to assure governing with excellence.

2. The training to orient new directors to Policy Governance, the Board's work, and increase existing director skill and understanding.
3. Outside monitoring assistance, including the annual financial audit.
4. Outreach mechanisms to be used as needed to ensure the Board's ability to listen to member/owner viewpoints and values.
5. Reasonable travel and related expenses to discharging a director's duties are reimbursed following the OEBC Travel and Expense Policy. When a director travels to attend a Board meeting and the meeting of another organization, the director shall attempt to share the expenses across both organizations.
6. Honorariums to compensate a director's time attending meetings of the Board and meetings of Committees, specifically:
  - a. paid quarterly
  - b. \$600 (1 day) per in-person meeting, per day
  - c. \$300 (1/2 day) per teleconference meeting, regardless of length (estimate 1-4 hours)
  - d. \$600 (1 day) for travel time (i.e. to and from) in-person meeting except for travel within Greater Toronto Area
7. An honorarium<sup>3</sup> and travel expenses may be claimed when required to attend Meeting of Members as an observer.
8. The Chair will receive an annual Chair stipend of \$5,000.
9. The retention of Legal Counsel to support the Board in matters requiring legal counsel.
10. The Board will establish its cost of governance budget for the next fiscal year by April.

### GP-13 Board Elections

Members are responsible for electing directors. Elections occur at the AGM or a special meeting of the Members when required.

The Board shall consist of:

- One (1) representative from each optometric regulatory authority elected by the Members

Directorship terms are staggered to balance the need for leadership, continuity and avoid losing too much corporate and governance knowledge at one time.

Where directors' terms are expiring, the CEO shall request that Members nominate an optometrist to serve for a three-year team on the Board.

#### **Vacancy During the Term**

The Board may fill a vacancy among the directors for the unexpired term. The Board may elect to leave the position open until the next Meeting of Members or fill the position based on the Members' recommendation. ([BY-LAW NO. 1, s. 5.09](#))

#### **Returning Officer and Scrutineer**

The Board will appoint one director (who is not up for election) to serve as the returning officer and one director (who is not up for election) to serve as a scrutineer.

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<sup>3</sup> Reported as income and T4 issued annually.

The duties of the returning officer include:

- a) Establish the rules and procedures to ensure the integrity and security of ballots and the voting process.
- b) Attend the voting at the meeting and determine the eligibility of the voters.
- c) Resolve any disputes that may arise.
- d) Ensure the balloting is carried on per the rules.
- e) Ensure supervision of the ballot counting and ensure counting procedures are per these rules.
- f) Make any required decisions concerning the conduct of voting and counting.
- g) Approve the form of ballot.
- h) Supervise the security of ballots before, during and after the voting.
- i) Ensure destruction of all ballots within fifteen (15) days of the election.

The duties of the scrutineer include:

- Assist the returning officer with the ballot counting.

## GP-14 CEO Succession Planning

The CEO is directly accountable to the Board and is considered its most important resource and asset. As such, great care and consideration must be given to selecting the appropriate individual or organization to ensure that [Ends policies](#) and activities are carried out in an ethical, responsible, transparent, judicious and fair manner.

To ensure continuity of OEBC's activities, the CEO must give the Board reasonable notice regarding their intended length of service.

Following a notice of resignation, death or termination of the current CEO:

- a) The Board or committee created for this purpose will immediately review the current CEO's compensation and benefits package to determine possible changes before a new CEO search is conducted.
- b) The Board or a committee created for this purpose will be responsible for conducting the new CEO search, reviewing applications and conducting interviews.
- c) An appropriate employment contract will be drafted and reviewed by legal counsel before presenting it to the selected candidate.
- d) If a committee is formed to recruit a new CEO, the Board maintains sole authority for appointing the new CEO.

Policy Monitoring and Policy Review Schedule

Date	Monitoring & Review	Method	Policy Review
<p><b>Q1</b> <b>Oct-</b> <b>Dec</b></p>	<p><a href="#">EL-1 General Executive Constraint</a> <a href="#">EL-3 Compensation and Benefits</a> <a href="#">EL-5 Financial Condition and Activities</a> <a href="#">EL-7 Asset Protection</a></p>	<p>Internal Internal External Internal</p>	<p><a href="#">BMD-1 Global Board Management Delegation</a> <a href="#">BMD-2 Unity of Control</a> <a href="#">BMD-3 Accountability of CEO</a> <a href="#">BMD- 4 Delegation to the CEO</a> <a href="#">BMD-5 Monitoring CEO Performance</a> <a href="#">EL-1 General Executive Constraint</a> <a href="#">EL-3 Compensation and Benefits</a> <a href="#">EL-7 Asset Protection</a> <a href="#">GP-14 CEO Succession Planning</a></p>
<p><b>Q2</b> <b>Jan-</b> <b>Mar</b></p>	<p><a href="#">EL-2 Treatment of staff</a> <a href="#">EL-4 Treatment of Volunteers</a> <a href="#">EL-5 Financial Condition and Activities</a></p>	<p>Internal Internal Internal</p>	<p><a href="#">EL-2 Treatment of staff</a> <a href="#">EL-4 Treatment of Volunteers</a> <a href="#">GP-3 Board Job Description</a> <a href="#">GP-5 director Code of Conduct</a> <a href="#">GP-7 Agenda Planning</a> <a href="#">GP-12 Cost of Governance</a></p>
<p><b>Q3</b> <b>Apr-</b> <b>June</b></p>	<p><a href="#">E-1 Global Ends</a> <a href="#">EL-6 Financial Planning and Budgeting</a></p>	<p>Internal Internal Internal</p>	<p><a href="#">E-1 Global Ends</a> <a href="#">EL-6 Financial Planning and Budgeting</a> <a href="#">GP-8 Accountability and Values</a> <a href="#">GP-10 Board Meetings</a> <a href="#">GP-11 Voting at Meetings</a></p>
<p><b>Q4</b> <b>July-</b> <b>Sept</b></p>	<p><a href="#">EL-5 Financial and Accounting Policies</a> <a href="#">EL-8 Communication and Support to the Board</a></p>	<p>Internal Direct</p>	<p><a href="#">EL-5 Financial and Accounting Policies</a> <a href="#">EL-8 Communication and Support to the Board</a> <a href="#">GP-1 Global Board Governance Commitment</a> <a href="#">GP-2 Governing Style</a> <a href="#">GP-4 Board Committee Principles</a> <a href="#">GP-6 Board Linkage with OEBC Members</a> <a href="#">GP-9 Role of the OEBC Chair</a> <a href="#">GP-13 Board Elections</a></p>