



Canadian Centre for
Ethics in Public Affairs

CCEPA GOVERNANCE REVIEW TASK FORCE REPORT

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I Introduction

Governance refers to the processes and structures used to direct and manage organizational activities. Governance is a critical function for the Canadian Centre for Ethics in Public Affairs (CCEPA) in order to articulate clearly the roles, responsibilities and relationships of those involved in leadership and operations.

The governance model takes into account the close relationship between CCEPA and its founding partners, Saint Mary's University (SMU) and the Atlantic School of Theology (AST). This report sets out a joint governance model between CCEPA, the founding partners and management. The intention is to clarify the relationships to ensure a mutually supportive environment.

The mandate for the CCEPA Governance Task Force included the key items in the following chart:

Control

- z What is the nature of the joint governance arrangement?
- z Is CCEPA's goal to become an autonomous, self-sustaining legal entity?
- z Who controls CCEPA and where does ultimate authority reside?
- z What approvals are needed for the governance structure?

Risk Management

- z Does the insurance of AST or SMU cover CCEPA?
- z What is the legal liability of the parties if something goes wrong?
- z Are the volunteers (including Board and Executive) properly covered?

Funding Commitments

- z What are the mutual expectations regarding SMU, AST and CCEPA internally-generated financial contributions and in-kind contributions?

These issues are interrelated. The Task Force found that questions of control, roles and risk management were well-informed by the vision and mission of CCEPA. The Executive Director of CCEPA and the General Manager have also already documented a substantial number of governance matters in a Board Manual that has been distributed to each director.

II Governance

Governance Model

Boards of Directors perform an integral role in most not-for-profit organizations. Regardless of the industry or sector, most boards have similar characteristics and typically fall into one of three categories: governing, advisory or working.

1. **Governing Board** - a governing board is focused on the high-level *strategic direction* of the organization and does not carry out specific tasks or work, particularly around operations, that are the responsibility of management.
2. **Advisory Board** – an advisory board provides strategic direction (like a governing board) but also offers advice on *operational matters*. In providing this operational advice, it does not carry out specific tasks or operational work.
3. **Working Board** - a working board entails providing strategic direction, advice on operational matters and also *carrying out work or tasks* that would normally be the responsibility of management but, owing to limited resources, board members act as an additional resource to management.

CCEPA uses a “governing board” model. The Board of Directors should perform five functions:

1. Set the overall context and direction for CCEPA.
2. Monitor progress toward goals.
3. Establish policy guidelines.
4. Raise funds
5. Appoint and evaluate the performance of the Executive Director.

Organizational Structure

CCEPA is not a legally incorporated entity. This fact raises an obvious question - should the Centre incorporate? An unincorporated Centre has no legal existence apart from its members and, in this case, the founding universities. CCEPA is not legally capable of suing or being sued in its own name. Nor is it capable of contracting with third parties.

There was a consensus among members of the Task Force that the current association is suitable. The recommendation is that CCEPA should not incorporate since the benefits of incorporation do not exceed the following costs:

- Significant start-up and ongoing costs
- Requirement for legal, tax, accounting, audit services
- Requirement for volunteers to take additional administrative burden
- Risk management is seen as one of the main advantages of incorporation, but this protection is already provided by SMU and AST insurance and indemnification coverage for CCEPA volunteers.

Appendix A provides a relationship chart for the joint governance system. The By-Laws have also been drafted into a “Constitution” document for consideration of the CCEPA Board and the founding partners. The draft CCEPA Constitution is attached as Appendix B.

III Roles and Responsibilities

Saint Mary's University and Atlantic School of Theology

The Boards of Governors of SMU and AST will take an oversight role. As the principal legal entities in this relationship, the Universities have the responsibility to establish and monitor the governance system. This will be done through regular management involvement and annual reporting to the Boards of Governors. As discussed below, this is a prerequisite to the insurance coverage being applicable to CCEPA volunteers.

The Centre has an academic role. That role is expressed in the By-Laws and Constitution which are approved by the appropriate governance bodies (Academic Senates and/or Boards of Governors) of SMU and AST. Any research involving human subjects conducted under CCEPA’s auspices must receive prior approval by the Research Ethics Board of SMU or comparable Boards at other universities.

The founding partners will also continue to provide resources in the form of operational funding, management support, facilities, etc. Each year, the SMU and AST Boards will receive and consider the annual report of the CCEPA Board of Directors.

CCEPA Board of Directors

The Board of Directors and management have been operating with a high level of autonomy. That is the expectation for the Centre and nothing in this report is intended to diminish the stature of the Board and its ability to set the strategic direction for the Centre as indicated in the Relationship Chart. The Board has already documented in its governance manual the roles and responsibilities of CCEPA Board Members as follows:

- Attend orientation session and become familiar with the work of the Board.
- Actively participate in the advancement of CCEPA's mission.
- Attend quarterly board meetings to the best of your ability. Provide ample notice of inability to attend.
- Review Board packages sent out prior to meetings, and minutes sent out following meetings. Provide input where required.
- Actively and respectfully participate in Board discussions.
- Be aware of, and participate in the Centre's public program. Attendance is strongly encouraged, and members may be called upon to occasionally provide introductory or closing remarks.
- Serve on one of four Board committees: Executive, Program, Research, or Nominating and Governance.
- Respect Board confidentiality where required.
- Declare potential conflict of interest to Board Chair.
- Advocate the work of the Centre in the community.
- Assist the fundraising effort to ensure CCEPA's long term sustainability.
- Understand the relative roles and responsibilities of the Board, its Chair and Centre staff and respect appropriate lines of communication.

IV Other Matters

Assets and liabilities

The legal form of the CCEPA, as discussed above, is and will continue to be an unincorporated entity. That decision effectively answers the question of ownership of assets and liabilities. Although the Board of Directors of CCEPA operates with a high level of autonomy, any assets of CCEPA belong to SMU and AST. Similarly, the Universities "own" any liability associated with the activities and events they sanction.

This report recommends that SMU and AST formally agree to equal ownership of assets and liabilities, i.e. each university has a 50% interest in CCEPA. The insurance coverage through the Canadian Universities Reciprocal Insurance Exchange (CURIE) will be pro-rated based on the institutions' insurance limits. CURIE is a reciprocal insurance exchange whose 58 member universities across Canada share losses arising from their operating risks. These risks include physical damage to assets, injuries or property damage in respect of third parties, and liability for errors and omissions (including Directors and Officers Liability.)

Management

The CCEPA Executive Director and General Manager will provide the management of assets and liabilities, and generally have the following roles:

- Offer strategic advice
- Provide operational leadership
- Manage stakeholder relations
- Steward resources
- Direct staff and support CCEPA volunteers

Management of SMU and AST are available to assist CCEPA with operational matters and to carry-out the role of official employer and contractor, process banking and accounting transactions, report to the Canada Revenue Agency, etc.

Risk management

Legal counsel for SMU has given an opinion that Directors and volunteers of CCEPA, while acting on behalf of Saint Mary's University, are protected under the insurance coverage of the university through the Canadian Universities Reciprocal Insurance Exchange. This opinion has been verified directly with CURIE and applies also to AST.

As long as CCEPA has authority (given by the Universities' Boards in approving CCEPA's overall purpose and objectives) to engage in activities of a general nature and CCEPA activities fall into that category, coverage would apply. There is an important distinction in the insurance coverage. CCEPA volunteers are covered "with respect to acts performed on behalf of the University". If the events are not authorized by the University no coverage applies. However, when the Task Force began its work, there was no document that describes what "general

authority” has been approved by the Board of Governors nor had there been any discussion by the University where the bounds are of what would be considered “authorized.” These deficiencies will be rectified by a motion of the SMU and AST Boards of Governors to adopt the governance structure recommended in this report once it has been approved by the CCEPA Board and forwarded to the founding partners for their approval.

If CCEPA were to decide to form a separate legal entity (not recommended by the Task Force) CURIE would look at the new relationship between the Universities and CCEPA. If it was an arms-length relationship (no university control) separate coverage would have to be purchased by CCEPA.

In addition to insurance, the universities normally provide indemnification for volunteers. Attached as Appendix C is a copy of the risk management letter the Universities intend to provide to each member of the CCEPA Board and other volunteers as part of this governance review. Although work as a volunteer member of CCEPA would be covered under the insurance and indemnification, Board members and other volunteers are still responsible for acting in a prudent and responsible manner. The expectation is a level of care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person.

Funding commitment of the founding partners

When CCEPA was first founded in 2004, SMU and AST provided “seed money” to fund the initial operations of the Centre. Since then additional requests for money and support have been requested and granted on an annual basis. The understanding has been that CCEPA should aim to be self-sustaining eventually.

The CCEPA Board recently considered and approved a three-year business plan (2009/10 to 2011/12) that sets out its revenue sources. The plan is partially based upon commitments from SMU and AST. Appendix D shows the current commitments and matches these to the business plan.

As can be seen, there is at present no financial commitment from SMU for 2011/12 and beyond. To quote a letter from Dr. J. Colin Dodds dated September 24, 2008, “... the Board and Saint Mary’s will review matters including progress and plans during year three [of the 2006-09 business plan].” The 2009-12 Business Plan makes the statement “It may be unrealistic to

expect that the Centre can be fully self-sustaining but, the goal of reducing the proportion of funding from the founders will be pursued.” The funding expectations should be clarified and agreed well prior to the beginning of the 2011/12 fiscal year. This discussion will be undertaken by Board Members and the Executive Director of CCEPA with the President of Saint Mary’s in early 2010.

The President of AST has indicated that AST remains committed to provide ongoing annual support for CCEPA, with the amount to be determined on an annual basis.

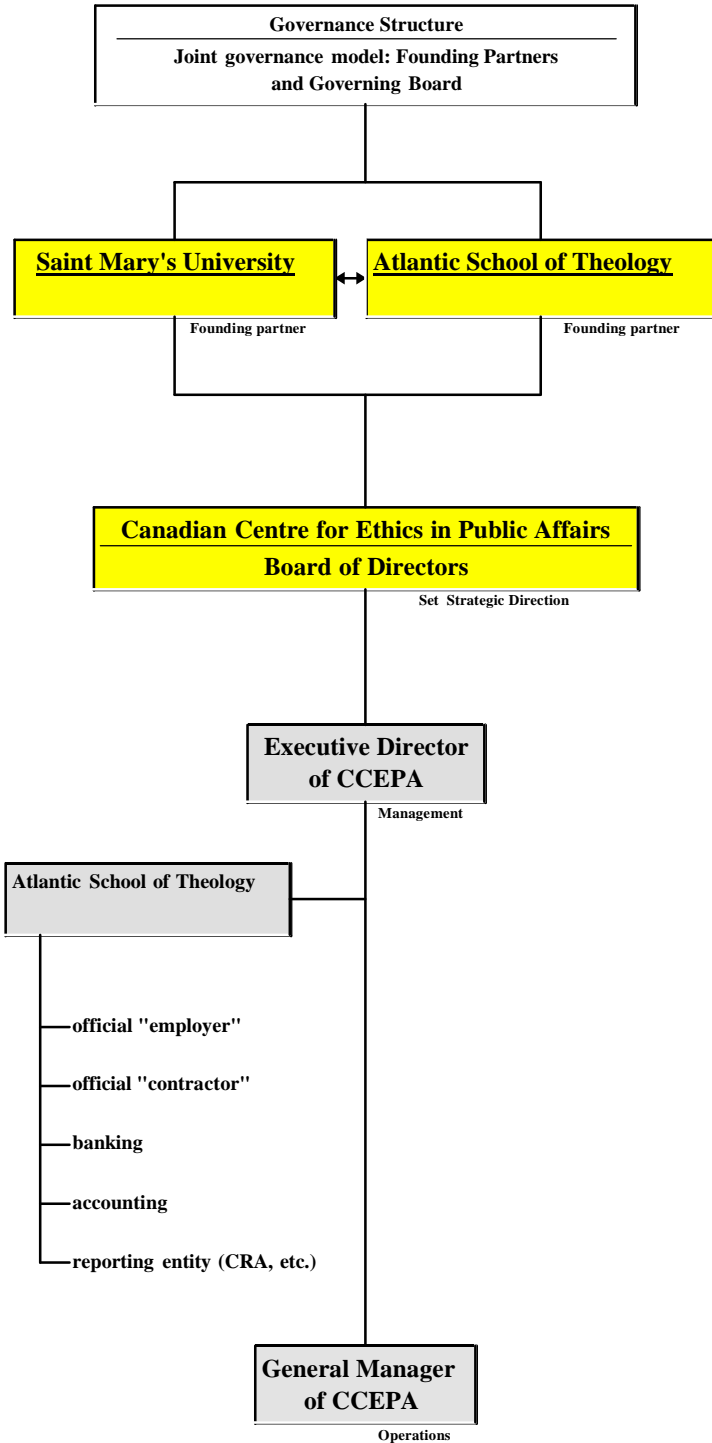
Conclusion

This report, together with the attached appendixes, constitutes the analysis and recommendations of the CCEPA Governance Task Force. This work is intended to fill-in some of the gaps in the current governance structure and documents practices already in place.

We trust this report will assist the founding partners and the CCEPA Board of Directors to enhance its governance. The next step is a review of the report by the CCEPA Nominations and Governance Committee which will then take it to the CCEPA Board for consideration. Then any recommendations should be formally approved by the appropriate governance bodies at SMU and AST.

Appendix A

Canadian Centre for Ethics in Public Affairs Relationship Chart



- SMU and AST Oversight Role**
- Boards of Governors - founder of CCEPA
 - establish and monitor governance system
 - provide resources (\$, office, services, etc.)
 - consider annual report from CCEPA Board
 - ensure academic integrity

- Board of Directors Strategic Direction Role**
- set overall context and direction for CCEPA
 - monitor progress toward goals
 - establish policy guidelines
 - raise funds
 - appoint / evaluate performance of Executive Director

- Management Role**
- offer strategic advice
 - provide operational leadership
 - manage stakeholder relations
 - steward resources
 - direct staff and support CCEPA volunteers



Canadian Centre for
Ethics in Public Affairs

CONSTITUTION

ARTICLE 1 - ORGANIZATION

- 1.1 The name of the organization shall be the Canadian Centre for Ethics in Public Affairs (CCEPA or the Centre).
- 1.2 CCEPA was founded by Saint Mary's University (SMU) and the Atlantic School of Theology (AST). The Boards of Governors and/or the Academic Senates of the founding partners oversee the governance of CCEPA, provide resources, enter into formal contracts on behalf of CCEPA, and consider the annual report of the Board of Directors of CCEPA.
- 1.3 CCEPA is an unincorporated entity. SMU and AST agree to share the assets and liabilities of CCEPA on an equal basis.
- 1.4 The CCEPA Board of Directors is a critical part of the joint governance structure. It will set the overall context and strategic direction for CCEPA to deliver on its mission, vision and values and monitor progress towards goals.

ARTICLE 2 - PURPOSE

- 2.1 The purpose of CCEPA will be to serve the public of Canada through research, discussion and policy recommendations focusing on ethical issues arising locally and internationally from fundamental change in society. It will build collaboration across disciplines and coalitions with community partners on a project by project basis. The Centre shall embody the interests of the two founding partners. The direction of CCEPA shall be guided by its Mission, Vision and Values:
- 2.2 Mission
CCEPA provides an arena for critical thinking, public discussion and research into current ethical challenges in society.
- 2.3 Vision
CCEPA's vision is to:
 - be recognized for its programs
 - be known for the results of its efforts and for its truly collaborative approach
 - have a national presence
 - be financially self-sustaining

2.4 Values

CCEPA promotes the public good through cultivating and disseminating knowledge about ethical issues to help generate new insights, provide greater awareness and heal misunderstandings. It is guided in this work by commitment to the values of:

- promoting open and respectful debate on contemporary public issues
 - enhancing the capacity of organizations to address ethical challenges
- conducting our activities in a transparent and self-critical manner.

ARTICLE 3 - BOARD OF DIRECTORS

3.1 The strategic direction of CCEPA shall be set by a Board of Directors. The Board shall supervise the conduct of all business of CCEPA.

3.2 The Board shall consist of 18 voting members determined as follows:

- | | | |
|--------|---|---|
| 3.2.1. | Members appointed by the Boards of Governors of SMU and AST (one each) | 2 |
| 3.2.2. | Members appointed by the Academic Senates of SMU and AST (one each) | 2 |
| 3.2.3. | Presidents of SMU and AST, ex officio, or their senior administrative delegates | 2 |
| 3.2.4. | Academic faculty members appointed by SMU and AST (one each) | 2 |
| 3.2.5. | Graduate student members appointed by SMU and AST (one each) | 2 |
| 3.2.6. | Members at Large elected by the CCEPA Board of Directors | 7 |
| 3.2.7. | The CCEPA Executive Director, ex officio | 1 |

3.3 The Board shall meet at least twice annually at the call of the Chair.

3.4 The Board shall annually present a report of its activities to the SMU Board of Governors and the AST Board of Governors.

3.5 The Board shall annually present a report of its activities to the Annual General Meeting (AGM) of the Centre.

ARTICLE 4 - EXECUTIVE COMMITTEE

- 4.1 At each AGM an Executive Committee shall be elected, including the following officers:
- I. Chair
 - II. Secretary
 - III. Treasurer
 - IV. Member at large
 - V. Executive Director, ex officio

- 4.2 The Chair shall rotate among the Board members from SMU, AST and the members at large.
- 4.3 The Executive Committee shall approve all projects undertaken in the name of CCEPA, and regularly report on the approved projects to the Board.
- 4.4 The Executive Committee is responsible for the annual performance review of the Executive Director, which shall be conducted by the Chair in consultation with the Board.
- 4.5 The Executive Committee shall act as the Finance Committee and, among other things, oversee the development and monitoring of an annual operating budget for the Centre.
- 4.6 The Executive Committee will act as a sounding board for matters moving forward to the Board in consultation with Committee Chairs, fulfill an agenda-setting role for the Board, and in general, help deliver on the mission and vision of the Centre.
- 4.7 Executive Committee member one-year terms are renewable to a maximum of three years. Should a vacancy occur among the offices of the Executive Committee (other than the Executive Director) the Board may elect one of its number as a replacement until the next AGM.

ARTICLE 5 - NOMINATIONS AND GOVERNANCE COMMITTEE

- 5.1 The Nominations and Governance Committee shall consist of the Executive Director and a least three other Board members chosen by the Board of Directors.
- 5.2 The committee will have the following duties and responsibilities:
 - Lead the process of Board renewal by annually reviewing Board composition and identifying potential candidates for upcoming “at large” vacancies in light of required skills and experience
 - Liaise with the founding partners to ensure their Board nominations are put forward
 - Present a slate of candidates for each of the elected positions on the Executive Committee and to the Board of Directors for election at the Annual General Meeting
 - Ensure the Centre is up to date with respect to best governance practices and emerging governance issues
 - Develop and coordinate the process of the orientation of new Board members
 - Develop and implement processes for Board and Board member evaluation and make any recommendations to the Board
 - Report to the Board at each Board meeting on nominations and governance matters

ARTICLE 6 - OTHER COMMITTEES

- 6.1 The Board shall have the power to create such committees as it deems necessary.

- 6.2 The Board shall have the power to specify terms of reference, objectives, conduct of meetings, finances and all other matters for its committees.

ARTICLE 7 - EXECUTIVE DIRECTOR

- 7.1 The operations of the Centre shall be managed by an Executive Director appointed by the CCEPA Board of Directors.
- 7.2 The Executive Director has a strategic leadership and operational leadership role, manages stakeholder relations, stewards resources, and directs staff and supports volunteers.

ARTICLE 8 - MEETINGS, QUORUM AND VOTING

- 8.1 The AGM shall be held at a date to be determined by the Board for the purpose of reporting its actions since the previous AGM, electing officers, and transacting such other business proposed by the Board.
- 8.2 If the Chair is absent from any meeting, the members present shall elect from their number a Chair to preside over the meeting.
- 8.3 The presence of a majority of voting members constitutes a quorum at the AGM or any meeting of the Board or Committee.
- 8.4 Members must be present to vote at any AGM, Board or Committee meeting.
- 8.5 The Chair shall not vote unless the Chair's vote would affect the result, i.e. to create or break a tie vote.
- 8.6 A vote at any meeting shall be carried by a majority of the Members present.

ARTICLE 9 - ACADEMIC MATTERS

- 9.1 The work of the Centre will focus on the ethical components and implications of specific issues and fields of study of public interest.
- 9.2 Academic programming undertaken by the Centre for the two founding institutions shall be in accordance with the standards set by the academic governance bodies of the founding universities.
- 9.3 Researchers from the founding institutions may relate to CCEPA in the following ways:
- 9.3.1. Secondment: members of the faculty are released by their institutions for a specified period to work exclusively for the Centre.
- 9.3.2. Contract: members of the faculty contribute to the work of the Centre on an ad hoc basis with varying degrees of involvement. For example, research, consultancy, educational leadership, short-term project collaboration, etc.
- 9.3.3. Membership: members of the faculty and students may become members of the Centre and participate in the community and public scholarly activities of CCEPA.

- 9.4 Researchers from other educational institutions may also be associated with the Centre including as Research Fellows, Scholars in Residence or Research Associates.
- 9.5 The Board of the Centre may create categories of membership in the Centre as it deems appropriate. Categories of membership may include, for example, individual and corporate memberships, or friends of the Centre interested in the public activities of CCEPA.

ARTICLE 10 - FISCAL YEAR

- 10.1 The fiscal year of CCEPA shall begin on April 1 and end on March 31.

ARTICLE 11 - AMENDMENTS AND REPEAL

- 11.1 Proposals to amend the Constitution may be made by the CCEPA Board or the founding partners.
- 11.2 Amendments to the Constitution shall be subject to confirmation at the CCEPA AGM. Amendments approved at the AGM are then subject to ratification by Saint Mary's University and the Atlantic School of Theology.
- 11.3 All previous constitutions are repealed.

Approved by Senate, Saint Mary's University: March 12, 2010

Approved by Board of Governors, Atlantic School of Theology: April 12, 2010

Appendix C: Risk Management Policy



Canadian Centre for Ethics in Public Affairs Insurance and Indemnification Policy

Date: September xx, 2009

To: All Current and Past Volunteers of
the Canadian Centre for Ethics in Public Affairs

The Canadian Centre for Ethics in Public Affairs (CCEPA) is fortunate to be the beneficiary of the talents and experience of a wide variety of individuals serving on the Board of Directors, its various committees and volunteer activities. The founding partners, Saint Mary's University (SMU) and the Atlantic School of Theology (AST), are grateful for all of your efforts.

You may have wondered if your work as a volunteer for CCEPA may cause personal risk to you and whether you are covered for such risk. The founding partners commit to protect you with liability insurance and indemnification, as explained in this memo.

Errors and Omissions Liability Insurance

SMU and AST have liability insurance covering the actions and decisions of its Board, committee members and volunteers. This coverage is part of the Errors and Omissions policies provided by CURIE, the Canadian Universities Reciprocal Insurance Exchange. The combined limit of liability under the Errors and Omissions policies of SMU and AST is \$22,500,000.

We have verified directly with CURIE that members of the CCEPA Board and volunteers while acting on behalf of CCEPA are protected under the insurance coverage of the founding Universities through the Canadian Universities Reciprocal Insurance Exchange. CCEPA is included under this coverage as an "Additional Insured."

The complete CURIE Errors and Omissions policy is available upon request if you wish to read the details.

Indemnification

As indicated above, SMU and AST have subscribed insurance for your benefit against personal liability incurred by you in your capacity as a volunteer, subject to the terms, conditions and monetary limits of the insurance policies. The Universities acknowledge that you should not incur personal liability for any decision, resolution or action that you may make, adopt or take or that you may omit to make, adopt or take by reason of, or in connection with, your role as a CCEPA volunteer, to the extent provided in the next paragraph.

Subject to you providing the Universities with your complete cooperation with respect to any claim, SMU and AST expressly agree to save harmless and indemnify yourself, your heirs, assigns and legal representatives against all claims, actions or proceedings to which you are or are made a party by reason of you being or having been a volunteer for CCEPA. SMU and AST also expressly agree to indemnify yourself, your heirs, assigns and legal representatives against all expenses reasonably incurred by you by reason of or in connection with such claim, action or proceeding, provided you have acted honestly and in good faith and provided you have acted within the scope of your responsibilities as a volunteer. This agreement excludes any claims brought by SMU or AST against any volunteer for dishonesty or other intentional breach of your duties. Whenever the Universities defend a volunteer pursuant to this paragraph, the Universities shall have the sole right and responsibility to retain and instruct counsel, to investigate, negotiate and settle any such claims and to direct the conduct of any civil action.

Responsibility of CCEPA Volunteers

The above commitments by SMU and AST provide insurance coverage and indemnification for effective risk management. Although your work as a CCEPA volunteer is covered under these provisions, you are still responsible for acting in a prudent and responsible manner. The expectation is a level of care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person.

We hope this information is helpful in explaining the risk management strategy of CCEPA. If you have any questions, please contact Financial Services at Saint Mary's University 491-8658.

Yours truly,

Dr. J. Colin Dodds
President, Saint Mary's University

The Reverend Canon Eric Beresford
President, Atlantic School of Theology

Appendix D

Funding Commitment from the Founding Partners

	2008/09	2009/10	2010/11	2011/12
Saint Mary's University	\$40,000	\$30,000	\$20,000	*
Atlantic School of Theology**	\$12,500	\$7,500	\$7,500	\$12,500
CCEPA 3-year business plan	-	\$37,500	\$27,500	\$12,500

* contributions for 2011/12 and beyond not yet confirmed

* SMU has indicated that CCEPA should eventually move to a self-financing model

** AST also provides "in-kind" contributions as follows:

Official employer of CCEPA staff

Official contractor for CCEPA legal agreements

Office space Operational

support Accounting and

reporting Fund raising

assistance Snow removal

Parking

Grounds maintenance