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**GOVERNANCE GUIDELINES FOR TRANSPARENCY INTERNATIONAL  
CANADA BOARD OF DIRECTORS**

**Definition of Governance:**

Transparent and accountable stewardship of all resources of an organization for its development

**Elements of Governance for Transparency International Canada (TI-Canada):**

**1. Code Of Ethics:**

**Code of Ethics**

TI-Canada, and its Officers and Board of Directors, will conduct its affairs in accordance with the following vision, values and guiding principles:

**Vision**

A world in which government, politics, business, civil society and the daily lives of people are free from corruption.

**Values**

Transparency  
Accountability  
Solidarity  
Courage  
Justice  
Democracy  
Integrity

**Guiding Principles**

We are a civil society organization committed to respecting the following principles:

1. As coalition builders, we will work co-operatively with all individuals and groups, with for profit and not for profit corporations and organizations, and with governments and international bodies committed to the fight against corruption, subject only to the policies and priorities set by our governing bodies.
2. We undertake to be open, honest, cooperative and accountable in our relationships with everyone we work with and with each other.
3. We will be democratic, politically non-partisan and non-sectarian in our work.

4. We will condemn bribery and corruption vigorously and courageously wherever it has been reliably identified although TI-Canada does not seek to expose individual cases of corruption.
5. The positions we take will be based on sound, objective and professional analysis and high standards of research.
6. We will only accept funding that does not compromise our ability to address issues freely, thoroughly and objectively.
7. We will provide accurate and timely reports of our activities to our stakeholders.
8. We will respect and encourage respect for fundamental rights and freedoms.
9. We are committed to building, working with and working through national chapters world wide.
10. We will strive for balanced and diverse representation on our governing bodies.
11. As one global movement, we stand in solidarity with each other and we will not act in ways that may adversely affect other Chapters or the TI Movement as a whole.

## **2. Conflict of Interest:**

### **Background**

Conflicts of interest may arise from time to time in the course of a Board or executive member's activities and decisions as a TI-Canada director or member of the executive, namely:

- pecuniary or financial interests;
- interests that impede a Board or executive member in his or her duty to act in the best interests of the organization

### **Pecuniary or Financial Interest**

A Board or executive member is said to have a pecuniary interest in a decision when the Board or executive member (or his or her employers, associates or relatives) stands to gain by that decision, either in the form of money, gifts, favours, gratuities, engagement for the provision of goods or services or other special considerations. In such cases, the declaration of any pecuniary interest held by a Board or executive member (or by his or her parents, siblings, spouse and common law partner) is essential.

## **Board Member's Duty to TI-Canada**

The TI-Canada Board is deliberately comprised of people with a variety of academic, business, professional, governmental, civil society and other experience and perspectives. The intent in this design is to gain from a broad base of experience in making decisions on behalf of TI-Canada.

The broad-based and diverse selection of Board members is not, however, intended to create limited constituencies represented by individual Board members. Each Board member has the same responsibility to support overall the goals and objectives of TI as a whole and specifically those of TI-Canada as determined by its Board.

Participation or influence in Board or management decisions that selectively and disproportionately benefit particular organizations, companies or professional or academic groups is a violation of a Board member's entrusted responsibility to act in a fair and objective manner in the best interests of TI-Canada.

### **Principle**

Members of the Board and executive of TI-Canada are expected to act, and be perceived to act, with integrity in all matters relating to TI-Canada. Members of the Board and the executive use their skills and experience to represent the goals and objectives of TI and TI-Canada and to act and make decisions that are in their collective best interest. Members of the Board should not act in any way that selectively or disproportionately benefits particular agencies, companies, organizations or professional or academic groups.

### **Definition**

A conflict of interest is a perceived or real impediment to a Board or executive member's duty to support the organization's collective goals and objectives, due to the Board or executive member's affiliations, obligations, or other formal associations and relationships outside the organization

### **Chair's Responsibilities**

The chair of the TI-Canada Board is responsible for ensuring that all persons nominated and/or elected to the Board or the executive are made aware of the policies and procedures regarding conflict of interest. In addition, these policies and procedures should be made available to the general membership of TI-Canada through publication, for example, on the TI Canada website

## **Board and Executive Member Responsibilities**

Members of the Board and the executive are required to recognize that the possibility of conflict of interest exists and are expected to declare conflicts of interest in accordance with the following policy.

### **Conflict of Interest Policy for Members of the TI-Canada Board and Executive**

- 1) For the purposes of this policy, “associates” include the parents, siblings, spouse or common-law partner of the Board or executive member as well as any organization, agency, company, professional or academic group or individual (such as a business partner or fellow employee) with a formal relationship to the Board member.
- 2) Every Board or executive member who, either directly or through one of his or her associates, has or thinks he or she may potentially have a conflict of interest with respect to a proposed or current contract, transaction, or decision of TI-Canada should promptly, and prior to proceeding with any such contract, transaction or decision, disclose the nature and extent of the interest at a meeting of the Board.
- 3) If the Board or executive member (or his or her associates) becomes interested in a contract, transaction or decision after the Board meeting at which it is first raised, the Board member should make a declaration at the next Board meeting following the Board member’s perception or apprehension of a conflict.
- 4) In the case of an existing contract, transaction or decision, the declaration should be made at the first meeting of the Board after the member becomes a director or a member of the executive or the interest comes into being.
- 5) After making such a declaration, no interested Board member should vote or be present at the vote, or otherwise attempt to influence the voting on such contract, transaction or decision, nor should the member be counted in any required quorum with respect to the vote.
- 6) If a Board or executive member has made a declaration of interest in compliance with this policy, the Board member is not accountable to TI-Canada for any profit he or she or his or her associates may realize from the contract, transaction or decision.
- 7) If the Board or executive member fails to make a declaration of his or her interest in a contract, transaction or decision as required by this policy this may be considered grounds for forfeiture of Board or executive membership.

- 8) If a Board or executive member believes that any other Board or executive member is in a conflict of interest position with respect to any contract, transaction or decision, the Board or executive member should raise the matter and have the concern recorded in the minutes. Thereafter at the request of the Board member who recorded the concern, the Board should vote on whether the Board member alleged to have an interest is or was in conflict. The question of whether or not a Board or executive member has a conflict of interest shall be determined by a simple majority of the Board.
- 9) Every declaration of a conflict of interest and the general nature thereof should be recorded in the minutes of the Board.

### **3. Rules of Order:**

The rules of order to be used are the Roberts Rules of Order.

### **4. Role of Board:**

The directors of TI-Canada may administer the affairs of TI-Canada in all things and make any kind of contract which TI-Canada may lawfully enter into. It may exercise all such other powers and do all such other acts and things as TI-Canada is by its charter or otherwise authorized to exercise and do.

The Board of directors may prescribe such rules and regulations not inconsistent with the by-laws relating to the management and operation of TI-Canada as they deem expedient, provided that such rules and regulations shall have force and effect only until the next annual meeting of the members of TI-Canada when they shall be confirmed, and failing such confirmation at such annual meeting of members, shall at and from that time cease to have any force and effect.

### **5. Election/Reelection of Directors**

#### **Election of Directors:**

The Governance and Nominations Committee will:

- a) Determine ideal Board composition
  - geography, skills, international experience, contacts, and diversity
  - balance of TI-Canada Board membership among business, professionals, government, academics and NGO's
  - ability to fund raise, or have contacts from which funds can be raised
  - interest in involvement with TI-Canada activities
- b) Set up process for getting recommendations, preferably from entire Board (do this "off line", not at Board meetings).
- c) Establish priorities and availability, and look for names that fit the bill and discuss.
- d) Arrive at list of potential candidates.
- e) Do some biographical research.

- f) Arrive at list of people Committee is prepared to recommend to the Board, pending interviews.
- g) Assemble biographical material and reasons for selection.
- h) Present the Board with names and background, and request authorization to interview the candidates with regard to potential interest in becoming a Director of the Board.
- i) Conduct reference checks if appropriate.
- j) Interview candidates. Interviewers should normally be at least one from the Nominations Committee and another Director. If a candidate is well known to a Director, consider the plusses and minuses of having him or her at the interview. Usually no more than two or at most three TI-Canada interviewers. Good idea to do over lunch. The key thing to avoid is to imply to a candidate that you are offering a directorship and then have the Board say no.
- k) Conduct further reference checks if appropriate.
- l) Report back to Board after interviews and make appropriate recommendations regarding Board appointments. Proceed accordingly.

### **Reelection of Directors:**

The Governance and Nominations Committee has the option to recommend to the Board those directors eligible for reelection.

### **6. Appointment of Officers:**

The Governance and Nominations Committee shall, on a yearly basis and following the Annual General Meeting, recommend to the Board, for election, the officers of the organization for the following year.

### **7. Number of Directors:**

As per the By-law A, the Board can, between annual meetings, increase the number of Board Members, for a term expiring not later than the close of the next Annual General Meeting.

### **8. Election and Term:**

Directors shall be elected for a maximum term of three (3) years from the date of the meeting at which they are elected until the third annual meeting next following or until their successors are elected or until their earlier resignation or removal, provided that the term of the directors elected at the first annual meeting and at any subsequent annual meeting shall be such combination of one, two and three year terms as determined by the Board of directors in advance of such annual meeting. Such determination of terms of office shall take into account the limitation on the number of years that a director may serve on the Board and otherwise will provide as closely as possible for the term of one third of the Board of directors to expire at the time of each annual meeting. Nominations proposed to be made at any annual meeting of members for the election of directors must be in writing and must be filed with the secretary of the corporation at least four (4) days prior to the scheduled date for such meeting. A director who has served six (6) years on

the Board of directors must retire for one year before being eligible for election or appointment as a director for a further term. In no event shall a director serve, or be eligible for election or appointment to serve, as a director on the Board for more than nine (9) years in total. In calculating the number of years that a director has served on the Board a part year of six (6) months or less in the overall calculation shall not be included and a part year of more than six (6) months in the overall calculation shall be considered to be a full year.

### **9. Duties and Responsibilities of Directors:**

Each Director is responsible for:

- Being a member of TI-Canada
- Signing off on the conflict of interest statement
- Signing off on the Code of Ethics

The Board is responsible for approving strategy and exercising due diligence.

Applicants for individual and student membership will be asked to commit their support for TI-Canada's vision, mission and goals, when submitting their applications. This will be a one stop shop, on line. Applicants will fill out the form, click a box that says by submitting the application and paying the fee, they commit to TI-Canada's vision, mission and goals. TI-Canada will reserve the right to review applications but will only do so if the Executive Director or any Board Member brings a real problem to the attention of the Board.

Board approval is required, before TI-Canada mailing list (not Membership List, which is not given out) is given to other organizations.

#### **Duty to Inform:**

Transparency in communication among Board Members is important. To ensure accountability and synergy with TI Canada programming priorities Board Members need to inform the Chair, directly, or through the Executive Director, concerning their activities in the name of TI-Canada. Activities include conducting a presentation, training, interview, study, any other events and any activity aimed at raising funds.

### **10. Voting:**

Each director is authorized to exercise one vote. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the chair of the meeting shall have a second or casting vote.

### **11. Relationship to Transparency International Secretariat**

One Director shall be nominated by the Board, on a yearly basis, to be TI-Canada's Official Chapter Representative at the Annual General Meeting of Transparency International. Upon agreement with the Board, the Executive director can also act as OCR.

## **12. Committee Structure:**

The Board of Directors may appoint committees (see Appendix 1 for Active Committees) as the Board shall see fit and may by resolution appoint and remove the members of such committees.

Further, committee meetings will be announced to the Board in advance so that any Board member can attend, if interested. Reports on committee meetings will be given to the full Board at the subsequent meeting of the Board.

Guidelines for Committee Chairs and Membership:

- Minimum of 4 and maximum of 6 Board Members per committee
- Board Members should serve on a minimum of one committee. The TI-Canada Chair and President is an ex-officio member of all committees
- Board Members will, where possible, be chairs of committees; if a non-Board Member chairs a committee, that individual will make a report by teleconference, or in written form, at each Board meeting; and a Board Member may chair only one committee, at a time
- Non-Board Members may be invited to serve on committees, with the exception of the Governance and Nominations Committee, which will be made up only of members of the Board
- The Governance and Nominations Committee has the authority to make exceptions to these guidelines on a case-by-case basis

## **13. Circulation of Minutes:**

Every effort will be taken to distribute the minutes to the full Board four weeks following a Board meeting.

## **14. Officers and Their Functions:**

### **Chair of the Board:**

The Chair of the Board of directors shall preside at all meetings of members and of the Board of directors. The Chair shall be the chief executive officer of TI-Canada and shall have the general and active management of the affairs of TI-Canada. The Chair shall see that all orders and resolutions of the Board of directors are carried into effect. The Chair provides general direction to the Executive Director.



**Past Chair of the Board:**

The past chair of the Board remains a non-voting member of the Board for a period of one year after their Chair term.

**Vice Chair:**

- The main duty of the Vice Chair is to assist the Chair as required. In addition, the the Vice Chair Is a member of the Board
- Performs Chair responsibilities when the Chair cannot be available

Should the Chair be removed or leave his or her post, the Vice Chair will take over until the Board can select a new Chair. The Vice Chair will assume the role of Chair temporarily and exercise the powers of the Chair.

**Treasurer:**

The Treasurer shall have the custody of the funds and securities of TI-Canada and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of TI-Canada in the books belonging to TI-Canada and shall deposit all monies, securities and other valuable effects in the name and to the credit of TI-Canada. The Treasurer shall disburse the funds of TI-Canada as may be directed by proper authority and shall render to the Chair and directors financial statements as agreed to at each Board meeting and annually in accordance with generally accepted accounting principles.

**Secretary:**

The Secretary shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give and cause to be given notice of all meetings of the members and of the Board of directors, and shall perform such other duties as may be assigned by the Board of Directors or the Chair.

**15. Financial Practices:****Expenditures and Salaries:**

The directors shall have power to authorize expenditures on behalf of TI-Canada from time to time and may delegate by resolution to the Executive Director of TI-Canada the right to employ and pay salaries to employees and fees to contractors.

**Travel Expense Reimbursement Policy:**

(See Appendix 2.)

**Fund Raising:**

The Board of directors shall take such steps as they may deem requisite to enable TI-Canada to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of TI-Canada. (See Donations Policy, Appendix 4.)

**Auditors:**

The members shall, at each annual meeting, appoint an auditor to audit the accounts of TI-Canada for report to the members at the next annual meeting. The auditor shall hold office until the next annual meeting provided that the directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the Board of directors.

**Books and Records:**

The directors shall see that all necessary books and records of TI-Canada required by the by-laws of TI-Canada or by any applicable statute or law are regularly and properly kept. The Secretary shall keep and maintain a record of the names and addresses of all members of TI-Canada.

**Signing Authorities:**

All payments require two authorizations/signatures, of the signing authorities. No signing officer may approve a payment to himself or herself or to an entity in which he or she has a material financial interest. On the rare occasion that a signing officer must sign for a reimbursement of expenses to him or herself, the details of the expenditure and relevant receipts must be sent to the Treasurer for prior approval.

**Policies:**

Refer to the TI Canada's website for additional policies such as Travel Expense Reimbursement Policy, Donations policy and Privacy policy.

**Investment of Funds:**

The Treasurer is authorized to invest surplus funds in GICs or their equivalent.

**Solvency:**

The Treasurer shall consult with the Chair and Vice-Chair in order to determine appropriate action, including, if necessary, reductions in expenditures that would otherwise have been incurred, when the bank and other liquid funds fall to a critical balance, as defined below. The critical balance is \$42,000, consisting of bank and other liquid funds on hand, plus incoming funds in transit and other absolutely committed

funds to be received in the next 30 days, minus committed expenditures that will be incurred in the next 30 days.

### **16. In camera sessions**

If required, to each agenda of the Governance and Nominations Committee and the Board should be added the item, “*In camera session.*” If necessary, issues related to any of the Directors or the Executive Director can be discussed at this time, and the individual concerned will be asked to leave the room.

### **17. Board Standing Decisions**

#### **INFORMATION TO TI-CANADA MEMBERS PRIOR TO AGM**

Good governance requires that the members be given - at least annually - the following:

1. Reports on the organization’s business activities,
2. Reports on the organization’s financial activities,
3. An invitation to attend and participate at an AGM, and
4. At that AGM, the opportunity:
  - (A) to discuss with / question / challenge the directors on matters arising out of items 1 and 2, and
  - (B) to elect persons to be the directors for the next period.
5. Draft AGM Agenda

Governance and Nominations Committee has agreed that:

- A. As soon as the prior year’s accounts have been cleared with the Auditors, the Board will meet to approve those accounts.
- B. At the same meeting as in A, the Chair, Vice Chair (if any) and Executive Director will present to the Board their reports, in draft, on the prior year’s activities. The Board will provide its comments, if any, on the drafts.
- C. At the same meeting, the Board decides on the nominees it will recommend to the members for election as directors.
- D. The audited/approved accounts, the Chair’s, Vice Chair’s (if any) and Executive Director’s reports, Minutes of the prior AGM and the names of nominees are sent to the members, along with a proxy form. (The AGM notice will have been sent earlier.)