



Canada Council
for the Arts

Conseil des arts
du Canada

The Canada Council for the Arts Governance Policy

October 2017

Governance Policy

(adopted March 2001; amended January 2003; amended December 2009; amended June 2011; amended October 2015; amended October 2017)

Tables of Contents		Page
I.	Purpose of the Governance Policy	4
II.	Overview of the Canada Council	4
2.1	Creation and Independence	4
2.2	Mandate	4
2.3	Corporate Social Responsibility.....	5
2.4	Strategic Planning.....	5
2.5	Statutory and Regulatory Framework.....	6
III.	The Board	6
3.1	Statement of the Roles and Responsibilities of the Board	6
(a)	Board Accountability	6
(b)	Roles and Responsibilities of the Board	7
(c)	Selection and Composition of the Board	8
(d)	Board Evaluation	8
(e)	Board Meetings	9
IV.	Board Members	10
4.1	Representation	10
(a)	Composition	10
(b)	Board Diversity	10
4.2	Roles and Responsibilities of Board Members.....	10
(a)	Standard of care	10
(b)	Duty of good faith and honesty.....	10
(c)	Duty to act in the best interest of the corporation.....	10
(d)	Duty of confidentiality.....	11
(e)	Duty to comply	11
(f)	Duty to avoid conflict	11
(g)	Education.....	11
(h)	Board Culture	11
(i)	Community Representation and Support	12
(j)	Evaluation.....	12
V.	Officers and Senior Management	12
5.1	Chair	12
5.2	Vice-Chair	13
5.3	Director and CEO	14
5.4	Corporate Secretary	15
5.5	Chief Financial Officer	15

VI.	Board Committees.....	16
6.1	Executive Committee – Terms of Reference.....	16
	(a) Role of the Executive Committee.....	16
	(b) Responsibilities of the Executive Committee.....	Error! Bookmark not defined.
	(c) Composition of the Executive Committee	16
	(d) Chair of the Executive Committee	17
	(e) Meetings of the Executive Committee.....	17
	(f) Quorum of the Executive Committee	17
	(g) Reporting of the Executive Committee.....	17
	(h) Review and Evaluation of the Executive Committee	17
6.2	Audit and Finance Committee – Terms of Reference	18
	(a) Role of the Audit and Finance Committee	18
	(b) Responsibilities of the Audit and Finance Committee	18
	(c) Composition of the Audit and Finance Committee	19
	(d) Chair of the Audit and Finance Committee.....	19
	(e) Meetings of the Audit and Finance Committee	19
	(f) Quorum of Audit and Finance Committee	20
	(g) Reporting of the Audit and Finance Committee	20
	(h) Review and Evaluation of the Audit and Finance Committee	20
6.3	Governance and Nominating Committee – Terms of Reference.....	20
	(a) Role of the Governance and Nominating Committee.....	20
	(b) Responsibilities of the Governance and Nominating Committee	20
	(c) Composition of the Governance and Nominating Committee	21
	(d) Chair of the Governance and Nominating Committee	22
	(e) Meetings of the Governance and Nominating Committee.....	22
	(f) Quorum of the Governance and Nominating Committee	22
	(g) Reporting of the Governance and Nominating Committee.....	22
	(h) Review and Evaluation of the Governance and Nominating Committee	22
6.4	Investment Committee – Terms of Reference.....	22
	(a) Role of the Investment Committee.....	22
	(b) Responsibilities of the Investment Committee.....	23
	(c) Composition of the Investment Committee	23
	(d) Chair of the Investment Committee	24
	(e) Meetings of the Investment Committee.....	24
	(f) Quorum of the Investment Committee	25
	(g) Reporting of the Investment Committee	25
	(h) Review and Evaluation of the Investment Committee	25
	APPENDIX A: Board Diversity Statement of Principles	26
	APPENDIX B: Board Policy on Conflicts of Interest	29

I. PURPOSE OF THE GOVERNANCE POLICY

The present Governance Policy establishes the corporate governance framework for the Canada Council for the Arts (“Canada Council”). The objectives of this policy are to:

- (a) Define the corporation’s purpose, mandate and structure.
- (b) Define Board and Management roles and responsibilities.
- (c) Provide a consistent, coherent and comprehensive accountability framework which spans the entire organizational structure.
- (d) Facilitate strategic decision-making for the Board and Management.
- (e) Heighten Board, staff and external stakeholder confidence in the stewardship of the Board, the professionalism of Management and the integrity of the organization’s activities and processes.

This revised and restated Governance Policy is approved by the Board on October 4, 2017.

II. OVERVIEW OF THE CANADA COUNCIL

2.1 Creation and Independence

The Canada Council is a federal Crown corporation created by an Act of Parliament in 1957 to foster and promote the study and enjoyment of, and the production of works in, the arts for the benefit of Canadians. The Canada Council is established as a corporation and as a registered charity by sections 3 and 19 of the Canada Council for the Arts Act (the “CCA Act”).

The Canada Council has authority to establish its priorities, policies and funding programs, and make grant decisions within the confines of the CCA Act. As a Crown corporation which dispenses public funds, the Canada Council has an equally high degree of responsibility to maintain the public trust and account fully and openly for its operations and decisions. In accordance with Treasury Board Secretariat guidelines, the Canada Council is expected to be receptive to the government’s general objectives (e.g., official languages, employment equity, etc.). When asked to voluntarily comply with the government’s public policy objectives, it is the obligation of the Board to weigh any competing objectives and strike a judicious balance, which best serves the Canada Council in fulfilling its mandate.

2.2 Mandate

The Canada Council mandate, as defined in subsection 8(1) of the CCA Act, is to “foster and promote the study and enjoyment of, and production of works in, the arts.” In addition, the Canada Council may engage in other activities, including:

- a) Assist and cooperate with other organizations with similar objects.
- b) Provide grants, scholarships or loans for study or research of the arts in Canada or elsewhere.
- c) Make awards to persons in Canada for outstanding accomplishments in the arts.
- d) Arrange and sponsor exhibitions, performances and publications of works in the arts.
- e) Exchange knowledge or information with respect to the arts with other countries, organizations or persons.

-
- f) Arranging representation and interpretation of Canadian arts in other countries.¹

To fulfill its mandate, the Canada Council offers a broad range of grants, services and prizes to professional Canadian artists and arts organizations. The Council raises public awareness and appreciation of the arts through its communications, research and arts promotion activities. Its prizes and fellowships celebrate creativity by recognizing exceptional Canadians in the arts, humanities and sciences. The Canada Council Art Bank rents contemporary Canadian art to the public and private sectors. The Canada Council is responsible for the Canadian Commission of the United Nations Educational Scientific and Cultural Organization (“CCUNESCO”), as well as the Public Lending Right (“PLR”) Program, which compensates authors for public use of their works.

2.3 Corporate Social Responsibility

The Canada Council strives to be a leader in terms of social, ethical and environmental policies and practices, and considers social, ethical and environmental impacts in all decisions. In an effort to fulfill this commitment, the Canada Council has developed a [Corporate Social Responsibility Statement of Principles](#).

1. *Business Ethics*. The Canada Council conducts its business with honesty, integrity and fairness, and ensures ethical considerations and implications are embedded in all decision-making processes (e.g., procurement, partnerships, etc.).
2. *Community Investment*. The Canada Council works with and is inspired by the community that it serves – Canadians, as a whole. It strives to enrich the lives of Canadians through a vital and diverse arts sector and cultural engagement.
3. *Employee Engagement*. The Canada Council strives to provide an organizational climate that encourages well-being, and stimulates and supports employee performance and development;
4. *Environment*. The Canada Council is forward-thinking and proactive in reducing its environmental footprint, and incorporates environmental sustainability considerations into all its activities.
5. *Transparency*. The Canada Council recognizes the importance of public accountability and open communications, and it conducts its business in a transparent manner in order to maintain the trust and confidence of its stakeholders.

2.4 Strategic Planning

The Strategic Plan sets out the Canada Council’s strategic direction and vision for a specified period of time and is determined through a comprehensive strategic planning process, involving an in-depth analysis of the organization, its environment and its fundamental values.

The Canada Council establishes priorities, objectives, and strategies as well as the mechanisms for ensuring implementation, monitoring performance, and evaluating outcomes for a specific planning period. Consultations with the Council key stakeholders may be included. The Council’s public policy role, as well as objectives provided by its statutory mandate are addressed through the strategic planning process. The Council’s Strategic Plan is available on the [website](#).

¹This list is not exhaustive. The legislation indicates that these are examples only, which do not limit the general object of fostering and promoting the arts as outlined above.

2.5 Statutory and Regulatory Framework

The principles of the Canada Council are guided by parliamentary statutes. The [CCA Act](#) sets out the Canada Council's purpose, powers and duties. The [Financial Administration Act](#) (the "FAA"), Part X, sets out the control and accountability regime for Crown corporations; however the Canada Council is exempt from most of this act.²

Each year the Canada Council must render account to Parliament through the Minister of Canadian Heritage for all proceedings under the CCA Act. Like other Crown corporations, the Canada Council is subject to other laws, such as the [Federal Accountability Act](#), the [Privacy Act](#) (the "PA"), the [Access to Information Act](#) (the "AIA"), the [Official Languages Act](#) (the "OLA"), the [Employment Equity Act](#) and the [Canadian Human Rights Act](#), as well as Treasury Board regulations. From time to time, the Canada Council is called to appear before parliamentary committees, particularly the House of Commons Standing Committee on Canadian Heritage. Compliance with the [Conflict of Interest Act](#) is also a condition of appointment as a public office holder. In addition, the [Public Servants Disclosure Protection Act](#) (the "PSDPA"), which is meant to provide protection to whistleblowers, extends to the Canada Council.

In addition to the specific statutes that impact upon the Canada Council, either individually or as a Crown corporation, the Canada Council is required to obey all laws of general application that are relevant to it. As a charitable organization, the Canada Council has specific obligations pursuant to the [Income Tax Act](#). There are numerous other statutes of General application that must be complied with by the Canada Council, such as: the [Canadian Multiculturalism Act](#) ("CMA"), the [Emergency Preparedness Act](#), and the [Library and Archives Act](#).

III. THE BOARD

3.1 Statement of the Roles and Responsibilities of the Board

(a) Board Accountability

The Board is accountable to Parliament through the Minister of Canadian Heritage, and has the overall responsibility for the Canada Council, including finances, programs, policies and grant decisions. In addition, the Government of Canada directed the Canada Council to establish the Canadian Commission for UNESCO, and assigned to the Canada Council oversight responsibilities for the mandate "to involve in UNESCO's activities the various ministerial departments, agencies, institutions, organizations and individuals working for the advancement of education, science, culture and information."

²The Canada Council is not an agent of Her Majesty, and is not subject to Divisions I through IV of Part X of the FAA, which apply to most Crown corporations, except for subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01 (ref. Subsection 85 (1.1) and (1.2)).

(b) Roles and Responsibilities of the Board

The Board shall:

Governance

- i. Define, approve, and be responsible for the quality of its own governance.
- ii. Establish, approve and periodically review the overall policies and programs of the Canada Council and oversee the effectiveness of such programs, including the Governance Policy, as well as enact, amend or repeal By-Laws.
- iii. Contribute to and approve the roles and functions that the Board and the Board Members are expected to perform.

Strategic Oversight

- iv. Participate in the development and formulation of the strategic directions, and approve the Canada Council's Strategic Plan and ensure that it is consistent with the Canada Council's mission and values.
- v. Provide direction and counsel to management in the strategic planning process.

Quality and Performance Measurement and Monitoring of the Board

- vi. Establish a process and a schedule for monitoring and assessing performance in areas of Board responsibility against approved performance standards and indicators.

Board Committees

- vii. Approve the membership of all standing committees based on the members' expertise, availability and overall requirements of the Board.
- viii. Approve the Canada Council representation on the Executive Committee of the Canadian Commission for UNESCO.
- ix. Establish Committees and Committee Terms of Reference, through formal Board resolutions, unless explicitly otherwise provided in the CCA Act or in the Canada Council By-Laws.

Oversight and Relationship with Management

- x. Approve the skills and characteristics that are identified as essential for the position of Director and CEO and advise the government of these criteria through the Board Chair.
- xi. Review and approve the job description, and financial and non-financial prerequisites of the Director and CEO.
- xii. Review and approve on an annual basis a set of corporate objectives that the Director and CEO is accountable for achieving.
- xiii. Review and approve the performance assessment of the Director and CEO and communicate the results to the Minister of Canadian Heritage, as provided in the guidelines established by the Privy Council Office.
- xiv. In the event of a vacancy in the position of Director and CEO, authorize the Chair, who shall work with the Executive Committee, to appoint a member of the Executive Management Committee to direct the Canada Council and report to the Board until the position is filled by the Governor in Council.

Financial Oversight

- xv. Oversee the stewardship and accuracy of financial information of the corporation's assets and liabilities, and approve the Canada Council Delegation of Authority Policy.

-
- xvi. Approve the annual financial statements and annual report, and major financial decisions, including, without limitations, approving the recommendations for revenue, grants, services, administration and capital expenses and budgets.
 - xvii. Monitor financial performance against budget and ensure that appropriate and effective internal controls and financial reporting mechanisms are in place.
 - xviii. Oversee the stewardship of the investment funds, through the Investment Committee, and approve the proposed use of donations or bequests of over 500K left to the Canada Council.
 - xix. Ensure that the granting process is decided in a rigorous manner with clear guidelines, and authorize the awarding of grants either directly or through delegated authority.

Risk Identification and Oversight

- xx. Be knowledgeable about risks inherent in the Canada Council's operations and ensure that appropriate and regular risk analysis is performed as part of Board decision-making, including monitoring and reviewing the corporate risk profile and risk mitigation plans.
- xxi. Ensure that the Canada Council's control and information systems and its management practices are sound.
- xxii. Approve the Canada Council's internal audit plan and communicate with the internal and external auditors.

Stakeholder Communication and Accountability

- xxiii. Identify Canada Council stakeholders, understand stakeholder accountability and contribute to the development of strong stakeholder relationships.
- xxiv. Ensure and maintain effective communication with the Government of Canada (notably with the Minister, Deputy Minister and officials in the Department of Canadian Heritage and parliamentarians) and other key stakeholders, including the public and the arts community.
- xxv. Act as ambassadors on behalf of the corporation with stakeholders, where required, in support of the mission, vision and values, and strategic directions of the Canada Council.

Legal Compliances of the Board

- xxvi. Ensure that appropriate processes are in place to ensure compliance with legal requirements.

(c) Selection and Composition of the Board

- i. Board members are appointed by the Governor in Council (on the recommendation of the Minister of Canadian Heritage) for fixed terms as provided for in section 4 of the CCA Act.
- ii. The Board recommends to the Minister of Canadian Heritage selection criteria for Board Members, including, though not limited to, the Chair and the Vice-Chair.

(d) Board Evaluation

- i. The Board of the Canada Council will establish a mechanism for assessing its capacity and evaluating its performance on a regular basis. The responsibility for assessing the effectiveness of the Board rests with the Governance and Nominating Committee.

(e) Board Meetings***Regular Meetings***

- i. In accordance with the section 10 of CCA Act, the Board shall meet at least three (3) times a year in the city of Ottawa on such days as are fixed by the Board and at such other times and places as the Board deems necessary.
- ii. A Board Member may participate in a meeting of Board Members or of a Board Committee using telephonic, electronic or another communication facility that permits all participants to communicate adequately with each other during the meeting. A Board Member participating in the meeting by such means shall be deemed to have been present at that meeting.
- iii. Other Board meetings via teleconference or other means are organized on an as-needed basis.

In Camera Sessions

- iv. *In camera* sessions are normally scheduled with Board Members at every Board meeting.

Public Meetings

- v. The Board shall hold a public meeting in accordance with the FAA and as provided in section 4.2 of the Canada Council By-Laws.

Calling of Meetings

- vi. Meetings shall be called in the manner prescribed in section 4.3 of the Canada Council By-Laws.
- vii. Notice of meetings shall be given in the manner provided in section 4.5 of the Canada Council By-Laws.

Quorum

- viii. The quorum shall be as determined in section 4.6 of the Canada Council By-Laws.
- ix. No person shall act for an absent Board Member at a meeting of the Board.

Resolutions in Writing

- x. A resolution in writing shall be as valid as if it had been passed at a meeting of the Board as described in section 4.8 of the Canada Council By-Laws.
- xi. The manner in which such resolutions become valid is provided in section 4.8 of the Canada Council By-Laws.

Votes to Govern

- xii. At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question. Each Board Member shall have one vote as provided in section 4.10 of the By-Laws.
- xiii. The voting process at Board meetings is as described in section 4.10 of the By-Laws.

Board Agenda

- xiv. The Board Meeting agenda is coordinated by the Corporate Secretary in consultation with the Director and CEO and approved by the Board Chair.
- xv. In the case of an *in camera* session, the agenda remains within the purview of the Board Chair, but special attention is given to items that the Board wishes to discuss privately.

Special Meetings

- xvi. Special meetings (e.g., retreats, briefing sessions, etc.) may be organized, as required, at the discretion of the Chair.

IV. BOARD MEMBERS

4.1 Representation

(a) Composition

- i. In accordance with the CCA Act, the Board shall be comprised of a Chair, Vice-Chair and not more than nine (9) other Board members, who are appointed by the Governor in Council.

(b) Board Diversity

- i. In accordance with the Board Diversity Statement of Principles (Appendix A), a Board profile identifies expertise and representational requirements (i.e., official languages, regions, gender, generations, Indigenous people, cultural diversity, and Deaf and disability) for managing vacancies. These requirements are regularly communicated with the Minister of Canadian Heritage.

4.2 Roles and Responsibilities of Board Members

(a) Standard of care

- i. Every Board Member shall exercise a degree of care, skill and diligence in managing the affairs of the Canada Council that a reasonable person would be expected to exercise in the circumstances. Members who have special skills or training will be held to a higher standard of care than would be imposed upon a person without a similar background.

(b) Duty of good faith and honesty

- i. Board Members shall act honestly and in good faith and ensure that they exercise their powers for purposes relative to the success of the corporation's mission.

(c) Duty to act in the best interest of the corporation

- i. Every Board Member is bound by a duty to act in the best interest of the corporation and in so doing, to support the Canada Council in upholding the best interests of the Canada Council's stakeholders and the Government of Canada.
- ii. Board Members must avoid the promotion of any personal interests, including those of appointing authorities, and of any other stakeholder or stakeholder group.
- iii. Board Members shall be knowledgeable of the stakeholders to whom the corporation is accountable and shall take into account the interests of such stakeholders when making decisions as a Board Member, but shall not prefer the interests of any one group if to do so would not be in the interests of the Canada Council.

(d) Duty of confidentiality

- i. Board Members shall at all times and in all their dealings keep the affairs of the Council and all information related to the Council confidential, especially matters that are dealt with *in camera*.
- ii. Every Board Member must be knowledgeable of the communication and transparency practices of the Canada Council.

(e) Duty to comply

- i. Every Board Member must comply with the CCA Act, other applicable legislation and regulations, and the Canada Council By-Laws and policies.

(f) Duty to avoid conflict

- i. Every Board Member shall avoid any conflict that may include financial interest, improper use of information or appropriation of an opportunity that belongs to the corporation.³
- ii. Every Board Member shall be knowledgeable of and comply with the Conflict of Interest Act and Board Policy on Conflict of Interest (as provided in Appendix C).
- iii. Every Board Member is required to sign a Conflict of Interest Disclosure form every year and to disclose conflicts as they occur.

(g) Education

- i. After their appointment, new Board Members shall attend any orientation session, as required by the Canada Council, the Privy Council Office or other relevant Government departments.
- ii. New Board Members will familiarize themselves with any orientation material distributed by the Canada Council, and shall be knowledgeable about:
 - ❖ The activities of the Canada Council;
 - ❖ The mission and values of the Canada Council as they are defined;
 - ❖ The Canada Council's various committees and groups and their function within the corporation;
 - ❖ The Canada Council's stakeholders;
 - ❖ The industry environment and arts sector in general;
 - ❖ The duties and expectation of a Board Member;
 - ❖ The Board's governance role;
 - ❖ The Board's governance structure and processes;
 - ❖ The Board adopted governance policies; and
 - ❖ The policies applicable to Board Members.

(h) Board Culture

- i. Every Board Member shall develop and maintain sound relations and work co-operatively and respectfully with the Board Chair, Board Members and management.

³Conflict of interest is a conflict between an individual's personal interests and his or her public duty. A conflict may exist whether or not a monetary benefit has been or may be conferred, and it includes both actual and perceived conflicts.

-
- ii. Every Board Member shall contribute to the governance role of the Board by:
 - ❖ Reading materials and preparing in advance of meetings;
 - ❖ Offering constructive contributions and voicing opinions during Board and Committee discussions, but ultimately respecting the final decision of the Board;
 - ❖ Contributing his or her skills and knowledge to the benefit of the corporation; and
 - ❖ Respecting the role of the Board Chair during Board discussions and respecting the views of other Board Members.

(i) Community Representation and Support

- i. Every Board Member shall represent the Board and the Canada Council in the community when asked to do so by the Board Chair.

(j) Evaluation

- i. Every Board Member is expected to contribute to any Board performance review as may be required by the Canada Council and act upon the results.

V. OFFICERS AND SENIOR MANAGEMENT

In accordance with the Canada Council By-laws, the officers of the Canada Council shall be the Chair, the Vice-Chair, the Director and CEO, as well as the Corporate Secretary, the Chief Financial Officer and such other officers, if any, as the Board Members may appoint from time to time.

5.1 Chair

(a) Roles and Responsibilities of the Chair

The Chair shall:

Board Governance

- ii. Ensure that the Board performs a governance role that respects and understands the role of management.
- iii. Ensure that the Board respects and understands the role of the Board committees.
- iv. Ensure that the Board and individual Board Members have access to appropriate education and orientation.
- v. Work with the Governance and Nominating Committee in ensuring that the Board's governance structures and processes are reviewed, evaluated, and revised from time to time.

Committee Work

- vi. Ensure that the work of Board Committees is aligned with the Board's role.
- vii. Have the right to attend and participate in all committee meetings. Except for the Executive Committee and unless the Board determines otherwise by resolution that the Chair should be a voting member of a committee, the Chair's participation in committee meetings shall be in a non-voting capacity and shall not count towards quorum.

Budget and Finances

- viii. Guide the Board in approving and overseeing the budget.
- ix. Ensure that the Board holds ultimate responsibility for integrity of the Canada Council's finances.
- x. Submit the Canada Council Annual Report each fiscal year as required by section 21 of the CCA Act.

Presiding Officer

- xi. Preside at meetings of Board Members and the Executive Committee.
- xii. Facilitate the Board's involvement in approving guiding principles, policies and strategic direction.
- xiii. Determine, in consultation with the Director and CEO and Corporate Secretary, the date, location, time and agenda of meetings of Board Members.
- xiv. Ensure that meetings are conducted according to applicable legislation, the By-Laws and the Board's governance policies.
- xv. Rule on procedural matters during meetings.

Representation

- xvi. Act as the official spokesperson for the Board and represent the Canada Council in its relations with Parliament, the Government of Canada and the public.

Relationship with Senior Management

- xvii. Facilitate relationships with, and communication among, Board Members and between Board Members and Senior Management.
- xviii. Maintain a constructive working relationship with the Director and CEO and provide advice and counsel as required.
- xix. Coordinate with the Director and CEO, as may be necessary, any discussions with management relating to Canada Council business that take place outside of Board meetings.

Other Duties

- xx. Perform such other duties and exercise such powers as the Board determines from time to time.

5.2 Vice-Chair**(a) Roles and Responsibilities of the Vice-Chair**

The Vice-Chair shall:

- i. Assist the Chair in the execution of his or her duties as described in section 0 of the present Governance Policy.
- ii. Replace the Chair when he or she is absent or if the position is vacant and fulfil the responsibilities as provided for in section 5.1 of the present Governance Policy.
- iii. Have the right to attend and participate in all committee meetings. Except for the Executive Committee and unless the Board determines otherwise by resolution that the Vice-Chair should be a voting member of a committee, the Vice-Chair's participation in committee meetings shall be in a non-voting capacity and shall not count towards quorum.
- iv. Perform such other duties as the Board determines from time to time.

5.3 Director and CEO

(a) Roles and Responsibilities of the Director and CEO

The Director and CEO shall:

Representation

- i. Represent the Canada Council personally or through his or her delegate in its relations with departments and agencies of Government and organizations having to do with matters of interest to Canada Council.

Strategic Oversight

- ii. Provide leadership for the realization of the Council's mandate, vision, strategic choices, and organizational and procedural controls.
- iii. Oversee the development of the Strategic Plan of the Canada Council and approve the operating goals and plans prepared pursuant to that Plan.

Board Accountability

- iv. As a Governor in Council appointee, be accountable to the Board, and as a full-time reporting public office holder, be accountable to the Government.
- v. Attend all meetings of the Board.
- vi. Report to the Board on the activities of the Canada Council and the achievement of the Canada Council's objectives and of the Strategic Plan, and the implementation of policies and resolutions.
- vii. Be responsible to the Board, with members of the Executive Management Group, for ensuring that legal and regulatory requirements have been met and that documents and records have been properly prepared, approved and maintained.

Canada Council Operations

- viii. Oversee the daily management of the Canada Council's activities.
- ix. Develop policies for the operations of the Canada Council in harmony with the strategic directions adopted by the Board and carry out the policies and directives of the Board.
- x. Direct and guide management to ensure it is accountable for the Canada Council's performance.
- xi. Establish a code of conduct, in line with the code of conduct established by the Treasury Board, which is applicable to employees and appointees of the Canada Council (as required under the PSDPA).
- xii. Prepare the Canada Council Annual Report each fiscal year, as required by section 21 of the CCA Act, for the Board's approval.

Committees

- xiii. Attend and participate, in a non-voting capacity, in all meetings of the Board and in all Committee meetings.

(b) Director and CEO Performance Evaluation

- i. The Director and CEO shall be evaluated on the basis of the [Performance Management Program \(PMP\) for Chief Executive Officers \(CEOs\) of Crown Corporations](#), as established by

the Privy Council Office which shall be conducted by the Executive Committee and submitted to the Board.

- ii. Compensation matters are subject to the Governor in Council's approval.

(c) Director and CEO Succession Planning

- i. A vacancy in the position of Director and CEO shall be filled in the manner prescribed in section 3.1(b)(xiv) of this Governance Policy.

5.4 Corporate Secretary

(a) Roles and Responsibilities of the Corporate Secretary

The Corporate Secretary shall:

Records

- i. Keep the records of the Canada Council.
- ii. Enter or cause to be entered into books kept for that purpose minutes of proceedings at meetings of Board Members and Committee meetings, as required, and the policies and resolutions approved by the Board.
- iii. Exhibit upon request any of the records of the Canada Council to any of Members of the Board.

Board Meetings

- iv. Give notice of the meetings of Board Members and other Committees for which he or she acts as secretary.
- v. Attend meetings of Board Members and Committee meetings.

Governance Responsibilities

- vi. Support the Board in fulfilling its governance function; advise on best practices in governance.

Canada Council Seal

- vii. Be the custodian of the seal of the Canada Council.

Other

- viii. Perform such other duties as the Director and CEO or the Board may require.

5.5 Chief Financial Officer

(a) Roles and Responsibilities of the Chief Financial Officer

The Chief Financial Officer shall:

Financial Responsibilities

- i. Control the deposit of money and the disbursement of the funds of the Canada Council.
- ii. Keep proper books of account to show the financial transactions of the Canada Council.
- iii. Provide to the Office of the Auditor General such information relating to the accounts and financial transactions as it may require.

-
- iv. Prepare annual and quarterly statements on the investments, financial position and transactions of the Canada Council during the fiscal year, for the Canada Council's report to Parliament.
 - v. Prepare statements showing the financial position of the Canada Council, as required by Board Members.
 - vi. Prepare the Canada Council's budget.
 - vii. Ensure the financial statements shall at all times be open to inspection by Board Members and by the Office of the Auditor General and, insofar as they relate to investments, by members of the Investment Committee.

Committees

- viii. Have the right to attend and participate in all meetings of the Audit and Finance Committee and the Investment Committee meetings in a non-voting capacity. The Chief Financial Officer's attendance at Committee meetings shall not count towards quorum.
- ix. Give notice of meetings of the Investment Committee.
- x. Act as secretary of the Investment Committee.
- xi. Report to the Board on the business of the Investment Committee on a quarterly basis.

Other

- xii. Perform such other duties as the Director and CEO may require.

VI. BOARD COMMITTEES

There are four (4) Standing Committees of the Canada Council Board: the Executive Committee, the Audit and Finance Committee, the Investment Committee, and the Governance and Nominating Committee. Board Committees are composed of Board Members, with some Committees expanded to include external experts selected for their knowledge and expertise. Subject to the By-Laws and this Policy, the Committees are advisory and remain at all times accountable to the Board.

6.1 Executive Committee – Terms of Reference

(a) Role of the Executive Committee

- i. The Executive Committee shall have the right to exercise the powers of the Board between meetings of the Board, except that the Executive Committee shall not have the authority to:
 - ❖ Approve any policy, strategic plan, corporate plan, budget, annual report, financial statements or grants of the Canada Council;
 - ❖ Adopt, amend or repeal any By-law; or
 - ❖ Exercise any other power or make any other decision on behalf of the Board that has been expressly prohibited by Policy or resolution of the Board.

(b) Composition of the Executive Committee

- i. The Executive Committee shall be comprised of the Chair, the Vice-Chair, the Chair of the Governance and Nominating Committee, the Chair of the Audit and Finance Committee, all of whom shall have the right to vote, as provided in the Canada Council By-Laws.
- ii. The Director and CEO shall also be a member of the Executive Committee, but in a non-voting capacity, as provided in the Canada Council By-Laws.

(c) Chair of the Executive Committee

The Chair shall:

- i. Lead the committee in undertaking the duties and responsibilities that it is charged with by the Board.
- ii. Set agendas for the Executive Committee meetings in consultation with the Corporate Secretary and the Director and CEO.
- iii. Preside over meetings of the Executive Committee.
- iv. Report regularly to the Board on the Executive Committee's work.

(d) Meetings of the Executive Committee

- i. The Executive Committee shall call meetings as necessary.
- ii. Three (3) business days' written notice shall be given for a meeting of the Executive Committee.
- iii. Urgent meetings, as determined by the Chair, may require shorter notice.

(e) Quorum of the Executive Committee

- i. The quorum for meetings shall be two (2) voting members, one of which must be the Chair.

(f) Reporting of the Executive Committee

- i. The Corporate Secretary, or a delegate, is responsible for recording minutes taken at each Executive Committee meeting.
- ii. The committee will approve the minutes of the meeting as true record of the proceedings. Once the minutes are signed by the Chair, the minutes are considered to be evidence of the proceedings taken unless the contrary is proven.
- iii. Approved minutes of the Executive Committee's meetings will be distributed to Board Members, for information.

(g) Review and Evaluation of the Executive Committee

- i. The Executive Committee shall conduct a regular assessment as part of the overall Board assessment process, and periodically review the Terms of Reference of the Committee for appropriateness.

6.2 Audit and Finance Committee – Terms of Reference

(a) Role of the Audit and Finance Committee

The Audit and Finance Committee shall:

- i. Enable the Board to carry out its fiduciary responsibility by overseeing the fiscal health and the audit function of the Canada Council.
- ii. Provide the Canada Council with independent, objective advice, guidance, and assurance on the adequacy of the risk management, control, and accountability processes.
- iii. Exercise active oversight of core areas of the Canada Council's control and accountability in an integrated and systematic way.
- iv. Contribute to advancing the corporation's management practices by bringing new perspectives and challenge to existing practices.

(b) Responsibilities of the Audit and Finance Committee

Values and Ethics

- i. Ensure compliance with laws, regulations, policies and standards of ethical conduct.

Risk Management

- ii. Review management's reports on significant business, financial and regulatory risks, and monitor the Canada Council's processes for identifying and mitigating those risks.
- iii. Review the nature and scope of any financial item impacting the Canada Council as requested by Board Members or imposed externally.

Overseeing Internal Controls and Procedures

- iv. Review the Canada Council's accounting policies, procedures and internal controls.
- v. Review any corrective measures implemented as a result of both internal and external audits.
- vi. Review and approve the travel and hospitality expenses of Board Members and the Director and CEO.
- vii. Review the report on internal disclosure of information concerning wrongdoing in the workplace.

Financial Statements and Other Financial Reporting

- viii. In accordance with the FAA and Treasury Board guidelines, review, advise and make recommendations for approval to the Board with respect to the annual and quarterly financial statements.
- ix. Review management's proposals concerning the annual budget and make recommendations to the Board with respect to approval of the budget and major financial decisions.
- x. Review and recommend to the Board long-term financial goals and long-term revenue and expense projections.
- xi. Review with management industry developments and legislative changes that may have an impact on financial resources or performance and report to the Board.
- xii. Ensure there are processes in place to manage the assets of the corporation.

Oversight of the External Auditor

- xiii. Under the terms of the [FAA](#), oversee the annual audit of the accounts and transactions of the Canada Council and a special examination undertaken every 10 years by the Auditor General of Canada.
- xiv. If the Canada Council undergoes a special examination under the FAA, review and advise the Board with respect to the plan and reports referred to in the FAA.
- xv. Receive reports and review recommendations from the Office of the Auditor General of Canada.
- xvi. Review the auditor's findings and recommendations and discuss any significant adjustments to the statements required as a result of the audit, and any difficulties or disputes with management encountered in the course of the audit.
- xvii. Review and advise the Board with respect to the Auditor General of Canada's annual audit of the Canada Council.

Oversight of the Internal Auditor

- xviii. Oversee any internal audit of the Canada Council.
- xix. Review the internal audit plan and recommend to the Board for approval.
- xx. Receive reports and review recommendations from the internal auditors.
- xxi. Be aware of audit engagements or tasks that do not result in a report to the Committee, and be informed of all matters of significance arising from such work.

Other Responsibilities

- xxii. Perform any other tasks assigned to it by Board.

(c) Composition of the Audit and Finance Committee

- i. The Audit and Finance Committee shall consist of not less than three (3) Board Members appointed by the Board, none of whom may be officers or employees of the Canada Council, pursuant to s. 148 of the FAA.

(d) Chair of the Audit and Finance Committee

The Audit and Finance Committee Chair shall:

- i. Be a chartered professional accountant, with significant financial expertise and knowledge.
- ii. Lead the committee in undertaking the duties and responsibilities that it is charged with by the Board.
- iii. Set agendas for the Audit and Finance Committee meetings in consultation with the Corporate Secretary and the Chief Financial Officer.
- iv. Preside over meetings of the Audit and Finance Committee.
- v. Report regularly to the Board on the Audit and Finance Committee's work.

(e) Meetings of the Audit and Finance Committee

- i. The Audit and Finance Committee shall meet at least four (4) times a year.
- ii. Three (3) business days' written notice shall be given for a meeting of the Audit and Finance Committee.
- iii. Urgent meetings, as determined by the Committee Chair, may require shorter notice, though in no case shall a notice be fewer than twenty-four (24) hours.

-
- iv. Both the internal auditors of the Canada Council and the Office of the Auditor General of Canada shall receive notice of and be invited to attend and be heard at all meetings of the Audit and Finance Committee.

(f) Quorum of Audit and Finance Committee

- i. The quorum for meetings shall be a majority of voting members.

(g) Reporting of the Audit and Finance Committee

- i. The Corporate Secretary, or a delegate, is responsible for recording minutes taken at each Audit and Finance Committee meeting.
- ii. The committee will approve the minutes of the meeting as true record of the proceedings. Once the minutes are signed by the Committee Chair, the minutes are considered to be evidence of the proceedings taken unless the contrary is proven.
- iii. Approved minutes of the Audit and Finance Committee's meetings will be distributed to Board Members, for information.

(h) Review and Evaluation of the Audit and Finance Committee

- i. The Audit and Finance Committee shall conduct a regular assessment as part of the overall Board assessment process, and periodically review the Terms of Reference of the Committee for appropriateness.

6.3 Governance and Nominating Committee – Terms of Reference

(a) Role of the Governance and Nominating Committee

- i. The Governance and Nominating Committee shall provide ongoing review and recommendations to the Board with respect to discharging its stewardship and oversight responsibilities on matters relating to corporate governance, the conduct of the Board's affairs, and human resources strategies other related matters.

(b) Responsibilities of the Governance and Nominating Committee

The Governance and Nominating Committee shall:

Governance

- i. Review all governance-related information disseminated to Board Members for approval.
- ii. Ensure that the Canada Council's By-Laws and Board-related policies are kept current with best practices and continue to meet the needs of the Canada Council and recommend governance changes to the Board as needed.
- iii. Approve the governance chapter of the Annual Report prior to the report's publication.

Board Recruitment

- iv. Maintain a profile of Board Members' skills and expertise based on the Canada Council's mandate, strategies, strengths and weaknesses and communicate this information to the Board.
- v. Make recommendations to the Board on representational requirements and criteria.

-
- vi. Recommend to the Board selection criteria for filling Chair, Vice-Chair and Director and CEO position vacancies.

Board Education

- vii. Ensure a comprehensive orientation session is provided to all new Board Members.
- viii. Review, monitor and make recommendations to Board Members regarding orientation, training and ongoing professional development.
- ix. Oversee Board professional development sessions to ensure the Board receives periodic education on governance, sector issues and the corporation's operations.

Board Officers

- x. Periodically review and recommend to the Board the position descriptions of the Chair, Vice-Chair and Director and CEO.

Board Committees

- xi. Review and monitor Board Committee membership.

Human Resources

- xii. Provide strategic direction on human resources issues and related corporate risks, including:
 - a. Advise on the Council's key strategies and the overall human resources vision and philosophy;
 - b. Advise and provide strategic-level feedback and direction on the Council's human resources strategic plan;
 - c. Monitor and ensure appropriate policies and codes with respect to employee business conduct and ethical behavior are in place.
- xiii. Review the Council's executive management succession plan and talent management framework.

Evaluations

- xiv. Establish and undertake annually the performance evaluation of the Board. The process will ensure candor, confidentiality and trust, and will be disclosed (process only) in the Canada Council's annual report.
- xv. Establish and undertake annually the performance evaluation of Board Committees and Committee chairs, ensure periodic review of Committee activities and Terms of Reference and make recommendations to the Board.

Other

- xvi. Perform any other tasks assigned to it by the Board.

(c) Composition of the Governance and Nominating Committee

- i. The Governance and Nominating Committee shall be comprised of not less than three (3) Board Members appointed by the Board.

(d) Chair of the Governance and Nominating Committee

The Governance and Nominating Committee Chair shall:

- i. Have governance-related expertise and knowledge.
- ii. Lead the committee in undertaking the duties and responsibilities that it is charged with by the Board.
- iii. Set agendas for the Governance and Nominating Committee meetings in consultation with the Corporate Secretary.
- iv. Preside over meetings of the Governance and Nominating Committee.
- v. Report regularly to the Board on the Governance and Nominating Committee's work.

(e) Meetings of the Governance and Nominating Committee

- i. The Governance and Nominating Committee shall meet at least three (3) times a year.
- ii. Three (3) Business Days' written notice shall be given for a meeting of the Governance and Nominating Committee.
- iii. Urgent meetings, as determined by the Committee Chair, may require shorter notice though in no case shall notice be fewer than twenty-four (24) hours.

(f) Quorum of the Governance and Nominating Committee

- i. The quorum for meetings shall be a majority of voting members.

(g) Reporting of the Governance and Nominating Committee

- i. The Corporate Secretary, or a delegate, is responsible for recording minutes taken at each Governance and Nominating Committee meeting.
- ii. The committee will approve the minutes of the meeting as true record of the proceedings. Once the minutes are signed by the Committee Chair, the minutes are considered to be evidence of the proceedings taken unless the contrary is proven.
- iii. Approved minutes of the Governance and Nominating Committee's meetings will be distributed to Board Members, for information.

(h) Review and Evaluation of the Governance and Nominating Committee

- i. The Governance and Nominating Committee shall conduct a regular assessment as part of the overall Board assessment process, and periodically review the Terms of Reference of the Committee for appropriateness.

6.4 Investment Committee – Terms of Reference

(a) Role of the Investment Committee

- i. The Board of the Canada Council is responsible for the oversight of the Canada Council's investment assets and distribution policy for the Endowment and Special funds. The Board has delegated certain aspects of the oversight process to the Investment Committee.

(b) Responsibilities of the Investment Committee

The Investment Committee shall:

Investment Strategies and Implementation

- i. Recommend a Statement of Investment Policies and Goals to the Board for approval. The Statement will be reviewed annually with any recommended changes referred to the Board for approval.
- ii. Select an investment consultant to advise the Committee on investment matters, including asset mix policy, fund manager structure and monitor investment performance.
- iii. Select a custodian as external trustee to administer the investment portfolios.
- iv. Establish investment guidelines for individual investment managers within the context of the Statement of Investment Policies and Goals.
- v. Periodically review expenditure policy and recommend changes to the Board if necessary.

Investment Oversight

- vi. Select an investment management structure.
- vii. Provide oversight of the administration, implementation and monitoring of the endowment and special funds.
- viii. Interview and appoint investment managers to manage the components of the selected investment management structure.
- ix. Monitor and evaluate quarterly performance and total portfolio risk by reviewing quarterly reports prepared by the investment advisor and inviting investment managers to meetings in order to discuss performance results.
- x. Monitor and evaluate the performance of the investment advisor, at least once a year.

Committee Members

- xi. Recommend the appointment of external Investment Committee members to the Board for approval.

Other

- xii. Perform any other tasks assigned to it by the Board.

(c) Composition of the Investment Committee

Composition

- i. The Investment Committee of the Canada Council shall be comprised of:
 - a. two (2) Board Members, one (1) of whom must be a member of the Audit and Finance Committee;
 - b. up to eight (8) external individuals having experience in institutional trust fund investing and fund governance, who shall be appointed by the Board; and
 - c. such other persons as the Board may appoint from time to time.

Committee Member Term

- ii. External Committee members are appointed for a three (3)-year term and can be reappointed for two (2) additional three (3)-year terms whereupon such individual shall not be eligible for Committee membership for six (6) months from the date of expiry of his or her term.

-
- iii. Committee appointments may be terminated prior to the normal end of the term, on the recommendation of the Chair of the Committee, subject to Board approval.

Committee Member Criteria

- iv. Prospective Investment Committee members shall:
 - a. Have experience or be familiar with investment management of institutional trust funds such as pension or endowment funds;
 - b. Be familiar with all asset classes and domestic and global equities and fixed income. In addition, they will have experience or be familiar with alternative investment asset classes including real estate, hedge funds, infrastructure, currency management and other developments in the investment industry;
 - c. Be knowledgeable in trust fund governance practices;
 - d. Be current on developments in the global investment industry.

Selection Process

- v. The Chair of the Investment Committee will seek recommendations from the Committee and Board Members.
- vi. The Chair of the Committee will collect résumés from potential candidates and review them with the Chief Financial Officer and Director of Finance.
- vii. The Chair of the Committee, Chief Financial Officer and Director of Finance will interview candidates and report their recommendations to the Committee, as well as the Board Chair and the Director and CEO.
- viii. The Committee will vote on candidates and submit their recommendation to the Board for approval.

(d) Chair of the Investment Committee

The Investment Committee Chair shall:

- i. Be appointed by the Board following consultation with the Chair, the Board Members, and Management, upon recommendation of the Investment Committee.
- ii. The Committee Chair must possess professional investment experience, namely in institutional trust fund management, such as pension or endowment funds.
- iii. Be familiar with domestic and foreign equity, fixed income and alternative investment asset classes including real estate, hedge funds, infrastructure, and so forth.
- iv. Report regularly to the Board and to the Audit and Finance Committee.
- v. Lead the committee in undertaking the duties and responsibilities that it is charged with by the Board.
- vi. Set agendas for the Investment Committee meetings in consultation with the Chief Financial Officer and the Director of Finance.
- vii. Preside over meetings of the Investment Committee.

(e) Meetings of the Investment Committee

- i. The Investment Committee shall meet quarterly or more frequently if required.
- ii. Three (3) Business Days written notice shall be given for a meeting of the Investment Committee.
- iii. Urgent meetings, as determined by the Committee Chair, may require shorter notice though in no case shall notice be fewer than twenty-four (24) hours.

(f) Quorum of the Investment Committee

- i. The quorum for meetings shall be five (5) Committee members, one (1) of whom must be a Board Member.

(g) Reporting of the Investment Committee

- i. The Chief Financial Officer, or a delegate, is responsible for recording minutes taken at each Investment Committee meeting.
- ii. The committee will approve the minutes of the meeting as true record of the proceedings. Once the minutes are signed by the Committee Chair, the minutes are considered to be evidence of the proceedings taken unless the contrary is proven.
- iii. Approved minutes of the Investment Committee's meetings will be distributed to Board Members, for information.

(h) Review and Evaluation of the Investment Committee

- i. The Investment Committee shall conduct a regular assessment as part of the overall Board assessment process, and periodically review the Terms of Reference of the Committee for appropriateness.

APPENDIX A: BOARD DIVERSITY STATEMENT OF PRINCIPLES

(October 2017)

Role and Mandate

The Canada Council for the Arts is Canada's public arts funder, with a mandate "to foster and promote the study and enjoyment of, and the production of works in, the arts."

The Council champions and invests in artistic excellence through a broad range of grants, services, prizes and payments to professional Canadian artists and arts organizations. Its work ensures that excellence, vibrant and diverse art and literature engages Canadians, enriches their communities and reaches markets around the world.

The Council also raises public awareness and appreciation of the arts through its communications, research and arts promotion activities. It is responsible for the Canadian Commission for UNESCO which promotes the values and programs of UNESCO in Canada to contribute to a more peaceful, equitable and sustainable future. The Canada Council Art Bank operates art rental programs and helps further public engagement with contemporary arts.

The Canada Council recognizes and embraces the importance and benefits of a Board that is representative of the diverse makeup of Canada (i.e., the community that it serves) to enhance the overall quality of its performance.

Principles

The Canada Council has a history of embedding values of equity within its operations. The practice of linguistic duality, gender equality, the investment in regional artistic institutions, the creation of the first Indigenous led Arts Program and the continued work of the Equity Office and its pioneering work in Deaf and disability arts, as well as equitable practices within policy development, grant programs and processes, have all contributed to a diverse and vital arts ecology.

These principles, policies and processes are detailed in the [Canada Council's Equity Policy](#), an overarching document which governs and supports the Council's application of equity principles and practices in all its activities, including those pertaining to granting. This work reflects a commitment to institutional values and adherence to the Canadian Charter of Rights and Freedoms, the Canadian Human Rights Act, the Employment Equity Act, the Canadian Multiculturalism Act, the Indian Act and the Official Languages Act.

The nature of the Canada Council and the challenges it faces determine and inform the overall mix of skills, expertise and knowledge required by the Board as a whole. In order to fulfill the Board's roles and responsibilities, a variety of perspectives is needed to ensure knowledgeable discussions and informed decision-making.

As such, the Canada Council aspires to a balanced mix of representation reflecting Canada's diversity, considering, but not limited to, the following factors:

- Gender (representation of men and women, including those identifying as transgender)

- Language (representation of the two official languages, including official language minority communities)
- Region (representation from all parts of Canada)
- Diversity of age (representation of different “generations”)
- Indigenous people (Indigenous peoples from across Canada, including First Nations, Inuit and Métis communities)
- Culturally diverse (representation of Canadians of African, Asian, Latin American, Middle Eastern and of mixed racial heritage – including at least one of these groups)
- Deaf people (Canadians who are deaf or experience differing degrees or types of hearing loss. This includes those who identify as culturally Deaf and share distinct sign languages, traditions, values, histories, aesthetics and norms)
- People with disabilities (Canadians with actual or perceived impairments who experience disadvantage, and therefore a disability, as a direct result of that impairment)

In addition, the Canada Council looks for diverse experience and knowledge, including:

- ❖ Artistic practice or experience – artists and arts professionals within all artistic disciplines (dance, media arts, music, theatre, visual arts, writing and publishing, integrated arts, digital arts, Deaf and Disability arts, and circus arts)
- ❖ Expertise and specialization in finance, accounting, governance, leadership in the arts and other sectors (e.g., public engagement, legal, marketing, etc.)

Process and Approach

As a federal Crown corporation, the Canada Council Board appointments process is governed by government policies and processes, as determined by the Privy Council Office. Appointments to the Council’s Board are made by the Governor in Council, through recommendations by the Minister of Canadian Heritage⁴. The Council does not have decision-making power in making appointments, but ensures that the needs of the Board in terms of representation are clearly and consistently communicated to Canadian Heritage for each vacancy, in order to facilitate the recommendation process.

- ❖ Leading up to each Board vacancy, the Governance and Nominating Committee reviews the Board’s needs and requirements in terms of representation, using the factors indicated above to guide their assessment. This is done through an assessment of the current gaps and risks, and the specific needs going forward.
- ❖ An updated *Representation Requirements Statement* is provided to the Department of Canadian Heritage, indicating the specific needs and risks related to the upcoming vacancies on the Council Board. This is done by the Chair of the Board, through the Office of the Corporate Secretary.
- ❖ As part of the process, consultations with stakeholders about potential candidates who fulfill these requirements are held in order to promote transparency in the process and seek out individuals who would bring different perspectives to the Board. Stakeholders are encouraged to communicate directly with the Minister’s Office regarding their interest in service on the Canada Council Board.

⁴ <http://www.appointments-nominations.gc.ca/prsnt.asp?page=Process&lang=eng>

Other References

The following tools and resources are used to assess and update the Board's representation requirements:

- ❖ Board Representation Matrix (regularly updated)
- ❖ Board Profile and Selection Criteria (regularly updated)
- ❖ Canada Council Board Representation Requirements (regularly updated)
- ❖ Governance Policy (October 2017)
- ❖ [Governor in Council Appointments](#)
- ❖ [Equity Policy \(April 2017\)](#)

APPENDIX B: POLICY ON CONFLICTS OF INTEREST



Canada Council
for the Arts

Conseil des arts
du Canada

Board Policy on Conflicts of Interest

October 2017

CANADA COUNCIL FOR THE ARTS
Policy on Conflicts of Interest

TABLE OF CONTENTS

Preamble.....	31
Article 1 APPLICATION AND PRINCIPLES	31
1.1 Application and Objective.....	31
1.2 Principles.....	31
1.3 Supplementary Guidelines.....	31
Article 2 GENERAL PROVISIONS	31
2.1 Definitions.....	31
2.2 Interpretation.....	32
Article 3 MEANING OF CONFLICT OF INTEREST	32
3.1 Conflict of Interest	32
3.2 Real, Apparent or Potential Conflict of Interest	33
Article 4 DUTIES OF BOARD MEMBERS.....	33
4.1 Duty to Avoid and Disclose.	33
4.2 Duty to Recuse	33
4.3 Duty Not to Influence.....	33
4.4 Duties Relating to Council Grants or Prizes	33
4.5 <i>Conflict of Interest Act</i>	34
4.6 Duty to be Knowledgeable and Exercise Judgment.....	34
Article 5 CONFLICT OF INTEREST MEASURES.....	34
5.1 Initial Disclosure.....	34
5.2 Annual Update	35
5.3 Ongoing Obligation to Disclose.....	35
5.4 Duty of Fellow Board Members	35
5.5 Board Determination – Existence of Conflict of Interest.....	35
5.6 Dispute Resolution.....	35

Policy on Conflicts of Interest

PREAMBLE

The public trust rests on a belief and confidence that those in public office will conduct themselves ethically and in the best interest of the organization they serve. In furtherance of this precept, the following principles and procedures shall be binding upon each Board Member of the Council.

Article 1

APPLICATION AND PRINCIPLES

- 1.1 Application and Objective. This policy is intended to govern the conduct of Board Members and set out guidelines for avoiding and disclosing conflicts of interest. The objective of this policy is to ensure fair, well-informed decision-making that is not influenced by conflicting interests.
- 1.2 Principles. The principles of this policy are consistent with those adopted by the Government of Canada and applicable to Public Office Holders, including part-time Governor in Council appointees, both during and after their employment. Each Board Member is a Public Office Holder.
- 1.3 Supplementary Guidelines. The provisions in this policy are in addition to, and not in substitution for, any obligation imposed upon a Board Member by the *Conflict of Interest Act*, by any agreement (written or oral), by Common Law or equity, or by any other statute or regulation. Compliance with this policy will not relieve a Board Member of any such obligations.

Article 2

GENERAL PROVISIONS

- 2.1 Definitions. In this policy, unless the context otherwise requires, capitalized terms shall have the following meanings:
 - (a) **“Act”** means the *Canada Council for the Arts Act*, R.S.C, 1985, c. C-2 and other instruments made under that Act, as amended from time to time;
 - (b) **“Board”** means the governing body of the Council and includes each of the Board Members;
 - (c) **“Board Member”** means a member of the Board who is appointed by the Governor in Council in accordance with the Act, and includes the Chair and Vice-Chair.
 - (d) **“Chair”** means the Chairperson of the Council appointed by the Governor in Council in accordance with the Act;
 - (e) **“Conflict of Interest”** has the meaning ascribed to that term in section 3.1 of this policy;
 - (f) **“Conflict of Interest Act”** means the *Conflict of Interest Act*, S.C. 2006, c. 9, s.2, and other instruments made under that Act, as amended from time to time;

- (g) **“Council”** means the corporation known as the Canada Council for the Arts, as established under the Act;
- (h) **“Council Grant or Prize”** means any grant, prize, award or other contribution or honour paid, awarded or otherwise provided by the Council to professional Canadian artists, arts organizations or other eligible recipients;
- (i) **“Director and CEO”** means the Director of the Council appointed by the Governor in Council, in accordance with the Act, to act as the chief executive officer of the Council;
- (j) **“Public Office Holder”** has the meaning ascribed to that term in the *Conflict of Interest Act*, S.C. 2006, c. 9, s.2;
- (k) **“Relative”** means a person who is related to a Board Member by blood or adoption, or is or has been related to the Board Member by marriage or common law marriage; and
- (l) **“Vice-Chair”** means the Vice-Chairperson of the Council appointed by the Governor in Council in accordance with the Act.

2.2 Interpretation. In the interpretation of this policy, unless the context otherwise requires, the following rules shall apply:

- (a) words importing the singular number only shall include the plural and vice versa and words importing the masculine only shall include the feminine and vice versa; and
- (b) the headings used in this policy are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions of this policy or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

Article 3 MEANING OF CONFLICT OF INTEREST

3.1 Conflict of Interest. In this policy, the term “Conflict of Interest” includes, but is not limited to the following situations:

- (a) In accordance with the *Conflict of Interest Act*, a Board Member is in a Conflict of Interest when he or she exercises an official power, duty or function that provides an opportunity to further his or her private interests or those of his or her relatives or friends or to improperly further any other person’s private interests.
- (b) A Conflict of Interest refers to a situation in which personal, occupational or financial considerations: (i) affect a Board Member’s objectivity, judgment or ability to act in the best interest of the Council; or (ii) improperly influence the performance of a Board Member’s official duties and responsibilities.
- (c) A Conflict of Interest occurs when a Board Member owes a fiduciary duty to another entity unrelated to the Council that conflicts, directly with his or her fiduciary duty to the Council. This situation may also be referred to as a conflict of duty.

-
- (d) A Conflict of Interest arises when a Board Member is involved in making a decision that could result in that Board Member, a relative, friend or close associate of that Board Member, or an organization or company associated with that Board Member becoming the recipient of a Council Grant or Prize.
- 3.2 Real, Apparent or Potential Conflict of Interest. A Conflict of Interest can be Real, Apparent or Potential. In this policy the terms “Real”, “Apparent” and “Potential” have the following meanings:
- (a) “**Real**” means that the Conflict of Interest exists at the present time.
- (b) “**Apparent**” means that the Conflict of Interest is perceived by a reasonable observer to exist, whether or not it is the case.
- (c) “**Potential**” means that the Conflict of Interest can be reasonably foreseen to exist in the future.

Article 4 DUTIES OF BOARD MEMBERS

- 4.1 Duty to Avoid and Disclose. Board Members shall avoid and disclose any Real, Apparent or Potential Conflict of Interest. Conflicts of Interests shall be disclosed in accordance with Article 5 of this policy.
- 4.2 Duty to Recuse. In accordance with the *Conflict of Interest Act*, a Board Member shall recuse himself or herself from any discussion, decision, debate or vote on any matter in respect of which he or she would be in a Real, Apparent or Potential Conflict of Interest.
- 4.3 Duty Not to Influence. No Board Member shall use his or her position as a Board Member to seek to influence a decision of any other person so as to further the Board Member’s private interests or those of his or her Relatives or friends or to improperly further another person’s private interests.
- 4.4 Duties Relating to Council Grants or Prizes.
- (a) For greater certainty and without limiting the generality of section 4.3 of this policy, no Board Member shall attempt, directly or indirectly, to influence a decision of the Board or of any committee or panel of the Council that relates to the selection of recipients of Council Grants or Prizes.
- (b) Board Members shall not apply for Council Grants or Prizes on their own behalf or on behalf of any other organization or person, during the course of their term as a Board Member and for a period of six (6) months following the end of their term. For greater certainty, Board Members are not eligible to be nominated or considered for any Council Grant or Prize during the course of their term as a Board Member and for a period of six (6) months following the end of their term.
- (c) No Board Member shall accept to deliver to the Council, on behalf of any other organization or person, any application or nomination for a Council Grant or Prize.

-
- (d) Notwithstanding any other provision of this policy, a Board Member who is otherwise eligible to receive a payment from the Public Lending Right Program during his or her term as a Board Member, may register and receive such a payment.
- 4.5 Conflict of Interest Act. As Public Office Holders, Board Members shall also comply with all other applicable requirements of the *Conflict of Interest Act*. These requirements are summarized at Schedule 1 of this policy and include duties that continue to apply after an individual ceases to be a Board Member.
- 4.6 Duty to be Knowledgeable and Exercise Judgment.
- (a) Board Members are expected to be familiar with this policy and to adhere to it. Board Members have a responsibility to be sufficiently familiar with any legislation or regulations that apply to their directorship and to be able to recognize potential contraventions.
- (b) No policy can be expected to cover all possible situations that might be encountered. Board Members must exercise judgment in applying the principles embodied in this policy to any particular situation.
- (c) When in doubt as to any matter arising in respect of the application or interpretation of this policy, Board Members may and are encouraged to seek guidance from and consult with the Council's Corporate Secretary and or the Office of the Ethics Commissioner.

Article 5 CONFLICT OF INTEREST MEASURES

- 5.1 Initial Disclosure. Board Members shall, before beginning their duties, complete the following documents:
- (a) a formal acknowledgement that they have read and understand this policy and will comply with it. A sample of this form is attached at Schedule 2 of this policy (Acknowledgement and Undertaking);
- (b) a report of professional, financial and personal interests and activities that includes the following information:
- (i) the name and address of the registered office of each organization that they serve as a director, officer, or committee member;
- (ii) the name and address of the registered office of each organization they exercise control over, have more than 10% of the voting rights, or for which they make investment or other major decisions; and
- (iii) other activities or interests that could lead to any Real, Apparent or Potential Conflict of Interest.

A sample of this form of report is attached at Schedule 3 of this policy (Professional, Financial and Personal Interests and Activities Report).

-
- 5.2 Annual Update. At least once a year following a Board Member's initial appointment, the Council shall ask the Board Member to:
- (a) certify that he or she has read, understood and complied with the policy during the specified reporting period. A Sample of this form is attached at Schedule 4 of this policy (Annual Statement of Compliance); and
 - (b) update the report referred to in subsection 5.1(b) of this policy.
- 5.3 Ongoing Obligation to Disclose.
- (a) Notwithstanding Sections 5.1 and 5.2 of this policy, a Board Member shall disclose a Conflict of Interest or any change to the information set out in the report referred to in subsection 5.1(b) of this policy:
 - (i) at the earliest opportunity;
 - (ii) in writing, to the extent practicable; and
 - (iii) to the Chair.
 - (b) In the event the person who is subject to a Conflict of Interest is the Chair, he or she shall make the disclosure referred to in subsection 5.3(a) above to the Vice-Chair.
 - (c) Where it is not practicable to make a disclosure in accordance with the requirements set out in subsection 5.3(a) above, disclosure may be made at a meeting of the Board to the Chair.
- 5.4 Duty of Fellow Board Members. It is the responsibility of other Board Members who are aware of a Real, Apparent, or Potential Conflict of Interest on the part of a fellow Board Member to raise the issue for clarification, first with the Board Member in question and, if deemed appropriate or necessary, subsequently with the Chair.
- 5.5 Board Determination – Existence of Conflict of Interest.
- (a) If there is any question or doubt about the existence of a Real, Apparent, or Potential Conflict of Interest, the Board will determine by majority vote if a Conflict of Interest exists. The Board Member who is the subject of a determination as to the existence of a Real, Apparent, or Potential Conflict of interest shall recuse himself or herself from any discussion, decision, debate or vote in respect thereof.
 - (b) The Board's decision as to whether a Real, Apparent, or Potential Conflict of interest exists shall be duly recorded in the minutes of the meeting.
- 5.6 Dispute Resolution. Any matter arising in respect of the application or interpretation of this policy, including any question or doubt about the existence of a Real, Apparent, or Potential Conflict of interest, will be referred to the following process:
-

- (a) The matter shall be referred to the Chair or where the issue may involve the Chair, to the Vice-Chair, with notice to the Director and CEO.
- (b) The Chair (or Vice-Chair as the case may be) may either:
 - (i) attempt to resolve the matter informally; or
 - (ii) refer the matter to either the Executive Committee or to an ad hoc sub-committee of the Board established by the Chair (or Vice Chair, as the case may be) which sub-committee shall make recommendations and report to the Board.
- (c) If the Chair or Vice Chair elects to attempt to resolve the matter informally and the matter cannot be informally resolved to the satisfaction of the Chair (or Vice Chair as the case may be), the matter shall be referred to the process described in subsection 5.6(b)(ii) of this policy.
- (d) A decision of the Board by majority resolution shall be determinative of the matter.
- (e) It is recognized that if any matter referred to the process described above cannot be resolved to the satisfaction of the Board (by simple majority resolution), the Board shall seek appropriate guidance from internal or external subject matter experts, including, without limitation the Chair of the Governance and Nominating Committee, the Council's Corporate Secretary, external advisors, and the Office of the Conflict of Interest and Ethics Commissioner.

ADOPTED as a policy of the Board on the 6th day of October 2015; amended on October 4, 2017.

Schedule 1

Conflict of Interest Act: Summary of Rules that Apply to Public Office Holders

**Published by the Office of the Conflict of Interest and Ethics Commissioner (updated July 2017)*

FACT SHEET

CONFLICT OF INTEREST ACT

Summary of Rules for Public Office Holders

Public office holders are in a **conflict of interest** when they exercise an official power, duty or function that provides an opportunity to further their private interests or those of their relatives or friends, or to improperly further another person's private interests. (section 4)

General Duties (Part 1)

- Arrange your private affairs to prevent conflicts of interest. (section 5)
- Abstain from participating in decisions that would involve a conflict of interest. (subsection 6(1))
- Do not take any action aimed at circumventing the [Conflict of Interest Act](#). (s. 18)
- Compliance with the Act is a condition of your appointment or employment as a public office holder. (s. 19)

Conflict of Interest Rules (Part 1)

You are prohibited from:

- Providing preferential treatment to any person or organization based on the identity of the person or organization representing them. (s. 7)
- Using information that is not available to the public to further private interests. (s. 8)
- Using your position to influence a decision in order to further private interests. (s. 9)
- Being influenced in exercising your duties by offers of outside employment. (s. 10)
- Accepting any gift or other advantage that might reasonably be seen to have been given to influence you in the exercise of your official duties. (s. 11) Certain exceptions to this rule are outlined in ss. 11(2). If you or a member of your family accepts a courtesy or protocol gift that has a value of \$1,000 or more, you must forfeit it to the Crown, unless the Conflict of Interest and Ethics Commissioner determines otherwise. (ss. 11(3))
- Entering into a contract or employment relationship, in the exercise of your official duties, with a spouse, common-law partner, child, sibling or parent, or permitting the entity for which you work to do so. (s. 14)
- Personally soliciting funds if it places you in a conflict of interest. (s. 16)

Recusal (Part 2)

- You must recuse yourself from any discussion, decision, debate or vote if you would be in a conflict of interest. (s. 21)

Post-Employment (Part 3)

You are prohibited from:

- Acting in a manner that takes improper advantage of your previous office. (s. 33)
- Acting for or on behalf of any person or organization in connection with any specific proceeding, transaction, negotiation or case where the Crown is a party and where you had acted for, or provided advice to, the Crown while in public office. (ss. 34(1))
- Providing advice to clients, business associates or employers using information that was acquired

in the course of your official duties and that is not available to the public. (ss. 34(2))

Administration and Enforcement (Part 4)

The Commissioner may conduct an examination:

- On the written request of a Senator or Member of the House of Commons who has reasonable grounds to believe that a public office holder or former public office holder has contravened the Act (s. 44); or
- On the Commissioner's own initiative if the Commissioner has reason to believe that a public office holder or former public office holder has contravened the Act. (s. 45)

This summary is intended as a quick reference. The Conflict of Interest Act itself is the final authority. You are encouraged to seek advice from the Office of the Conflict of Interest and Ethics Commissioner. You can reach an advisor by telephone at 613-995-0721 or by email at ciec-ccie@parl.gc.ca.

Schedule 2 Acknowledgement and Undertaking

Board Members are expected to, at all times, remain familiar and comply with the Council's Policy on Conflicts of Interest (the "**Policy**"). To this end, and to ensure they are regularly reminded of the importance of complying with the Policy, all new Board Members are required to sign this Acknowledgement and Undertaking and deliver it to the Council's Corporate Secretary prior to serving on the Board.

The undersigned ("I") acknowledges the following:

1. I have read and understood the Policy and am familiar with its contents as of the date of signature below. Where I have not understood any element of the Policy, I have obtained clarification from the Council's Chair.

2. I undertake to comply with the provisions of the Policy and to confirm in writing, at least annually during the term of my appointment, that I have read, understood and complied with the most recent version of the Policy. I understand that any contravention of the Policy will be treated as a serious matter and may lead to a recommendation to the Minister for my removal from Office.

Printed Name: _____

Signature: _____

Date: _____

Schedule 3
Professional, Financial and Personal Interests and Activities Report

Report of financial interests, directorship activities and other interests or activities subject to disclosure in accordance with the Council's *Policy on Conflicts of Interest*.

Note: If space below is insufficient, attach supplementary pages.

Name (print):	Address:
<p>In compliance with the Council's <i>Policy on Conflicts of Interest</i>, I hereby disclose the following financial interests, directorship activities and other interests and activities, which I fully understand may have to be divested, curtailed or modified if it is determined that such assets or activities give rise to any real, apparent or potential conflict of interest in respect of the duties and responsibilities of the position occupied by me.</p>	
<p>Description of professional interests or activities (i.e. the name and address of the registered office of each organization that they serve as a director, officer, or committee member):</p>	
<p>Description of financial interests or activities (i.e. the name and address of the registered office of each organization they exercise control over, have more than 10% of the voting rights, or for which they make investment or other major decisions):</p>	
<p>Description of personal interests or activities (i.e.: other activities or interests that could lead to any real, apparent or potential conflict of interest):</p>	

Signature: _____

Date: _____

Schedule 4
Annual Statement of Compliance

Board Members are expected to, at all times, remain familiar and comply with the Council's Policy on Conflicts of Interest (the "**Policy**"). To this end, and to ensure they are regularly reminded of the importance of complying with the Policy, all Board Members are required to sign this Annual Statement of Compliance and deliver it to the Council's Corporate Secretary on or before June 30th of each year.

The undersigned ("I") acknowledges and confirms the following:

1. I have recently read and understood the Policy and am familiar with its contents as of the date of signature below. Where I have not understood any element of the Policy, I have obtained clarification from Chair.
2. I certify that I complied with the Policy throughout fiscal year ending on March 31, 20____.
3. I undertake to comply with the provisions of the Policy and understand that any contravention of the Policy will be treated as a serious matter and may lead to a recommendation to the Minister for my removal from Office.

Printed Name: _____

Signature: _____

Date: _____