

Governance, Ethics & Human Resources Committee Terms of Reference

Purpose of Committee

The Governance, Ethics and Human Resources Policy (“GEHR”) Committee has three areas of responsibility. One role is to facilitate the evolution of the governance practices with the needs of Niagara Parks Commission (NPC). The Committee oversees the governance system to ensure that duties by the governance body are being met and regulatory requirements are being fulfilled and that the Board is fulfilling its accountability to the Province of Ontario. The Committee assists the Chair in holding Commissioners and Commission Committees accountable for fulfilling their duties.

The second area of responsibility is with respect to the Ethics of NPC. This involves the development and fulfillment of policies which provide for the desired ethical conduct by Commissioners and employees and to prevent the exercise of undue influence by related parties.

The third area of responsibility is with respect to Human Resources. The Committee will ensure governing policies are in place and implemented by management to provide employees at NPC with fair and meaningful employment in a safe and respectful workplace. The Committee has specific responsibilities with respect to the appointment, monitoring and compensation of executive management.

Responsibilities

Governance: the Committee shall....

- a) Monitor and consider trends in corporate governance, the Province’s expectations for the governance level and accountability, consider implications to NPC, and make recommendations;
- b) Monitor the effectiveness of NPC’s governance practices and recommend changes as necessary (consider efficiency, transparency, regulations, government directives);
- c) Periodically consider the Commission’s committee structure and determine appropriateness given the evolution of general governance practices, and the structure and operations of NPC;
- d) Ensure terms of reference for the governing level are updated annually, recommend to Commission;
- e) Facilitate the orientation and development of Commissioners with respect to their governing duties and with respect to the business of NPC;

- f) Develop, recommend and periodically review the policies for Commissioner education and allowable expenses;
- g) Ensure development and maintenance of a Commissioner's orientation manual and update annually;
- h) Monitor Committees on the fulfillment of their mandates through facilitating Committee self-assessments; develop recommendations to address gaps;
- i) Develop, recommend and implement a periodic Commission assessment that includes: individual Commissioner assessment, assessment of the Commission as a whole; and develop an action plan to address items where performance is less than satisfactory;
- j) Oversee the governance policy framework provided by ensuring that Committees develop, review and update assigned policies; and,
- k) Provide for governance accountability reporting to stakeholders.

Ethical Conduct: the Committee shall....

- a) Periodically review, consider for revision, and recommend for Commission approval NPC's Code of Conduct for Commissioners, Executive and Employees (ensuring that this includes the involvement of employees in the update);
- b) Review the certification of adherence to the code of conduct by Commissioners and employees;
- c) Recommend and oversee a process for the confidential, anonymous reporting of concerns regarding questionable practices by Commissioners and employees within the scope of the code of conduct; including a process to protect those who report questionable practices in good faith;
- d) Review report on nature of breaches of code of conduct by the General Manager and Commissioners as reported by Management, fellow Commissioners, employees, or outside parties, and consider changes to policy or processes as may be appropriate;
- e) Receive, review report of breaches by management and employees and review the handling of such breaches by the General Manager and implications/changes to policy and processes; and,
- f) Receive, review report on handling of requests and responses under Freedom of Information.

Employees: the Committee shall....

- a) Develop, monitor, and annually review/update for Commission approval a governing policy on employment principles and compensation philosophy, to effect fair and meaningful employment and a safe and respectful workplace for employees;
- b) Receive and review reports from management and make enquiry to gain assurance of NPC's adherence to employment practices that meet the statutory and regulatory requirements of employment standards, human rights and other applicable legislation;

- c) Receive and review reports from management regarding the review of hiring practices providing the assurance of fair recruitment and screening processes to support NPC as a fair employer;
- d) Receive and review reports from management providing assurance that positions that require a professional designation are documented on file and those people in the positions are keeping up with the requirements of the designation;
- e) Receive and review reports from management on how employee satisfaction is measured; and review employee satisfaction results and management's action plans to address performance gaps;
- f) Receive and review reports from management regarding obligations with respect to providing compensation, employee benefits and compliance with the terms of such benefit plans;
- g) Receive and review reports from management on negotiating principles and monitor progress on collective bargaining; and,
- h) Recommend, monitor, and periodically review the principles for long-term retirement benefits plans provided to employees, their affordability, and governance over such plans (Ontario Public Service).

Executive Management: the Committee shall....

- a) Review, with the General Manager (GM), his/her appointments to executive management positions (direct reports) prior to them being made recognizing authority to appoint persons is that of the GM;
- b) Understand and consider for approval, the compensation plans, including bonuses and benefits, for the executive staff and the key components relating to any incentive plans (for clarity this involves the salary and bonus ranges for positions but not the absolute amount per individual);
- c) Understand any proposed contracts for new executive staff and amendments to contracts for existing executive staff; this includes understanding the retirement and severance arrangements of direct reports to the GM;
- d) Review and discuss organizational structure changes, prior to implementation; and,
- e) Discuss annually with the GM plans to develop and provide for orderly succession of direct reports.

General Manager (GM): the Committee shall....

- a) In consultation with the Commission Chair and the GM, annually develop the objectives for assessing the GM's individual performance, and recommend to the Commission for approval. The objectives are to be consistent with NPC's strategic plan and business plan and align with NPC's mission and values. Further, the GM's evaluation elements must align with the financial and non-financial objectives of NPC and include both annual and long term performance measures;

- b) Develop and recommend to the Commission an annual evaluation process for the GM; with the process to include input by Commissioners and a self-evaluation. Periodically the process is to include input from the GM's direct reports. The evaluation is to include performance metrics for employee engagement, stakeholder engagement, operational efficiency and financial performance;
- c) Review the total compensation package for the GM for its appropriateness in relation to the organizational needs, sector comparables and affordability and that it reinforces performance that is aligned to NPC's mission and values; this requires that a formal analysis be conducted every three years using qualified independent resources (compensation consultant), with these resources reporting directly to the GEHR Committee;
- d) Recommend the GM's salary and benefits (including any bonus structure with short and long-term incentives) to the Commission for approval;
- e) Provide support to the Commission Chair in delivering the performance review to the GM relative to the objectives set by the Commission, results of feedback gathered during the performance process, and the overall performance results of the GM;
- f) Review and recommend to the Commission the terms and conditions of any employment contract relating to the GM;
- g) Maintain the GM position description containing responsibilities, qualifications and competencies as part of the maintenance of the recruitment process that will be followed at the time when the GM position needs to be filled; and,
- h) Develop and recommend succession plans for the GM.

Committee Size and Quorum

The GEHR Committee will consist of at least three (3) Commissioners, one of whom will be the Chair of the Commission. Quorum requires the participation of no less than three (3) committee members.

Committee Membership and Qualification

Members of the Committee are appointed annually from and by the Commission. To ensure continuity there must be at least one returning committee member.

Members of the Committee should possess an advanced understanding of practices that enable good governance. Also, some members should possess human resources or executive experience.

Term of Office

Each Committee member is appointed for a one year term. Committee members are eligible for re-appointment by the Commission at the end of their term but to a limit of three consecutive years of serving on the Committee unless an incumbent Committee member has been appointed as

Chair of the Committee then they can serve for five consecutive years. However there is no term limit for the Commission Chair on the committee.

Selection of the Chair

The Chair of the Committee will be recommended by the Chair of the Commission for consideration and approval by the Commission.

Resources to the Committee

The following are resources to the Committee as and when required by the Committee:

- General Manager
- Senior Director, Corporate Services
- Director, Human Resources
- Other Management, as needed
- Outside advisors, as needed (e.g. legal counsel, consultants)

Frequency and Timing of Meetings

The Committee shall meet as required, but not less frequently than four times each year. The Committee shall determine its own procedures for the conduct of meetings. Where the Chair of the Committee is absent from a properly called meeting, the Commissioners in attendance, assuming quorum, will identify amongst themselves one of them to chair the meeting.

The Committee's annual timetable of tasks is attached as an appendix to the Terms of Reference. The timing of these tasks may be amended to better suit the availability of information or current priorities.

There are some topic items that require the Committee to meet in camera (i.e. without executive present).

Authority

The Committee conducts its responsibilities on behalf of the Commission and makes recommendations to the Commission on policies and matters in the areas of its assigned responsibilities.

The Committee will carry out the work outlined in these terms of reference and will make recommendations to the Commission regarding approval of expenditures as detailed in the Commission approved work plan and budget. Where funding is needed for a project and budget was not included in the current year financial plan, a request will be forwarded to the Commission for approval except when dealing with breaches of the code as noted above.

Reporting

The Committee reports directly to the Commission. Following a meeting of the Committee, minutes will be prepared and presented in draft format at the next meeting. Any recommendations of the Committee requiring endorsement by the Commission will be brought forward to the next meeting of the Commission.

The Committee Chair may provide an oral report to the Commission on matters not yet recorded in the minutes. All Committee minutes and reports are available to all Commissioners via the Leading Boards web portal.

Review of the Committee Terms of Reference

The Committee will review its Terms of Reference annually and submit recommendations for changes to the Commission.

Annual Calendar of Committee's Tasks

The Committee deals with these tasks on a periodic basis:

Ethical Conduct

- Review management report on certification of adherence to code of conduct by employees. Review nature of breaches (if any) and consider implications to policy, processes (quarterly)

Human Resources

- Receive/review negotiating principles and monitor progress on collective bargaining
- Review total compensation package for GM in relation to the industry (every three years)
- Receive from the GM changes to the executive management team structure (as occurs)
- Receive from the GM outline of persons being appointed to executive management team (as occurs)
- Review organizational structure changes (as occurs)
- Understand contracts for GM's direct reports (as occurs)
- Update GM position description (every two years)
- Update the recruitment process (every two years) to be followed when need to search for GM occurs
- Receive, review report on employee satisfaction
- Review Commission Governing Policies (every 2 years)

The following tasks are undertaken as required:

Quarter 1 (April to June)

General

- Identify training needed for committee members
- Update mandate of the Committee and review updated terms of reference for each Commission Committee (after each committee has completed its update).
- List of donations made by NPC for previous calendar year

Governance

- Review, discuss recent trends in governance and consider implications
- Identify governance practices needing improvement for efficiency, transparency, regulations, gov't directives; develop recommendations
- Review self-assessments results of Commission Committees and Commission and recommend action plan to achieve improvement
- Review management report on handling of requests under FOI
- Review Annual Report Prior to submission

Human Resources

- Understand General Manager (GM) direct report positions, persons in positions, GM's succession plans for direct reports

Quarter 2 (July to September)

Governance

- Update job description: for Commissioner and Chair
- Review the Commissioner orientation process and Orientation Manual
- Provide compliance report on NPC legislative filing requirements from previous year

Human Resources

- Develop/Review succession plan for GM, review with Commission

Quarter 3 (October to December)

Governance

- Review governing policy framework for sufficiency and currency

Ethical Conduct

- Update Code of Conduct/Disclosure procedures

Human Resources

- Understand key components of overall compensation package for members of executive team including incentive compensation plan, benefit and pension plans
- Support Commission Chair in the conduct of the GM's annual evaluation process

Quarter 4 (January to March)

Governance

- Develop/Review, issue self-assessment for each Committee
- Arrange performance review discussions by Commission Chair with individual Commissioners
- Review governance accountability report for publication
- Review of hiring practices to ensure fairness

Ethical Conduct

- Review completion of Commissioner's annual certification of adherence to code of conduct and conflict of interest
- Review the summary of interests declared by Commissioners, summarized by the Executive Assistant to the Chair & General Manager. A copy of the report, once approved by the GEHR Committee and the Board, will be submitted from the Chair to the Minister.

Human Resources

- Set GM's performance objectives for forthcoming year
- Set GM's annual evaluation process
- Review the GM's compensation package for forthcoming year; recommend to Commission