



CORPORATE POLICY FRAMEWORK

(DOES NOT APPLY TO PROGRAMMING POLICIES)

TO:	Human Resources and Governance Committee Board of Directors
MEETING:	2013-05-14/15
FROM:	Maryse Bertrand, Vice-President, Real Estate Services, Legal Services and General Counsel
DECISION SOUGHT:	Approval of the Corporate Policy Framework and consequential amendments to the Corporation's Bylaws and the Terms of Reference of the Board and its Committees
NEXT STEPS:	<ul style="list-style-type: none">• Each Board Committee to determine which of the policies under their purview should be designated as "significant"• Policy Review schedule to be presented to the appropriate Board Committees
DATE:	2013-04-19



A1. CONTEXT

- Under sound governance practices, the Corporate Secretariat has an oversight role to play vis-à-vis corporate policies
- The existing Corporate Policy Framework, which was established in 2003, has not been applied consistently and has resulted in:
 - Duplications and inconsistencies (i.e., provisions, drafting style, level of details, etc.) across various policies and between policies and corporate bylaws
 - Lack of clarity and application of what constitutes a “policy”, a “procedure”, a “guideline” and a “directive”
- Until 2007, an informal Corporate Policy Committee reviewed policies and provided feedback to Components; since then, the responsibility for policies (including review and publication) has been decentralized and different ad hoc processes have been followed (sometimes resulting in the Corporate Secretariat not being involved)
- Components have varying levels of policy drafting and review capacity (i.e., available resources and appropriate expertise)
- Currently, policies that are designated as “Significant” are submitted to the Board for approval (see Appendix 3); all other policies are approved by an appropriate SET member



A1. CONTEXT

- Current Management Policy Suite:

<u>Components/Divisions</u>	<u>Number</u>	<u>Pages</u>
• Finance & Administration	31	220
• Human Resources	21	125
• Legal & Corporate Secretariat	7	56
• Other Components/Divisions	7	34
• Media Technology Services	<u>2</u>	<u> </u> * (33 pages of “standards”)
TOTAL:	68	435



A2. KEY DECISION ELEMENTS

The revised Policy Framework addresses two key elements: (1) Policy Instruments; and (2) Policy Governance.

1. POLICY INSTRUMENTS:

The following policy instruments will be used:

- a. “Policies” (i.e., “statements of policy”) – provide high-level **mandatory requirements** to ensure consistency, legal compliance, respect of corporate values, and/or the attainment of corporate objectives
- b. “Rules and Procedures” – specify **mandatory methods** for accomplishing tasks to achieve policy objectives; they inform how policies are carried out; they provide **operational instructions** to affected employees; they emanate from operational personnel rather than from the head of the Corporation or SET
- c. “Guidelines” – contrary to “policies”, **provide recommendations** and preferences for behaviour (i.e., strict adherence to “Guidelines” is desirable, but not mandatory)



A2. KEY DECISION ELEMENTS

2. POLICY GOVERNANCE

Under the proposed framework, the Board delegates policy decision-making authority to Management (with "significant" policies subject to committee approval) and policy oversight responsibilities to Board committees. The key roles and responsibilities will be as follows:

- **Board's Human Resources and Governance Committee** exercises oversight over the policy framework (and determines which policies fall under the purview of which committee)
- **Board committees** exercise oversight over policies under their purview by:
 - a. Maintaining a list of "significant" policies under their purview that they wish to review for approval
 - b. Reviewing Management's annual summary report on policy reviews completed, policy changes made, and planned policy reviews
 - c. Formulating policy recommendations or orientations when appropriate (i.e., when the Audit Committee approved Management's recommendations on IFRS Accounting Policy decisions).
- **Senior Executive Team** (as a group) approves all "Policies" (subject to Committee approval of "significant" policies)
- **Senior Executive Team members**, after consultation with the Corporate Secretariat, approve all "Rules and Procedures" and "Guidelines" under their respective purview



A2. KEY DECISION ELEMENTS

- **Components** are accountable for the policy instruments under their purview, and as such:
 - a. Develop or revise their policy priorities in consultation with the Corporate Secretariat
 - b. Act as subject-matter experts
 - c. Draft policy instruments or, if policy drafting capacity is lacking, work with the Corporate Secretariat to draft policy instruments
 - d. Consult stakeholders in relation to draft or approved policy instruments
- **Corporate Secretariat** is responsible for the corporate policy framework, and as such:
 - a. Establishes guidelines and templates relating to policy instruments
 - b. Ensures that all proposed changes to policy instruments comply with the corporate policy framework (note: the Corporate Secretariat's degree of involvement will be commensurate with the relative importance of the policy instrument)
 - c. Maintains an enterprise-wide inventory and schedule of policy initiatives and reports thereon to the SET and the appropriate Board committees
 - d. Coordinates the periodic review of existing policy instruments with Components
 - e. Provides policy drafting and review support to Components that do not have the internal capacity to draft policies instruments
 - f. Acts as the Registrar of corporate policies by safeguarding (in EDRMS) all approved policy instruments and posting all policy instruments in force on *io!* and, if appropriate, on *cbc.ca*
- **Corporate Policy Advisory Committee** serves as a community of interest to share best practices, recommend changes to the policy framework, discuss policy priorities, and review policies if solicited (see Appendix 4 for proposed membership)



A3. KEY BENEFITS, IMPACTS & RISKS

BENEFITS:

- Streamlined, consistent, coherent, concise high-quality corporate policies which reduce operational, compliance and reputational risks and costs
- Enterprise-wide prioritization and coordination of policy drafting and review
- Clarity of roles and responsibilities; no duplication of efforts
- Enhanced governance, accountability and communications throughout the Corporation
- Better use of the Board's time; reduced decision-making balanced with increased decision-making and oversight role by committees

IMPACTS:

- The Corporate Secretariat will require an additional temporary resource (i.e., a Corporate Policy Officer) to administer the corporate policy framework

RISKS:

- Potential for bottlenecks in the Corporate Secretariat
- Employees' interpretation or perceptions of changes to policy instruments



A4. OTHER OPTIONS CONSIDERED

1. POLICY INSTRUMENTS:

- a. Use umbrella policies only (i.e., Code of Conduct, one HR master policy, one Finance master policy, etc)
 - *Con:* While master policies would serve as “one-stop-shop” for employees, some policy sections will require more frequent review or changes which could pose communications and adoption challenges
- b. Re-institute a cyclical review process
 - *Con:* An arbitrary or static review schedule would not be responsive to actual policy review needs arising from legislative, legal or operational changes and/or evolving risks



A4. OTHER OPTIONS CONSIDERED

2. POLICY GOVERNANCE:

- a. Status Quo – Responsible SET members approve all policies under their respective purview subject to the Board approval of “Significant Policies”
 - *Con:* Does not ensure consistent, cohesive enterprise-wide policies
 - *Con:* Board inundated with information and drawn into operational matters; approval needed even for minor changes
- b. Approval of all policy instruments by
 - i. the President
 - *Con:* Overburdens the President
 - *Con:* Erodes individual SET members’ responsibilities for their Components (i.e., upward delegation of responsibility for more operational matters)
 - ii. the responsible SET member and the Corporate Policy Committee
 - *Con:* The committee is not be the best vehicle for decision-making



A4. OTHER OPTIONS CONSIDERED

- c. All policies reviewed and drafted by:
 - i. Designated staff in Corporate Secretariat or key central services (i.e. Legal or other);
 - *Con:* While this would ensure consistency and coherence across policies, some Components, due to the nature of their operations, have the appropriate resources dedicated to policy review, drafting and compliance
 - *Con:* Would require additional resources in the Corporate Secretariat or each of the central services
 - ii. by Corporate Policy Committee
 - *Con:* Not efficient and not equipped or staffed for that purpose
- d. Stakeholder consultations undertaken via the Corporate Policy Committee
 - *Con:* Committee membership may not include all stakeholders



A5. SUCCESS MEASURES

- Employees and individuals under contract understand the policies that apply to them as a condition of employment
- Corporate policies are reviewed on a priority basis
- Corporate policies are compliant with current legislative, legal and operational changes
- CBC\Radio-Canada's corporate policy framework is viewed as a model for best-practices



A6. RESOLUTION (BOARD)

1. That the Bylaws of the Corporation be amended by deleting section 1(1)(o);
2. That the Terms of Reference of the Board be amended by deleting section 1(c);
3. That the Terms of Reference of the Audit, the Human Resources and Governance, and the Infrastructure committees be amended by adding the following provision:

"The Committee shall exercise oversight over Corporate Policies under its purview by:

 - (a) Maintaining a list of "significant" Policies for which Committee approval is required;
 - (b) Reviewing Management's annual summary report on policy reviews completed, policy changes made, and planned policy reviews; and
 - (c) Formulating policy recommendations or orientations when appropriate.";
4. That the Terms of Reference of the Human Resources and Governance Committee be amended by adding the following new provision:

"The Committee shall exercise an oversight role over the Corporate Policy Framework and over corporate policies not assigned to other Committees."
5. That the Corporate Secretary be authorized to make any consequential amendments to the Terms of Reference of the Board and of its Committees.



B. APPENDICES

1. Glossary
2. Current Situation
3. Policies currently designated as "Significant"
4. Current provisions in the Corporation's Bylaws
5. Current provisions in the Terms of Reference of the Board
6. Corporate Policy Advisory Committee – proposed membership
7. Composition of the team that reviewed the current Corporate Policy Framework



B. APPENDICES

1. Glossary

- The word “policy” can be used to generally describe the ensemble of policy instruments (e.g., we have a policy to deal with conflicts and interests and one that requires computer passwords to be changed every 3 months), to refer to a specific policy instrument (e.g., we have a “Conflict of Interest Policy”), or to refer strictly to “Statements of Policy”.

2. Current Situation

Currently, only “Significant Policies” require Board approval; however

- The criteria for determining what constitutes a “significant policy” are vague
- There is lack of clarity as to what documents should be distributed to the Board (i.e., provide just the policy or also include the “procedures” and “guidelines” as information in order to provide a better picture of how the policy will be implemented)
- The review schedule has not been adhered to; policies have been submitted on an as required basis (e.g., due to legislative changes) rather than as per the review schedule approved by the Board in 2007
- There currently is no process in place to periodically review the list of “Significant Policies” or to change the review schedule
- There is uncertainty on who should approve new policies (e.g., the Board, SET, the President, or the responsible SET member)
- Most Crown Corporation Boards simply exercise an oversight role over corporate policies (i.e., Management is fully responsible for the policies it puts in place)



B. APPENDICES

3. Policies designated as "Significant" by the Board in 2007:

COMMUNICATIONS:

2.1.1 Communications

PEOPLE AND CULTURE:

2.2.2 Employment Equity

2.2.3 Conflict of Interest and Ethics

2.2.4 Compensation

2.2.6 Leave

2.2.14 Official Languages

2.2.15 Harassment

2.2.16 Occupational Health, Safety and Environment

2.2.17 Political Activity

2.2.18 Crisis Management

2.2.20 Non-discrimination and Duty to Accommodate

2.2.21 Code of Conduct

FINANCE AND ADMINISTRATION:

2.3.2 Assets

2.3.3 Capital Leases

2.3.6 Procurement

2.3.8 Delegation of Financial Authorities

2.3.11 Fraud & Theft

2.3.12 General Accounting and Reporting Guidelines

2.3.17 Management of Foreign Currency Risk

2.3.21 Revenue Recording and Reporting

2.3.23 Travel Management

2.3.25 Specialty Services

2.3.26 Accounting for the Toronto Broadcast Centre

2.3.29 Management of Investments

LEGAL SERVICES:

2.9.2 Personal Information & Privacy Protection

2.9.3 Delegation of Signing Authority

2.9.4 Disclosure of Wrongdoings (Whistleblower Policy)

2.9.5 Access to Information Policy



B. APPENDICES

4. Current provisions in the Corporation's Bylaws being deleted:

- 1(1)(o) "Significant Policies" include those policies which:
- (i) are designed to ensure that the Corporation operates within the legislation and regulations applicable to it; or
 - (ii) are aimed at maintaining the highest professional and ethical standards;
 - (iii) are applicable to all levels of the Corporation; or
 - (iv) help define the mission and mandate of the Corporation.

5. Current provisions in the Terms of Reference of the Board being deleted:

1. As the steward of the Corporation, the Board shall...
 - c) approve and monitor compliance with all Significant Policies by which the Corporation is operated.



B. APPENDICES

6. Corporate Policy Advisory Committee – proposed membership:

- Corporate Secretariat
- Communications
- Finance
- Technology
- Legal Services
- Media Lines
- People and Culture

7. Composition of the team that reviewed the current Corporate Policy Framework :

- Tranquillo Marrocco, Associate Corporate Secretary
- Andie Andreou, Senior Director and Corporate Controller
- Jovane Drouin, Corporate Specialist, Official Languages & HR Compliance
- Sylvia Hums McStravick, Senior Advisor, Executive Compensation
- Chris Manolakos, Consultant, Finance Operations & Reporting
- Lara Speirs, Senior Legal Counsel
- Patricia Vincent, Executive Director, Total Rewards, Wellness and Compliance