Response to the External Review of the University of Prince Edward Island's Governance

An independent review of the University of Prince Edward Island (UPEI)'s governance, with a focus on the Board of Governors, was completed in July 2024 by a nationally recognized expert in Canadian university governance.

The primary goals of the Governance Review were to:

1. **Rebuild and Restore Trust**: Strengthen governance practices and accountability mechanisms to rebuild trust in UPEI's governing bodies.
2. **Increase Transparency**: Enhance the accessibility of the Board and the transparency of its processes.
3. **Restore Balance**: Reinforce the system of shared governance at UPEI.

The review assessed four critical areas of UPEI's governance:

1. **Board and Standing Committee Mandates and Meetings**
2. **Succession Planning and Existing Membership**
3. **Board Evaluation and Ongoing Training**
4. **Support Functions**

Progress Made

In July 2024, the Board of Governors (the Board) accepted the findings of the Governance Review and committed to implementing its recommendations over a three-year timeline. Since then, several key actions have been undertaken, with more planned for implementation over the next two years.

1. **Board and Standing Committee Mandates and Meetings**

Actioned Activities:

- The terms of reference for the seven standing committees of the Board have been revised to align with the recommendations of the Governance Review and concord with the new University of Prince Edward Island By-laws (see *Appendix A* for detailed changes).

- Committee work plans have been developed based on their respective mandates.
- Transparency has been improved by posting meeting materials on the Board's webpage one week before scheduled meetings and notifying the community via UPEI Campus Notices, a subscription-based email notification service.
- Standing committee terms of reference and Board by-laws are now available on the website.
- The Board has implemented "Open", "Closed", and "In-Camera" meetings, with an emphasis on conducting as much business as possible in open sessions.
- The Board has been actively engaged in the development of UPEI's new strategic plan, approving the process for strategy development and engaging critically in the content.
- UPEI Student Union updates at Board meetings now focus on student experiences rather than Student Union activities.
- The Board has set a standard that all materials required for the Board and committee decision-making are provided at least one week in advance of meetings.
- To prevent any overlap between the Board and Administration, only Board members, the University Secretary, and the minute-taker now sit at Board and standing committee tables during meetings.

Planned Activities:

- Development of role descriptions for the Board and standing committee chairs and for Board members.
- Continued updates to the Board website to improve accessibility and transparency.
- Enhanced committee reporting to the Board.
- Threshold to be revisited for Board approval of expenditures, currently set at $1 million.
- Annual meetings to be held beginning in the Fall of 2025, providing progress updates on Board and standing committee activities.

2. **Succession Planning and Existing Membership**

Actioned Activities:

- The Board-member skills matrix and representation surveys have been updated in line with Governance Review recommendations. These surveys have been distributed to current Board members to identify skill and representation gaps.
- Term limits for Board members have been introduced, with members normally serving a maximum of two consecutive terms or six years, whichever is less, and in no circumstances may a board member serve more than three consecutive terms or nine years, whichever is less.
- Board-appointed organizations (e.g., UPEI Alumni Association, Government of PEI) have been informed of the identified gaps in skill and representation.

Planned Activities:

- Results of the skills and representation surveys to inform the recruitment process for current and future vacancies.
- Development of a policy regarding the election of the Board chair and vice-chairs (draft is complete, approval expected in May 2025).
- Development of policy instruments to guide recruitment, selection, and appointment of Board members.
- Board succession planning, including the appointment of vice-chairs to standing committees.

3. **Board Evaluation and Ongoing Training**

Actioned Activities:

- A comprehensive two-year training plan has been developed to ensure Board members receive timely and relevant education. The plan includes a mix of internal and external training providers to ensure diverse perspectives.
- A training session for Board standing committee chairs on their roles was completed.

Planned Activities:

- Update of the Board evaluation tool to incorporate the recommendations from the Governance Review.
- Implementation of planned training initiatives with regular evaluations for effectiveness.
- Enhancement of the orientation training program to emphasize foundational knowledge of university governance, bicameral governance, and the specific roles and responsibilities of the Board, Senate, and Administration.

4. **Support Functions**

Actioned Activities:

- A new University Secretary position has been created and staffed to support the Board and its standing committees, the Senate and its committees, and to oversee the policy framework at UPEI.
- The Board has approved and published University By-laws, addressing numerous Governance Review recommendations, including clarifying the fiduciary duties of

the Board, member term limits, conflict of interest policies, meeting types, and transparency practices.
- A performance review process for the President and Vice-Chancellor has been developed and posted on the Board webpage.
- The Board and standing committee minute taker has received training on minute taking.

Planned Activities:

- Development of new protocols to streamline processes, including templates for minutes, criteria for special meetings, and clarity around decision-making and reporting.
- Continued enhancements to the Board website to foster transparency in Board activities and recruitment.
- Development of a process for the University community to request items be placed on Board meeting agendas.
- Development of a capital budget for Board review and approval.
- Development of a project analysis template to support Board decision-making on capital projects.
- Development of new frameworks to improve oversight of fundraising, external communications, and community engagement, aligning with the new strategic plan.
- Development of a recruitment and retention strategy, informed by enhanced employee metrics.
- Development of a training session for administrative staff who support the Board and/or standing committees.
- Continued enhancement of accountability mechanisms including requirements to report back on initiatives approved by the Board and the development of a safe disclosure policy.

Conclusion

The UPEI Board of Governors is committed to advancing its governance practices in response to the findings of the Governance Review. Progress has been made in key areas, and the Board has outlined clear actions for continued improvement. This will ensure that UPEI's governance framework remains strong, transparent, and effective in fulfilling its responsibilities. The implementation of these recommendations will play a crucial role in furthering the University's strategic priorities and enhancing its reputation as a leading post-secondary educational institution.

Appendix A: Detailed Changes to Committee Terms of Reference

The following changes were made to the terms of reference for the Board standing committees to improve governance practices, align with the recommendations from the Governance Review, and ensure the committees' mandates are clear and focused on their respective responsibilities.

1. **Finance, Audit, and Risk Committee**

Key Changes:

- **Removed Governance Responsibilities:** References to "governance" were removed from the committee's mandate to eliminate overlap with the Governance, Nominating, and Appeals Committee.
- **Oversight of Endowment and Pension Plans:** Explicit responsibility was added for overseeing the Endowment Oversight Committee and ensuring compliance with pension plan regulations.
- **Financial Expertise Requirements:** The committee's membership requirements were amended to increase the number of members with financial expertise from one to two, ensuring strong oversight of financial matters.
- **Capital Infrastructure Review:** The committee is now required to annually review capital infrastructure priorities and capacity in collaboration with the Development, Fundraising, and External Relations Committee and the Property and Environmental Sustainability Committee.

2. **Property and Environmental Sustainability Committee**

Key Changes:

- **Expanded Oversight on Capital Projects:** The committee's mandate was expanded to include responsibility for the oversight of capital project implementation. This ensures the committee engages in monitoring the execution of capital projects from inception to completion.
- **Project Analysis for Capital Projects:** The committee is now required to receive detailed project analysis reports for proposed capital projects before decisions are made. This ensures more thorough review and informed decision-making regarding large-scale developments.
- **Increased Environmental Sustainability Focus:** The committee's role in addressing environmental sustainability was enhanced to reflect a broader responsibility that goes beyond campus operations, extending to the long-term environmental health and safety of the campus and surrounding community.
- **Expanded Membership Criteria:** At least two members should now have a background in project management, and at least one member should have

expertise in environmental sustainability. This ensures that the committee has the necessary expertise to oversee both the environmental and operational aspects of capital projects.

- **Renaming the Committee:** The committee was renamed to better reflect its broader mandate, emphasizing both property and environmental sustainability.
- **Annual Review of Capital Infrastructure:** The committee is now required to work with the Finance, Audit, and Risk Committee and the Development, Fundraising and Environmental Sustainability Committee to annually review capital infrastructure priorities and capacity.

3. **Human Resources Committee**

Key Changes:

- **Clarified Focus on Human Resources Matters:** The committee's focus was clarified to cover critical human resource issues, including recruitment, retention, compensation, succession planning, human resources compliance, and labour relations.
- **Coordination with Campus Culture Oversight Committee:** A requirement was added for the chairs of both the Human Resources Committee and the Campus Culture Oversight Committee to meet regularly to ensure there is no overlap in their responsibilities, particularly around issues such as workplace culture and employee engagement.
- **Delegation of Hiring and Promotion Authority:** The committee now holds delegated authority by the Board for approving the hiring of academic and other staff, as well as the tenure and promotion of faculty members. This is to streamline decision-making processes, particularly in areas that require time-sensitive action.
- **Sabbatical Approvals Removed:** The committee's responsibility for approving sabbaticals was removed and is now managed through the Office of the Vice-President Academic and Research.
- **Expanded Responsibility for Collective Bargaining:** The committee now holds responsibility for approving collective bargaining mandates, as well as recommending collective agreements to the Board for approval.
- **Altered Meeting Schedule:** The committee's meeting schedule has been adjusted to allow for 30-minute meetings in months when no regular meeting is scheduled. This change ensures more timely decision-making for urgent HR matters, such as hiring decisions.
- **Policy and Practice Review:** The committee now has the responsibility to review policies and practices related to faculty hiring, tenure, and promotion, ensuring they are aligned with best practices and institutional goals.
- **Expanded Membership Criteria:** All voting members must be independent of the University and familiar with human resources matters. At least two committee members should have a professional human resources background. This ensures

that the committee has the necessary expertise to oversee complex human resource matters.

4. Governance, Nominating, and Appeals Committee

Key Changes:

- **Enhanced Committee Role:** The committee's name was updated to reflect its expanded role and responsibilities, as recommended in the Governance Review. This now includes additional tasks related to governance, nominations, and Board membership.
- **Expanded Membership Criteria:** At least one member should have expertise in policy development and one member with recognized governance qualifications (e.g., a governance designation). This ensures the committee is better equipped to address complex governance issues.
- **Recruitment and Nominations:** The committee now assumes responsibility for Board and standing committee membership, which was previously overseen by the Executive Committee. This includes the recruitment and nominations of new Board members and monitoring attendance.
- **Board Role Descriptions:** The committee now holds responsibility for creating and updating Board member role descriptions, a task previously managed by the Executive Committee.
- **Board Code of Conduct:** The committee will oversee the development and enforcement of the Board's Code of Conduct, which was previously the responsibility of the Executive Committee.
- **Board Education Responsibilities:** The committee's responsibility for Board education has been clarified, and a formal training plan has been introduced.
- **Risk Management Removal:** The committee's previous responsibility for risk management has been removed as the Finance, Audit, and Risk Committee will now address this.
- **Standing Committee Terms of Reference:** The committee now also oversees the review and approval of the terms of reference for all standing committees.

5. Executive Committee

Key Changes:

- **Clarification of Responsibilities:** The Executive Committee's role has been clarified to focus on strategic and reputational matters, while responsibilities related to the University strategic plan becomes the purview of the full Board. Governance, member recruitment, role descriptions, standing committees, Board code of conduct, and collective bargaining responsibilities have been reassigned to other committees (Governance, Nominating, and Appeals and Human Resources committees).

- **Expanded Evaluation Responsibilities:** The committee's mandate now includes oversight of the evaluation of the President and Vice-Chancellor and the University Secretary, including compensation decisions related to these positions.
- **Workplans for Committees:** The committee now has responsibility for overseeing the development and implementation of workplans for the Board and standing committees, ensuring that all committees are focused on their strategic priorities.
- **Oversight of Senate Relationship:** The committee now has formal responsibility for overseeing the relationship between the Board and the Senate, including alignment on key institutional issues.
- **Strategic and Reputational Matters:** The committee is now responsible for overseeing strategic and reputational matters, ensuring that the Board maintains a strong focus on UPEI's long-term goals and institutional reputation.

6. Development, Fundraising, and External Relations Committee

Key Changes:

- **New Authority for Donor-Funded Awards:** The committee was granted authority to approve the naming of new or amended donor-funded awards and scholarships. This clarifies past practice and ensures consistency.
- **Annual Reports from Senate:** The committee will receive annual reports from the Senate on the granting of awards. This provides the committee with a clearer view of the impact and scope of donor-funded initiatives.
- **Expanded Membership Criteria:** At least one member should have a background in fundraising and at least one member with expertise in communications or constituent relations. This ensures the committee has the necessary skills to effectively oversee UPEI's external relations.
- **Annual Review of Capital Infrastructure:** The committee is now required to work with the Finance, Audit, and Risk Committee and the Property and Environmental Sustainability Committee to annually review capital infrastructure priorities and capacity.

7. Campus Culture Committee

Key Changes:

- **Coordination with Human Resources Committee:** The committee is now required to ensure there is no overlap with the Human Resources Committee in areas such as workplace culture and employee engagement. This will facilitate more efficient work by both committees and avoid duplication of effort.
- **Expanded Membership Criteria:** All committee members are now required to understand organizational culture and at least two members should have experience working in the post-secondary education sector. This ensures that the committee has the necessary expertise to oversee both the implementation of the

UPEI Action Plan and effectively monitor organizational culture.

Conclusion

The amendments to the standing committee's terms of reference reflect a concerted effort to improve governance at UPEI. The changes ensure that each committee has a clear and focused mandate, appropriate membership qualifications, and responsibilities that align with the University's strategic objectives. These updates are critical to enhancing transparency, accountability, and effective decision-making across UPEI's Board of Governors.