



# Governance Policies

<b>Section:</b>	Governance
<b>Subject:</b>	Governance Policies
<b>Policy Number:</b>	CNAR-G-0001
<b>Last approved:</b>	May 6, 2024
<b>Last reviewed:</b>	May 6, 2024

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## 1 Introduction

Canadian Network of Agencies for Regulation (CNAR) is incorporated pursuant to the *Canada Not-For-Profit Corporations Act* S.C. 2009, c.23 (Act). The following hierarchy applies to governance rules for CNAR:

1. *Canada Not-for-profit Corporations Act* and Regulations thereunder;
2. Restated Certificate of Incorporation and Restated Articles of Incorporation of CNAR;
3. By-Law No. 1-2022;
4. Policies, procedures, rules, other documents.

Policies in this document are authored by the Governance Committee and approved by the CNAR's Board of Directors. Revisions to these policies require approval of the Board of Directors.

These Policies supplement, and are not intended to replace the CNAR Articles, the By-laws, or the Act. In the event of conflict between policies and the Articles, By-laws or the Act, those documents prevail.

Procedures are developed and approved by the Executive Director to support implementation of the By-laws and Policies. These procedures are made available to the Board of Directors for information.

### Our Mission

To facilitate engagement among the Canadian professional regulatory community and to advance regulatory excellence through our programming.

### Our Vision

A community of regulatory professionals equipped with the knowledge, skills, and resources to effectively regulate their professions in the public interest.

### Our Goal

To be the trusted, leading resource for professional development and networking opportunities on professional regulation in Canada.

### Our Values

**Excellence.** Superior performance and effectiveness as we serve the CNAR community and advance the organization's mission.

**Community.** Meaningful collaborative relationships that foster and honour respectful and diverse perspectives.

**Innovation.** Development and implementation of novel programming and strategic initiatives that enhance CNAR's mission and our members' experiences.

### Restated Articles of Incorporation

The purposes of the Corporation are:

- a) To facilitate collaboration amongst those involved in the regulation of professions throughout Canada;



- b) To develop and share resources and serve as an information clearinghouse on common issues for the Canadian regulatory community;
- c) To develop training programs supporting regulatory excellence for the Canadian regulatory community; and
- d) To increase the understanding of the benefits of professional self-regulation.

## 2 Governance Principles

The Board of Directors has established the following five (5) governance principles for CNAR.

Principle	Meaning
LEADERSHIP	<p>The culture of the organization is nurtured by the Board of Directors and Executive Director (ED); the Board and ED are responsible for establishing the organizational culture. To nurture the culture, the Board and ED understand their purposes and that they work together. They openly share information, and they respect and differentiate the roles of the Board and ED. The Board is also clear with the ED, staff, and the community regarding its work and expectations.</p> <p>The culture promotes the use of reviews to foster development and stability by discussing self-assessments and addressing behaviours that may not foster positive outcomes.</p> <p>The Board articulates CNAR’s mission and vision. The Board establishes the strategic direction for the organization, develops appropriate policies, and monitors and mitigates risks to the organization. The Board establishes and cultivates the necessary committees with appropriate reporting to the Board.</p>
ACCOUNTABILITY	<p>The Board holds itself and the ED accountable. Accountability is also displayed through relationships. There are levels of accountability: between Board and ED; between Board and individual Directors; Board to the CNAR community.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>● establishes mechanisms to ensure appropriate reporting/sharing of information. Policy and schedules are created to ensure Board’s fiduciary duties, risk management and compliance obligations are met.</li> <li>● displays rigour by ensuring all directors are actively engaged in review and discussion of key fiduciary responsibilities and time is taken at every meeting to address and discuss risk.</li> <li>● engages with the community and promotes relationships to make decisions that are informed by the community. Board members promote the organization through the networks of each Board member.</li> <li>● governs itself and the organization openly, publishing its policies online.</li> </ul> <p>Accountability also means adhering to the priorities that have been established, such as strategic plan initiatives and risk management activities, with a focus on achieving those items.</p>



Principle	Meaning
INTEGRITY	The organization behaves with integrity both individually and collectively. The Board abides by its Code of Conduct and has processes for managing occasions where individuals do not abide by it. The Board sets the tone and image for the organization. Integrity includes promoting equity, diversity, inclusivity, and accessibility by creating and cultivating a diverse Board and organization that supports and enables different people, perspectives and experiences.
EVIDENCE-INFORMED	The Board's decisions are based on credible and relevant information. There are processes in place to bring forward appropriate information at the appropriate time.
RESPONSIVE	The Board responds appropriately to the public and the community. To be responsive, the Board will know and be advised by the ED about what is happening in the organization before it happens and while it is happening. The Board will develop a crisis management policy. The organization remains relevant to its community by being responsive to their needs.

## 3 Members and other Affiliations

### 3.1 Members

CNAR voting Members are either Organizational or Large Organizational and Membership applicants will be screened and processed by the Executive Director per article 2.01 "Membership Conditions of By-Law No. 1-2022" and following the guidelines of CNAR's Membership Approval – "Substantially Equivalent" policy (CNAR-G-0002).

Organizational or Large Organizational, each has one vote as a Member.

#### 3.1.1 Organizations

Organizational Members may designate up to 9 employees to be listed on their account giving them the many benefits of CNAR. Membership shall be renewable on an annual basis through payment of a fee. Annual dues (as part of a Schedule of Fees) shall be proposed by the Finance and Audit Committee and approved by the Board of Directors.

Large Organizational Members may designate an unlimited number of employees to be listed on their account giving them the many benefits of CNAR. Membership shall be renewable on an annual basis through payment of a fee. Annual dues (as part of a Schedule of Fees) shall be proposed by the Finance and Audit Committee and approved by the Board of Directors.

### 3.2 Non-member Affiliations

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### **3.2.1 Corporate Partners**

For-profit organizations supporting Canadian self-regulated professions that wish a high level of engagement with CNAR may become Corporate Partners. Affiliation shall be renewable on an annual basis through payment of a fee. Fees for Corporate Partners shall be determined by the Executive Director of CNAR.

### **3.2.2 Individual Affiliates**

Individuals from not for profit or for-profit organizations may purchase one single, non-transferable Affiliate seat with CNAR. Affiliation shall be renewable on an annual basis through payment of a fee. Annual fees shall be proposed by the Finance and Audit Committee and approved by the Board of Directors

### **3.2.3 Suppliers**

For-profit organizations supporting Canadian self-regulated professions, may become Suppliers of CNAR. Affiliation shall be renewable on an annual basis through payment of a fee. Annual fees shall be proposed by the Finance and Audit Committee and approved by the Board of Directors.

Non-member affiliates do not have voting rights.



## 4 Directors and Officers

### 4.1 Number of Directors

Per CNAR's Restated Articles of Incorporation (2023) the minimum and maximum number of Directors shall be three (3) to twenty (20).

The board should be large enough to carry out the board's fiduciary and other duties effectively and efficiently and should be an odd number to avoid a tie in voting.

### 4.2 Desired skills and experience of Directors

Annually the Board shall establish principles related to Board composition and/or identify desired skills and experience for Board members and shall be guided by these when appointing a Director to the Board to fill a vacancy. The Nominating Committee shall also be guided by these when recommending candidates for election by the membership.

### 4.3 Duties and performance of Directors

Directors are required to supervise the management of the activities and affairs of the Corporation (as per the Act). In doing so, they shall:

- a) Make decisions informed by the needs and wants of CNAR members, with due consideration for the broader community;
- b) Uphold the decisions made by the board, regardless of any individual disagreement with such decision;
- c) Approach every issue with an open mind, impartially, without discrimination or favoritism, and avoid doing or saying anything to cause any person to think otherwise;
- d) Foster a collegial environment and conduct themselves in a manner that reinforces the integrity of CNAR amongst one another and with staff;
- e) Commit the time and effort required for the work of the Board, and attend Board meetings and meetings of committees to which they have been appointed;
- f) Be prepared for all Board meetings and meetings of committees to which they have been appointed and ensure that they are conducted in an orderly manner;
- g) Contribute their skills, experience, and knowledge at every reasonable opportunity;
- h) Regularly participate in the evaluation of the performance of the Board;
- i) Ensure the organization lives up to its contracts and other legal obligations; and
- j) To the extent possible, attend the CNAR annual national conference.

Directors shall not engage in conduct that takes advantage of their position or take advantage of information obtained through their duties as members of the Board to obtain personal benefit (Refer to 4.13 Code of Conduct).



## 4.4 Expense reimbursement

Directors receive complimentary (non-transferable) registration to CNAR's annual national conference. Fees for CNAR's other programming are payable by the Director or their organization.

## 4.5 Directors are eligible for reimbursement of travel, accommodation and meal expenses for in-person Board meetings. The Executive Director, in consultation with the Chair or Vice-Chair, shall be responsible for addressing these requests Officers

The Officers of the Corporation are the Chair, Vice Chair, Secretary, Treasurer, and Executive Director. Officers (except for the Executive Director) are elected by the Board annually at the first meeting following the annual meeting and hold office until their successor is appointed.

## 4.6 Duties of the Chair

The Chair must be a Director when nominated. The Chair shall have the following duties, in addition to any specified in the Act or By-laws:

- a) Collaborate with the Executive Director to identify issues of importance to the Board;
- b) Oversee the planning and execution of all Board meetings;
- c) Preside at all meetings of the Board and Members and ensure that meetings are carried out in a manner that is decorous, fair and in accordance with the By-laws;
- d) Establish a process for conducting the annual performance review of the Executive Director;
- e) Sign such contracts, documents, or instruments in writing as require the signature of that office;
- f) Serve as the Board spokesperson and represent CNAR in collaboration with the Executive Director;
- g) Maintain regular communication with the Vice Chair to ensure sufficient knowledge transfer to allow the Vice Chair to assume the role of Chair if necessary;
- h) If the Executive Director is absent or unable to perform their duties, ensure that those duties are carried out; and
- i) Other duties may be assigned by the Board or be incidental to the office.





## 4.7 Duties of the Vice Chair

The Vice Chair must be a Director when nominated. In addition to any duties specified in the Act or By-laws or which may be assigned by the Board, the Vice Chair shall fulfill the role of the Chair in the absence, or at the direction, of the Chair.

## 4.8 Duties of the Secretary

If appointed, the Secretary shall have the following duties, in addition to any specified in the Act or By-laws:

- a) In collaboration with the Chair provide support for in-camera board meetings if the Secretary is a Director; and
- b) Other duties may be assigned by the Board or be incidental to the office.

The duties of the Secretary shall be carried out by the Executive Director if no Secretary is appointed by the Board.

## 4.9 Duties of the Treasurer

The Treasurer shall have the following duties, in addition to any specified in the Act or By-laws:

- a) Be a member of the Finance and Audit Committee;
- b) Provide support and direction regarding the financial policies and practices of the organization;
- c) Review financial activity to ensure that income and expenses are adequately supported;
- d) Present the Audited Financial statements at the Annual Meeting of Members (AMM);
- e) Assist the Executive Director with preparation of the annual budget;
- f) Assist the Executive Director in the execution of an annual external audit of the organization's finances and activities for previous year;
- g) Cooperate with the auditors during any audit;
- h) Act as a signing authority in accordance with financial policies; and
- i) Have such other powers and duties as may from time to time be assigned or as are incidental to the office.

## 4.10 Duties of the Executive Director

The Executive Director is the chief staff person of CNAR. The Board has put its trust in the Executive Director to manage the operations of CNAR. As such the Board expects that the Executive Director will exercise good judgement, consulting with the Board as necessary where consequential decisions might have an impact on the organization's risk and/or reputation.

The Executive Director shall have the following duties, in addition to any specified in the Act or By-laws:

- a) \_\_\_\_\_ Work in close collaboration with the CNAR Board of Directors and its committees, providing information to facilitate decision making and identify organizational risk or opportunities.



- b) \_\_\_\_\_ Support the development of CNAR's Vision, Mission and Strategic Plan and be responsible for execution of the Plan.
- c) \_\_\_\_\_ Ensure compliance with all legal and financial requirements.
- d) \_\_\_\_\_ Be responsible for all CNAR programs, products and services.
- e) \_\_\_\_\_ Develop, execute and maintain CNAR programs, products, services and strategies for consultation with the community.
- f) \_\_\_\_\_ Manage the CNAR brand, relationships, marketing and communications of these.
- g) \_\_\_\_\_ Manage all aspects of CNAR staffing and human resources, financial performance, organizational controls, and information infrastructure.

The above list is complementary to the approved position description of the Executive Director and the Executive Director's employment contract. In the case of any discrepancy, the employment contract shall govern.

## 4.11 Operational Committees

The Executive Director may establish operational committees composed of volunteers to support the operations of CNAR. The Executive Director may themselves chair or may designate someone else to chair each operational committee. Regardless of who the chair is, the Executive Director shall be responsible for providing reports to the Board regarding the activities of each operational committee.

The Board may request that one Director sit on each operational committee as a liaison. Where this is the case, such Directors then have the following responsibilities:

- a) \_\_\_\_\_ Contribute to the mandate of the operational committee by participating in meetings and other activities as per the Terms of Reference for that operational committee;
- b) \_\_\_\_\_ Inform the operational committee of any relevant strategic direction set by the Board on behalf of the organization; and
- c) \_\_\_\_\_ Inform the Board of any consequential decisions or recommendations made by the operational committee that might have an impact on the organization's risk and/or reputation.

## 4.12 Confidentiality

Directors and Officers must keep confidential all information received in the course of their duties and may not disclose such information unless:

- a) the information is in the public domain;
- b) disclosure is required by law; or
- c) disclosure is authorized by the Corporation.

## 4.13 Conflict of Interest

A conflict of interest is a situation in which a Director or Officer has a direct or indirect private or personal interest sufficient, on a reasonable basis, to influence or appear to influence the exercise of his or her duties. This includes, but is not limited to, situations involving:



- a) a direct or indirect pecuniary interest of the Director or Officer;
- b) organizations to which the Director or Officer or a member of their family has a direct or indirect obligation;
- c) a professional or personal relationship; or
- d) a Director or Officer or a member of their family holding a position (such as director, owner, board member, officer, or employee) in another organization which involves duties to such other organization.

Actual influence is not required for a conflict-of-interest situation to exist. It is sufficient if there is a reasonable apprehension that there may be such influence.

A Director or Officer who has a conflict of interest in respect of any matter that is the subject of debate, action or intended action by CNAR, or who believes that they may have one, shall disclose it immediately upon becoming aware of it, to the Chair or Vice Chair.

A Director or Officer who has a conflict of interest in respect of any matter that is the subject of debate, action or intended action:

- a) shall declare their conflict of interest at any Board or committee meeting prior to any discussion to which the conflict of interest relates;
- b) shall not vote upon any resolution to which the conflict of interest relates; and
- c) shall not attempt directly or indirectly to influence any decision of the Board, to which the conflict of interest relates.

Additionally, the Director or Officer who has a conflict of interest shall withdraw from the Board or committee during any discussion to which the conflict of interest relates, if the remaining members of the Board or committee deem it appropriate.

Every declaration of conflict of interest shall be recorded in the minutes of the meeting.

The Executive Director shall annually circulate a copy of the Conflict-of-Interest Policy to each director and ask that the person acknowledge having reviewed it and commit to complying with it. The Executive Director shall retain on file the documents signifying such review and commitment. (Refer to 9.3 Conflict of Interest Form)

## 4.14 Code of Conduct

Directors shall adhere to the following rules and guidelines:

- a) Act carefully, honestly, and in good faith in promoting the best interests of the organization; even if that may be against their own personal interests;
- b) Act with integrity, loyalty, and high ethical standards,
- c) Conduct themselves personally and professionally in a manner consistent with the nature of their responsibilities and the maintenance of public confidence in CNAR;
- d) Follow the law and rules under which the organization is established;
- e) Refrain from conduct that is inconsistent or in conflict with the purposes or objects of the organization as set out in its constitution;
- f) Never involve the organization in criminal activities or engage in activities that might bring the organization into disrepute;
- g) Never exceed their authority, for example, by entering unauthorized contracts;

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- h) Never use their position (directly or indirectly) to influence someone else to do something or not do something that benefits them or someone close to them if it would harm the organization;
- i) Never use information acquired because of being a Director for their own personal gain or to benefit a person or group connected to the Director. This duty continues after their departure from the Board; and
- j) Treat all discussions at board meetings, and any other information obtained because of their position as a Director, as confidential, unless the Board gives permission otherwise.

Each Director is required to read and sign the Code of Conduct declaration (Refer to 9.2 Code of Conduct Declaration) when they join the Board and return the signed copy to the Executive Director for filing.

## 4.15 Complaints process

### 4.15.1 Filing a complaint

Anyone who wishes to file a complaint against a Director for a violation of these Governance Policies (CNAR-G-0001), or any section thereof, must do so in writing and address it to the Chair of the Board. If the matter involves the Chair, the complaint should instead be addressed to the Vice Chair. The written complaint must identify the complainant, the respondent (i.e. the subject of the complaint) and the grounds for the complaint.

### 4.15.2 Reviewing a complaint

Within 15 business days of receiving the complaint, the Chair or, if the matter involves the Chair, the Vice Chair, shall establish a panel to consider the complaint. The panel shall consist of the Chair, the Vice Chair, and the Treasurer. Where the complaint involves any of the preceding, an alternate Director shall be appointed. The selection of an alternate Director shall be at the discretion of the remaining panel members

In considering the complaint, the panel shall decide whether to proceed to investigate the complaint or not. If the panel is of the opinion that:

- a) The complaint is frivolous or vexatious or is not made in good faith; or,
- b) The complaint is outside the jurisdiction of the Board or would be more appropriately dealt with through another process (e.g. through a Regulator's disciplinary process); or,
- c) There are no grounds or insufficient grounds for conducting an investigation,

then the panel may choose not to investigate or may dispose of the complaint in a summary manner. In such an event, the complainant shall be advised of the panel's decision in writing, with reasons provided.

If the panel decides to investigate the complaint, then the respondent shall be provided with a copy of the written complaint and any related information, and shall be given the opportunity to present a written response within 30 days of receiving notice of the complaint.

### 4.15.3 Investigation

The panel shall consider the complaint and the response and may involve outside consultants (such as a workplace investigator) to assist. If an investigation is initiated, attempts shall be made to interview



the complainant and the respondent (the “parties”) as well as others who are reasonably identified as having information that could assist in investigating and/or resolving the complaint, including members of CNAR staff.

Upon conclusion of the investigation, the panel shall consider the results of the investigation and determine the course of action for disposing of the complaint, which shall be set out in a written report that is provided to the parties. The panel may:

- a) Determine that the complaint is unsubstantiated and/or does not warrant further action;
  - i. If the complainant is not satisfied with that decision, they may submit the written complaint to the full Board for further consideration;
- b) Mediate between the parties, until the complaint has been resolved;
- c) Make any recommendations reasonably necessary to resolve the complaint; or
- d) Refer the complaint to the Board.

If the matter is referred to the Board, it shall be heard at the next Board meeting, in an in-camera session. The Board shall be presented with the complaint, the response, and the report. The parties shall be invited to attend to respond to questions from the Board.

If the complainant or the respondent is a Board member, then they shall recuse themselves from the deliberations and any vote upon a motion regarding the complaint, if any.

#### **4.15.4 Corrective or Disciplinary Action**

For those Directors who have been found, by the panel or the Board, as applicable, to be in violation of these Governance Policies (CNAR-G-0001), or any section thereof, they may be subject to one or more of the following corrective or disciplinary actions:

- a) Provision of a written apology;
- b) Training or counselling;
- c) A verbal or written reprimand
- d) Removal from Board committees or task forces;
- e) Removal from an Officer position, if applicable;
- f) Recommendation to the Members to remove the Director from the Board;
- g) Legal action by CNAR;
- h) Referral to the appropriate law enforcement agency, if the incident could reasonably be construed as illegal; and/or
- i) Any other reasonable or prudent sanction as appropriate under the circumstances.

The corrective action should take into consideration:

- a) The nature of the incident; and
- b) The severity of the incident.

If the parties do not cooperate with the investigation or the decision of the panel or the Board, as applicable, the Board may take further corrective action as it deems appropriate.

#### **4.15.5 Timeliness**

Investigations conducted under this policy shall be conducted in a fair, timely and confidential manner that respects the principles of procedural fairness and natural justice. To the extent possible, complaints should be resolved within 120 days of being initiated, or as early as practicable.



#### **4.15.6 Appeals**

The respondent may appeal a decision, by submission in writing, to the panel or the Board. The submission must specify the reason for the appeal and be submitted within one week of learning of the decision. If the panel or the Board determines that there is sufficient reason to re-investigate or to alter any corrective action, they will strive to make a decision within two weeks of receiving the appeal.

#### **4.15.7 Confidentiality**

All complaints received under this policy and all information and records received, reviewed or generated during the course of an investigation and disposition of a complaint, including interviews and reports, are and shall remain strictly confidential, and are only to be viewed by members of the panel and those who are authorized by the panel.

#### **4.15.8 Reporting**

The panel shall inform the Board, in an in-camera session at the next Board meeting following the initiation of a complaint, of any complaints made under this policy. Similarly, the Board shall be informed when the complaint is resolved and the manner in which it was disposed of.

#### **4.15.9 Individual Rights**

Throughout the process, complainants have the right to:

- c) file a complaint and have it dealt with promptly, without fear of embarrassment or reprisal;
- d) have a person of their choice accompany them during the process;
- e) be informed about the progress of their complaint, subject to legal and confidentiality constraints;
- f) be informed of the type of corrective actions that will result from the complaint; and
- g) receive fair treatment.

If the panel decides to investigate, then respondents have the right to:

- a) to be informed of the complaint;
- b) be given a written statement of the complaint(s), and to respond to them;
- c) have a person of their choice accompany them during the process;
- d) be informed about the progress of the complaint; and
- e) receive fair treatment.

#### **4.15.10 Record Keeping**

All written or electronic documents related to a complaint will be kept on file, in a secured location, to be determined by the panel or the Board.

#### **4.15.11 False Accusations**

Anyone who submits a complaint in good faith, even where the complaint cannot be proven, has not violated the Code of Conduct, and shall not suffer harassment, retaliation, or adverse consequences and they shall be protected from reprisals.

However, any allegations which is proven to have been made maliciously or knowingly to be false will be viewed as unethical conduct. Frivolous and vexatious reports are those where the individual making the report under this policy knows or should reasonably be expected to know that there is no foundation



for a report, or where the report is filed for the purpose of bringing an adverse consequence to the respondent. A Director who submits a frivolous or vexatious complaint is in breach of the Code of Conduct. An employee who submits a frivolous or vexatious complaint may be in breach of the employee policies and/or their employment contract.

## 4.16 Removal of an Officer

The Board, by a majority vote, for any reason, may remove an individual from an Officer position.

## 4.17 Removal of a Director

As per the By-laws, the members may remove a Director from the Board at a meeting of the members. The Board may make a recommendation to the members regarding the removal of a Director at a meeting of the members.

## 4.18 Employment of Past Directors

Current Directors may not seek employment with CNAR. Past Directors may be hired by CNAR if at least one (1) year has passed since they were last a Director on CNAR's Board.

# 5 Board and Committees

## 5.1 Responsibilities of the Board of Directors

Collectively, the Board of Directors is responsible for:

- a) Establishing CNAR's Vision, Mission, and Strategic Plan;
- b) Appointing and managing the performance of the Executive Director;
- c) Ensuring the financial sustainability of the organization and the responsible stewardship of CNAR's resources;
- d) Approval of Board policies;
- e) Approval of the annual membership/affiliate fees;
- f) Monitoring progress towards identified objectives;
- g) Ensuring compliance with legal and financial obligations;
- h) Establishing CNAR's risk appetite and overseeing risk management; and
- i) Effective board governance.

## 5.2 Board meetings

Agenda and meeting materials should be sent to directors one week prior to the meeting.



### **5.3 Remote participation**

Meetings may be held by teleconference or similar technology which allows for simultaneous participation during the meeting.

### **5.4 Quorum**

The Quorum for a board meeting is the majority of directors.

### **5.5 Voting**

Each Director has a single vote on all matters. Resolutions require a majority vote to pass. A tied vote is deemed to be lost. Voting must be held during a meeting of the Board; email voting is not permitted.

### **5.6 Minutes**

Minutes of all Board meetings shall be kept by the Executive Director and approved by the Board at the subsequent meeting.

### **5.7 Resolutions**

A resolution must be passed during a virtual or in-person Board meeting.

### **5.8 In-Camera Meetings**

From time to time, it may be necessary for the Board to hold an in-camera session. The purpose of the sessions should be to provide an opportunity for the Board of Directors to have a full and unfettered discussion with respect to any matters that should remain confidential. This may include:

- a) Instructions are given to, or opinions are received from legal counsel that are subject to solicitor-client privilege;
- b) Personnel matters will be discussed;
- c) Financial matters will be discussed; and/or,
- d) There will be a discussion about any matter that may cause undue harm to CNAR.

In-camera meetings may or may not include individuals other than the Directors (e.g., Executive Director, lawyer, auditor, etc.) depending on the content being discussed.

Minutes of the in-camera session shall not be taken, except to note that the session took place, who was present, and any votes or resolutions that were passed.





## 5.9 Committees

Committees may be created or dissolved by the Board by resolution. The Board has established the following Standing Committees:

- a) Finance and Audit Committee
- b) Governance Committee
- c) Strategic Implementation Committee

Article 8.02 of CNAR By-Law 1-2022 establishes a Nominating Committee. The Governance Committee shall serve as the Nominating Committee, unless the Board appoints a Nominating Committee.

Additional Board committees may be created on an as needed basis.

Each committee will submit a yearly work plan to the board for approval, providing updates throughout the year on the work plan activities as required. Each committee will also be responsible for providing an annual report to the Board on committee activities.

## 5.10 Committee membership

Committee members are appointed annually by the Board on the recommendation of the Chair and Executive Director. Committee members can be removed by the Board by resolution.

## 5.11 Finance and Audit Committee Terms of Reference

### 5.11.1 Objective

To assist the Board in fulfilling its duty to oversee the financial position, policies, controls, and reporting of CNAR.

### 5.11.2 Membership

The Committee shall comprise a minimum of three (3) Directors. The Treasurer shall be a member of the Committee. The Chair of the Committee must be a CNAR Director.

### 5.11.3 Responsibilities

The responsibilities and duties of the Committee shall include the following matters, and such others as may arise or be referred to the Committee by the Board:

#### I. Financial Reporting

- a) Receive from the external auditors the audit engagement report on the annual financial statements; Relat
- b) Recommend the audited annual financial statements to the Board for approval;

#### II. Financial Management

- c) Review CNAR's financial position and ensure that information concerning the financial position and performance is presented to the Board in a timely manner;

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- d) Review the operating budget and recommend it to the Board for approval;
- e) Review banking arrangements, signing authorities and cash management controls to ensure that they are appropriate to CNAR's needs;
- f) Review and approve the Approval Levels for Procurement, Purchases and Disbursement policy (CNAR-F-0001).
- g) Review and approve credit card limits;

### III. Investment Monitoring

- h) Review and recommend to the Board amendments to the Investments – Short Term policy (CNAR-F-0002);
- i) Monitor compliance with the Investments – Short Term policy (CNAR-F-0002) and investment results;
- j) Recommend a minimum amount and an investment strategy for reserve funds;

### IV. Financial Policies

- k) Review with the Executive Director and the external auditors the appropriateness of accounting policies, reserves, key estimates, and judgements and obtain reasonable assurance that they are presented fairly in accordance with generally accepted accounting principles (“GAAP”) for Not-for-Profit Organizations and report to the Board;
- l) Responsible for regularly reviewing all Board financial policies, and updating as needed, for Board approval.

### V. Financial Controls and Control Deviations

- m) Receive from the external auditors, at least annually, their assessment of the control environment;
- n) Monitor the results of changes to the control environment if identified by the Committee or recommended by the external auditors;

### VI. Compliance with Laws and Regulations

- o) Confirm with external auditors, and legal counsel (where appropriate), that CNAR is in compliance with laws and regulations;

### VII. Relations with External Auditors

- p) Recommend to the Members the appointment of the external auditors;
- q) If necessary, recommend to the Members the removal of the current external auditors and replacement with new external auditors; and,
- r) Oversee the work of the external auditors and the resolution of disagreements between the Executive Director and the external auditors with respect to financial reporting.

## 5.12 Governance Committee Terms of Reference

### 5.12.1 Objective

To oversee and enhance CNAR's governance structure and practices by providing advice and recommendations to the Board of Directors and Members.



### **5.12.2 Membership**

The Committee shall comprise a minimum of three (3) Directors.

### **5.12.3 Responsibilities**

The responsibilities and duties of the Committee shall include the following matters, and such others as may arise or be referred to the Committee by the Board:

#### I. Governance Structure

- a) Consider and make recommendations to the Board respecting the governance structure and associated By-laws;

#### II. Terms of Reference

- b) Oversee the review of and make recommendations regarding amendments to the mandates of the Board and all Board committees and working groups;

#### III. Board Policies

- c) Oversee the development of and make recommendations regarding amendments to Board governance policies;

#### IV. Board Composition

- d) Identify and regularly review the skills and experience desired on the Board;
- e) Develop and monitor compliance with policy and/or guiding principles regarding diversity on the Board;
- f) Establish a skills matrix for the Board, and oversee the annual process for Directors to assess themselves against the matrix;

#### V. Nominating Committee

- g) The Governance Committee shall also serve as the Nominating Committee (Refer to 5.14 Nominating Committee Terms of Reference) unless the Board establishes a separate Nominating Committee;
- h) If the Governance Committee is designated as the Nominating Committee, the Governance Committee Chair is the Chair of the Nominating Committee unless the Chair of the Governance Committee is seeking re-election;

#### VI. Officer Positions

- i) Develop and review criteria for officer positions;
- j) Determine eligibility and assess the suitability of candidates for officer positions and make recommendations to the Board;
- k) Oversee the process of succession planning for officers of the Board;

#### VII. Director Orientation, Development and Assessment

- l) Develop a policy for orientation and ongoing development for Directors, Officers, and committee members; and



- m) Develop and oversee a process for the regular assessment of the performance of the Board, all Board Committees, and Directors.

## 5.13 Strategic Implementation Committee Terms of Reference

### 5.13.1 Objective

To assist the Board with the development and evaluation of the strategic plan.

### 5.13.2 Membership

The committee shall comprise a minimum of three (3) Directors. The Vice-Chair of the Board shall serve as Chair of the Strategic Implementation Committee.

### 5.13.3 Responsibilities

The responsibilities and duties of the Committee shall include the following matters, and such others as may arise or be referred to the Committee by the Board:

- a) Leads the development of CNAR's three-year strategic plan, and any other related activities required as part of the development of said plan, to be presented to the Board for approval;
- b) Develops key performance indicators and a reporting format and frequency for the ongoing evaluation of the strategic plan;
- c) Maintains the organization's risk register, ensuring that it is regularly updated by the relevant parties, and duly considered in the development of the operational and strategic plans; and
- d) Report to the Board at least once per year on the progress of the committee's work plan.

## 5.14 Nominating Committee Terms of Reference

### 5.14.1 Objective

The Nominating Committee has overall responsibility to identify qualified and skilled individuals from the applicants for nomination who are capable of, and committed to, providing effective governance leadership to CNAR as a Director.

The Governance Committee shall serve as the Nominating Committee, unless the Board appoints a Nominating Committee.

### 5.14.2 Scope

The scope of the Nominating Committee is to conduct a process to identify individuals to stand as Director, and to make recommendations to the Members at the annual meeting of members as to their preferred slate of nominees for the role of Director(s).

### 5.14.3 Membership

The Nominating Committee will consist of a minimum of three (3) Directors appointed by the Board of Directors, on an annual basis.

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A Director, whose term expires by the next annual meeting of members, cannot be appointed to the Nominating Committee.

The Chair of the Nominating Committee will be appointed by the Board of Directors.

#### **5.14.4 Responsibilities**

The responsibilities and duties of the Nominating Committee shall include the following matters, and such others as may arise or be referred to the Nominating Committee by the Board of Directors:

- a) Prior to soliciting nominations, the Nominating Committee will review the current composition of the Board of Directors, identify gaps based on the skills matrix and propose desired requirements for the incoming Directors;
- b) Review applications and identify qualified individuals to stand for election as Directors;
- c) Ensure that candidates for election meet the qualifications to serve as a Director, and have fulfilled any additional requirements, including those set out in the Nominations Form, Board of Directors Job Description and / or the Electoral Policy;
- d) Communicate directly with each candidate to discuss the roles, responsibilities, and expectations of a Director;
- e) Promote diversity of the Board of Directors in relation to gender, age, language, ethnicity, professional backgrounds, province of residence, and personal experiences;
- f) Oversee the process of nomination and election of Directors in accordance with the By-laws;
- g) Carry out these duties in a manner that encourages a long-term view of CNAR's Board of Directors succession planning;
- h) Present the list of preferred slate of nominees to the Board of Directors for information, prior to the annual meeting of members; and
- i) Such additional duties as may be as may be delegated to the committee by the Board of Directors.

#### **5.14.5 Call for Nominees**

The Nominating committee will use the following process for Call for Nominees:

- a) Adhere to the processes laid out in CNAR By-laws regarding nominations and elections;
- b) Review of Board of Directors composition; assess needs and gaps against the Board skills matrix provided by the Governance Committee; and
- c) Draft Call for Nominations for director position, outlining requirements, and specific focus on skills required. The Call for Nominations should be as specific as possible on the requirements (e.g. Specify if we are looking for Directors from certain provinces/territories, or certain professional background).

## **6 Financial Matters**

### **6.1 Signing Authorities**

The Executive Director, Chair and Treasurer shall be assigned banking signing authorities for the organization. However, all regular banking transactions, payments, and accounting (book-keeping) are assigned to the Executive Director.

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All payments made by the Executive Director from the CNAR bank account shall be in accordance with the Approval Levels for Procurement, Purchases and Disbursement policy (CNAR-F-0001)

A CNAR credit card may be obtained for use by the Executive Director and staff, as determined by the Executive Director, with a credit limit set and reviewed annually by the Finance and Audit Committee.

## **6.2 Review and Reporting**

The Executive Director shall review with the Treasurer the overall financial situation and any financial records, on at least a quarterly basis, normally prior to meetings of the Board of Directors.

The Executive Director and Treasurer shall present a summary of CNAR's financial situation (e.g., budget, actuals, forecast) at every quarterly Board of Directors meeting.

An independent financial audit of the organization shall be conducted annually. Results shall be reviewed and approved by the Board of Directors.

Audited financial statements are required to be presented to the members annually.

## **6.3 Budget Development and Approval**

The Executive Director shall develop a three-year forecasting budget and a detailed annual budget for the corporation (with the advice of the Treasurer and the Finance and Audit Committee). The annual budget shall be approved by the Board prior to the beginning of the fiscal year.

## **6.4 Monthly reconciliation of accounts**

On a monthly basis, the Executive Director is responsible for the reconciliation of all CNAR financial transactions. This includes the CNAR bank account, which must be reconciled with transactions that have been tracked through accounting and payment systems. The Executive Director will provide quarterly reports to the Treasurer for review.

# **7 Risk**

## **7.1 Risk Appetite and Management**

The Board is responsible for establishing CNAR's risk appetite and for ensuring that CNAR has in place an appropriate process for identifying and mitigating / managing risk in accordance with the Risk Management Strategy CNAR-OPN-0001 as approved by the Executive Director.

## **7.2 Insurance**



The Executive Director is responsible for maintaining appropriate insurance coverage for the organization.

## 8 Communications and Support to Board

With respect to providing information and counsel to the Board, it is expected that the Executive Director will:

- a) Ensure that the information provided is relevant to the mission, vision and strategic objectives of the organization;
- b) Ensure that the Board is aware of relevant trends in the community which affect the assumptions upon which the mission or current strategic objectives of the organization have been founded;
- c) Advise the Board if, in the Executive Director's opinion, it is not in compliance with its own policies, roles and responsibilities, especially when the Board's behaviors may be detrimental to the relationship between the Board and the Executive Director or the Board and the Members;
- d) Inform the Board of any external complaints or adverse media coverage which may affect the reputation of the organization;
- e) Inform the Board of any internal complaints, grievances or other conflicts which may impact on the organization's performance;
- f) Deal with the Board except when responding to Officers or Board committees with specific responsibilities;
- g) Provide information relevant to the creation and review of Board policies; and
- h) Report in a timely manner any actual or anticipated noncompliance with any policy of the Board.

## 9 Procedures

### 9.1 Director Onboarding and Orientation

It is the responsibility of the Executive Director, with support from current Board Directors, to manage the onboarding and orientation program. Other CNAR staff may be asked to provide components of the orientation and training, as needed following the Director Annual Orientation Policy (CNAR-G-0004).

### 9.2 Code of Conduct Declaration

I, \_\_\_\_\_, am a director of the Canadian Network of Agencies for Regulation ("CNAR"). In carrying out my duties as a director of CNAR during my term of office I declare that:

1. I will act carefully, honestly, in good faith and in the best interests of CNAR. At all times I will use care, skill, and diligence in carrying out my duties.
2. I will respect CNARs:
  - a. legal obligations,
  - b. governing documents,
  - c. policies approved by its Board of Directors, and

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- d. decisions of its membership.
3. I will publicly support the policies and positions of CNAR as approved by the Board of Directors.
4. I will keep confidential all information I learn about matters determined by board motion to be matters of confidence. Where I am uncertain in determining whether something is a matter of confidence, I will seek direction by way of a resolution of the Board of Directors.
5. I will publicly support actions taken by CNAR's management to implement programs and achieve the objectives contained in CNAR's approved strategic and operational plans and budgets.
6. I will strive to place the interests of CNAR and its Board of Directors ahead of my personal interests and I will immediately declare any conflicts of interest or conflicts of loyalty that arise.
7. If I do not abide by this Agreement or find that I am in a situation where my continued presence on the Board of Directors would cause legal problems, embarrass CNAR, or undermine member confidence:
  - a. I will immediately resign, or
  - b. I will ask the board if they think I should resign, or
  - c. I will resign if the board raises the matter itself and asks me to resign.

The board of CNAR can determine what are matters of embarrassment or matters tending to undermine member confidence. These include:

- charges under the Criminal Code,
- failure to comply with requirements of regulators, or
- any other matters which in the sole and absolute opinion of the board could bring the reputation of CNAR into disrepute either with its members or more generally.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

*Please return this form to the Executive Director.*





## 9.3 Conflict of Interest Form

### Acknowledgement

I have reviewed the Canadian Network of Agencies for Regulation's (CNAR's) conflict of interest policy as stated in CNAR's Governance Policy (CNAR-G-0001) and understand that I am bound by it.

The organization's policy requires me to report any situation where I have a conflict of interest, whether real or perceived.

Should there arise a situation where I have a direct or indirect private or personal interest sufficient, on a reasonable basis, to influence or appear to influence the exercise of my duties with CNAR, I will report it to the CNAR Chair or Vice Chair. I will then follow the procedures set out in the Conflict of Interest section of the Governance Policy.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

*Please return this form to the Executive Director.*