

GOVERNANCE MANUAL

Approved by the Board of Governors
June 2011

Last Amended and Restated 08 June 2011.

The Board of the Commonwealth of Learning formally adopted the policies contained in this Manual on 17 June 2004, rescinding all previous policy statements. The matters contained in this Manual take effect from 01 July 2004.

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Introduction

1. Purpose

This Manual has been designed to provide Board members with information about their role and responsibilities, and how these are translated into action.

It covers:

- a) The authority under which the Board functions, its structure and requirements for fulfilling its responsibilities.
- b) The policies that the Board has established to govern the work of the Commonwealth of Learning.
- c) Oversight of the controlled entities of the Commonwealth of Learning.

2. Context

In all matters, the operations of the Board and the organisation are governed by the Memorandum of Understanding created by Commonwealth Heads of Government (CHOGM) and relevant laws of Canada and this manual must be interpreted within that context.

3. Document Control

Date of Issue: 26 April 2004.

Last Revised: 08 June 2011.

Date of Review: At each annual Board meeting.

Document 'Owner': Secretary to Board – Approved by: Board of Governors.

CHAPTER 1 – Governance Context

1. Establishment

The Board of Governors of the Commonwealth of Learning (COL) was established by Commonwealth Heads of Government (CHOGM) through the Memorandum of Understanding (MOU) on the Commonwealth of Learning as agreed by Commonwealth Governments on 01 September 1988 and as amended on 31 October 1995.

2. Purpose

The purpose of COL is “to create and widen access to opportunities for learning, by promoting co-operation between universities, colleges and other educational institutions throughout the Commonwealth, making use of the potential offered by distance education and by the application of communication technologies to education.

COL’s activities will aim to strengthen member countries’ capacities to develop the human resources required for their economic and social development, and will give priority to those developmental needs to which Commonwealth co-operation can be applied.

COL will work in a flexible manner and be capable of responding effectively to changing needs. It will serve the interests of Commonwealth member countries and of the Commonwealth itself, working in co-operation with Governments and other Commonwealth agencies and educational institutions and doing so in a way that is consistent with the principles that have guided the Commonwealth.

In performing its functions COL will seek to ensure the appropriateness of programmes and of distance education techniques and technologies to the particular requirements of member countries.” (MOU Clause 2)

3. Legal Framework

COL is classified as an International Organisation under the Privileges and Immunities Act of the Laws of Canada with a legal personality under those Laws, with immunities and privileges for itself and staff as set out in the Convention on Privileges and Immunities of the United Nations (1946) as accepted by Canada, and with member countries of the Commonwealth, through their Governments, as participants. (MOU – I.1 – 1995)

The Headquarters Commonwealth Agreement between Canada and COL, dated November 14, 1988 sets out the status of COL in Canada as well as that of its representatives. Privileges and immunities are granted to officials in the interest of COL, and not for personal benefit of the individuals themselves. The President of COL has the right and duty to waive the immunity of any official in any case where, in his/her opinion, the immunity would impede the course of justice and can be waived without prejudice to the interests of COL. In the case of the President of COL, the Board of Governors shall have the right to waive immunity. (Article IV)

COL adheres to or exceeds good employment practices as determined by the Employment Standards Act and Human Rights Code of British Columbia and is registered under the Workers' Compensation Board of British Columbia.

4. Funding

The Organisation is funded by voluntary contributions from Commonwealth Governments “which will to the maximum possible extent be made in such form as to be freely usable for the purposes of the Commonwealth of Learning, augmented by grants from provinces, states or territories of Commonwealth countries and other appropriate agencies and donors and by income from the provision of services.

COL will also be able to seek additional funding from Governments, international agencies, institutions and private sources to finance specific collaborative distance education projects.

COL will be empowered to invest and to borrow funds within such limits as the Board may from time to time prescribe, but it will not be authorised to enter into financial commitments which are not covered by firm pledges of funding.” (MOU Clause 10)

5. Planning

The Board annually reviews and approves strategic and operational plans and budgets, monitors their implementation and evaluates results for input into the next planning cycle. (see MOU Clause 6 (b))

The COL Board uses a triennial strategic planning ‘workshop’ to ensure timely and appropriate input into the development of the three-year plan so that this can be approved by the Board prior to its presentation to the Conference of Commonwealth Education Ministers (CCEM) for endorsement. This workshop will be held once in every three-year planning cycle to facilitate the Board’s contribution to COL’s next three-year plan.

6. Reporting

In fulfilment of their accountability to member countries of the Commonwealth, the Board will report to meetings of Commonwealth Ministers of Education and Heads of Government on the activities of COL and its planned activities for the future. In particular, the endorsement of the CCEM to the Board’s strategic plan is sought to ensure that commitment to funding is maintained. (see MOU Clause 6 (e))

CHAPTER 2 – Responsibilities

Section 1 – Guiding Principles for the Board in Fulfilling its Responsibilities

1. Principles

Each Board member should be guided by the following principles when exercising powers or performing duties by acting:

a) In good faith

Acting in good faith means in all dealings conducting oneself honestly, openly and without being misleading. It is about maintaining good relationships and being respectful.

b) With collective responsibility

Acting with collective responsibility means that all members are bound by the decisions of the Board.

The members acting collectively must ensure that the activities of the Board are conducted:

- i. efficiently and effectively and in a manner consistent with the spirit of service to the Commonwealth, and
- ii. in a financially responsible manner that maintains the financial viability of the organisation.

c) Under direction and within terms

As directed by the Ministers of Education at their triennial conference and within the guidelines of the MOU adopted by CHOGM.

d) In an open and transparent manner

Operating with a ‘no-surprises’ policy.

e) With impartiality

Board members must not place themselves in any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties, nor use their membership to promote personal or political interest.

f) With fiduciary responsibility

Board members are in a position of trust. The position must not be abused, for example, by using information gained from the entity for personal gain or for political purposes.

2. Board of Governors Responsibilities

In the exercise of their responsibilities, members will at all times have regard to the interests of the Commonwealth as a whole (MOU Clause 7 (d)).

The MOU (Clause 6) states: “The Board of Governors of COL has general responsibility for determining the principles, policies and priorities that will guide it in its activities and, in particular, has responsibility for carrying out the following functions:

- a) Appointment of the President of COL and determination of the conditions under which he or she serves and other members of staff serve it.
- b) Review and approval of strategic plans and annual work programmes, monitoring of their implementation and evaluation of their results.
- c) Making of financial regulations, approval of annual budgets and forward budgetary forecasts, and provision of guidance to the President and/or the Chairman on fund-raising activities.
- d) Provision of advice and guidance to the President on any aspect of COL’s responsibilities, as laid down in the Memorandum of Understanding.
- e) In fulfilment of their accountability to member countries of the Commonwealth, reporting to meetings of Commonwealth Ministers of Education and Heads of Government on the activities of COL over the reporting period and its planned activities for the future, and to such other Ministers as may be agreed and required on matters within the scope of their responsibilities.”
- f) The Board also has a responsibility to provide any assistance required by the Secretary-General in coming to a timely recommendation for a new Chair as that need arises. This includes formal advice to the Secretary-General one year prior to the end of the term of the incumbent that a second term can be considered or a new Chair needs to be selected.
- g) The Board formally appoints the Chair on the nomination of the Secretary-General.

Key roles of the Board include:

- a) Report to, and maintain effective and appropriate relationships with the Commonwealth Education Ministers and Heads of Government.
- b) Appoint and maintain a productive employment relationship with the President. This includes monitoring and evaluating the President’s performance.
- c) Ensure appropriate strategic dialogue occurs with stakeholders and relationships with key influencers are appropriately maintained.
- d) Advocate the contribution COL makes and can make.
- e) Monitor the payment of pledges by member governments and make appropriate representations when these are delayed.
- f) Source new revenue streams and assist with fundraising.
- g) Approve a strategic plan that meets stakeholder expectations and ensure there are adequate resources available to achieve strategic goals.
- h) Engage in governance policy development and approve such policy.
- i) Monitor the overall performance of the organisation.

- j) Develop effective risk management strategies.
- k) Collectively evaluate the Board's own performance on a regular basis.

Section 2 – *Employer Role of the Board*

1. Authority for Board's Role

The MOU establishes the Board's role with respect to the management of COL's affairs, and establishes the President as the employer of COL staff, noting that this must be done within guidelines set by the Board.

2. Board's Role as Employer

The Board is responsible for the appointment of the President. The Board monitors the performance of the President in carrying out his/her statutory responsibilities as an employer, and in meeting the Board's strategic objectives.

Section 3 – *President Selection and Appointment*

1. Scoping of Role

When a new President is required, the Board will scope the President's role to ensure it matches COL's needs as it moves in the strategic direction set by the Board. Both the task requirements and the person specifications will be established through this scoping.

Once the role is clearly scoped, the Board will agree to a formal Person Specification and Position Description, to direct the selection and appointment process.

2. Timeliness of Recruitment

The Chair is responsible for ensuring timeliness of the process.

3. Selection and Appointment Process

The Board will appoint a Search Committee composed of not more than three persons not including the Chair of the Board who will chair it. The Committee will establish procedures to identify suitably-qualified candidates such as through the use of a Search Company, if appropriate, and to bring its recommendations before the Board for its consideration. The Board will determine the action to be taken on the recommendations made to it.

4. Location of President's Employment Conditions and Contract

This information is held by the Director – Finance, Administration & Human Resources.

5. Requirement for President's Performance Appraisal/Remuneration Review

A review of the President's performance and remuneration will be conducted within each 12-month period by a Performance Sub-Committee constituted by the Executive Committee.

Section 4 – *Chair of the Board Responsibilities*

1. Selection of the Chair

It is the responsibility of the President and the incumbent Chair to work with the Secretary-General to ensure the selection of a new Chair occurs in a timely and appropriate fashion, including provision of formal advice to the Secretary-General of the need to commence a search one year prior to the end of the term of the incumbent. The Secretary-General must consult widely prior to making a recommendation to the Board. It is expected that the Secretary-General will seek input from the Board in the nomination and selection process and include arranging for an extension in term of the incumbent Chair, as provided for in the MOU if recommended. The Board appoints the Chair on the Secretary-General's recommendation.

2. Person Profile for the Chair

To assist the Secretary-General in meeting requirements for recruitment of a new Chair, the Board has developed the following person profile. This would need to be reviewed for continued appropriateness immediately prior to commencement of a selection process.

The MOU requires that the Chair be:

- a) A citizen of a Commonwealth country.
- b) A person of international standing who is able to contribute to and provide leadership for COL, particularly in its relationships with member Governments and other supporters or potential supporters of its activities.

The Board believes the following characteristics are also important:

- a) Experience in International Affairs
- b) Interest in ODL and development
- c) Useful networks
- d) Advocacy skills at the highest level
- e) Able to provide strategic leadership in a time of change
- f) Committed to chairing in an open and inclusive way
- g) Would use skills and energy of Board members
- h) Consensus builder
- i) Ability to assist in the mobilization of financial resources for COL
- j) Preferable that the appointee has had a connection with the work of COL in recent times
- k) Complementary strengths to those of the incumbent President
- l) Demonstrated innovation and creativity – preferably in education and/or development.

3. Role of the Chair

The role of the Chair is to lead and manage the Board and its interface with COL Management.

4. Specific Responsibilities

The Chair has the following responsibilities:

a) Meet obligations to CHOGM

- i. Ensure that COL Board and Management maintains focus on achieving the purpose set for it by CHOGM by requiring appropriate strategies and plans to be developed and approved.
- ii. Ensure the Board monitors progress against plans that will produce results expected by stakeholders.

b) Lead the Board

1. Ensure that Board appointments result in achieving the range of skills and competencies required for proper exercise of its role.
2. Mobilise the talents and resources of the Board both as individual members and as a whole Board.
3. Set clear expectations of the Board and ensure members have a shared understanding of their role.
4. Effectively manage any conflicts of interest between Board members and/or between Board members and Management.

c) Board Meetings

- i. Set Board agendas in consultation with the President, including setting priorities and ensuring necessary preparations are made to enable Board business to be conducted in an efficient and effective manner.
- ii. Chair meetings – stimulating debate on the issues before the Board.
- iii. Ensure the Board maintains focus on Board level issues and demand relevance. Review Minutes of meetings for accuracy and to ensure that matters arising from previous meetings have been addressed.
- iv. Ensure any Committees of the Board operate within defined terms of reference.
- v. On behalf of the Board, sign the President's Annual Performance Agreement.

- d) Support the President
 - i. Ensure appropriate processes are used to recruit and select the President when required.
 - ii. Support the President in his/her role as required.
 - iii. Effectively manage relationships between the Board and Management by:
 - iv. Maintaining a regular dialogue on important management issues with the President.
 - v. Acting as a sounding Board and giving assistance and advice to the President especially on sensitive issues.
- e) Stakeholder Engagement
 - i. Support the President as required in stakeholder engagement and actively encourage appropriate involvement of other Board members in this activity.
- f) Resource Mobilisation
 - i. Support the President as required in approaches to achieve new or improved sources of funding.

5. Term of Office

The MOU (Clause 7 (iv) (g)) states that the Chair: “Will be appointed for a term of three years by the Board on the nomination of the Secretary-General made after appropriate consultation, and will be eligible for a second term of up to three years”.

6. Delegated Authority to Chair

The Board of Governors of the Commonwealth of Learning may delegate to the Chair such powers and responsibilities as it may determine.

7. Office Support for Chair

The Board has determined that there shall be a specific budget approved to provide for office support for the Chair.

8. Reimbursement of Expenses for Chair

The Chair shall be reimbursed for all expenses incurred in undertaking appropriate activities for the position; such expenses are to be documented in a routine schedule of Sensitive Expenditure for review by the Audit Committee.

9. Compensation and Payment of Expenses for Chair

Contributions in terms of time are considered voluntary and, while valued, no fees or honorarium is payable for the Chair. *(See also Chapter 4 – Composition of the Board: item 4. Compensation and Payment of Expenses for Board Members and Chair, page 22)*

10. Election of Deputy Chair

Every year the Board shall elect a Deputy Chair from within its membership who shall, in the event of the unavailability of the Board Chair, discharge the duties of that office until such time as the Chair is able to fully resume his/her duties.

Section 5 – *President and Chief Executive Officer Responsibilities*

1. **Establishment of Position**

The MOU (Clause 8) establishes the position of President as the Chief Executive Officer of COL.

2. **Responsibilities of the President**

The President is responsible to the Board of Governors for:

- i. Administration and operation of COL,
- ii. Implementation of its policies and programmes, and
- iii. For its financial management. (MOU, Clause 8)

In meeting these requirements, the President is also responsible for:

- a) Developing appropriate strategies and plans for Board consideration.
- b) Assisting with the annual review of currency, internal consistency, comprehensiveness, and clarity of Governance policy.
- c) Developing and presenting operational policy for annual or triennial review of the Board.
- d) Ensuring that an appropriate Human Resources Plan is presented annually as an integrated part of the business plan for approval, noting that MOU (Clause 8) requires that “The President will appoint other members of staff in accordance with such general guidelines as the Board may from time to time determine, and having regard to the appropriateness of recruiting widely among Commonwealth countries. Appointments of senior staff will be made in consultation with, and with the consent of, the Chairman.”
- e) Developing and implementing an appropriate stakeholder management and advocacy plan.

3. **Term of Office**

The MOU (Clause 8) states: “The President will be appointed for a fixed term not exceeding five years in the first instance.”

4. Delegated Authority to President

Subject to any general or special directions given or conditions that it may impose from time to time, the Board of Governors of the Commonwealth of Learning delegates to the President the powers described below:

- a) Meet obligations to CCEM
 - i. Ensure that COL maintains focus on achieving the purpose set for it by Commonwealth Education Ministers at their triennial meetings by requiring appropriate strategies and plans, as captured in the Board's triennial strategic plan, to be ratified by Ministers following formal approval from COL's Board.
 - ii. Ensure the agency monitors progress against plans that will produce results expected by stakeholders.

- b) General Management
 - i. Provide services within the strategic framework established in the Board's three-year plan.
 - ii. Administer funds in accordance with Policy and within approved Budget levels.
 - iii. Develop and implement operational policy to be used as a management tool within the framework of approved Governance policy.
 - iv. Enter into contractual and partnership arrangements to better meet objectives.
 - v. Sell, assign or license the use of intellectual property owned by COL.
 - vi. Accept gifts and bequests made to the organisation on its behalf.
 - vii. Arrange for the manufacture of, and distribute (whether by sale or otherwise) any article or thing bearing a mark, symbol or writing that is associated with the organisation.

Conditions of Delegation

- viii. The annual plan of expenditure as approved by the Board will constitute an authorisation to the President to incur liabilities and make disbursements in accordance with its provisions.
- ix. The President may transfer cost savings between expenditure categories within any Programme provided savings are available within that Programme.
- x. Should it prove necessary to make provisions for additional expenditure during the course of a financial year, the President will prepare a supplementary plan of expenditure for submission to the Board.
- xi. Changes in the services provided from that approved in the plan must be (in the opinion of the President) consistent with the organisation's strategic intent and must be notified to the Board in quarterly reports.
- xii. Capital items must not be acquired beyond levels provided in the annual plan of expenditure for capital asset acquisition and replacement.
- xiii. All Operational policy is to be reviewed annually to ensure relevance and currency.

- xiv. Any partnership/joint venture/affiliation requiring capital investment by COL must be referred to the Board for approval.
- xv. Promotional items must not be detrimental to the professional image of the organisation.

c) Bank Accounts

- i. Establish, maintain and operate bank accounts in the name of the organisation at any registered Bank in the Commonwealth.
- ii. Properly authorise every withdrawal and payment of money from any of the organisation's bank accounts.

Limitations on Delegation

- iii. The President may authorise individual investment activities up to \$3.0 million per transaction for periods not exceeding twelve months. The Chair and President will authorise investment activities above \$3.0 million per transaction and beyond twelve months.

Conditions on Delegation

- iv. Cheque signatories will operate in a way that ensures separation of duties and with two signatories on each transaction.
- v. The President is required to have appropriate security measures in place to maintain security and authorised usage of bank accounts.
- vi. Corporate credit cards may only be issued subject to specific requirements set by the President.
- vii. Authorised cheque signatories are any two of the following:
 - President
 - Vice President
 - Director – Technology & Knowledge Management
 - Director – Finance, Administration & Human Resources
 - One Education Specialist or Manager to be selected by the President.

d) Control Systems

- i. Keep proper accounts and records of the transactions and affairs of the organisation.
- ii. Do all things necessary to ensure that adequate control is maintained over the assets of, or in the custody of, the organisation and over the incurring of liabilities of the organisation.

Conditions on Delegation

- iii. The President must document an operational schedule of financial delegations that specifies authorisations required.
- iv. Writing off of funds and assets may be authorised only up to \$5,000 per item.
- v. Investments must comply with the Board's Investment Policy and any protocols that may apply.
- vi. Expenditure by the President in the normal course of business will be approved for reimbursement by the Director – Finance, Administration & Human Resources within established guidelines and is subject to quarterly review by the Chair of the Board.

5. Ethical Exercise of Delegated Functions

In exercising any delegated functions, the Board requires the President to act in a lawful and ethical way, and in compliance with the Board's Policies.

CHAPTER 3 – Distinction between Governance and Management

1. The Board's Responsibility for Governance

The Board is responsible for governance of the Commonwealth of Learning and the trusteeship of the assets under the control of the organisation.

Governance policy reflects agreement that the Board has as its primary responsibility strategic and accountability interests to be addressed within the framework of stakeholder expectations. It agrees strategic direction and related goals, then approves the broad parameters and mechanisms by which resources are to be allocated, followed by how achievement of the associated targets are to be monitored and reported upon.

Where Board members represent specific constituencies, the tension between the requirement for them to fulfil their governance role in the interests of COL and the specific interests of their appointing body must be managed so that the appropriate development of COL is not compromised.

2. President's Responsibility for Management

The President is the manager of the organisation, responsible for the effective and efficient operation and functioning of the organisation.

The President is entitled to the support of the Board and can expect clear and unequivocal views on strategic direction.

The Board will set goals, objectives, and performance measures that are to be used in monitoring the ongoing 'overall' performance of the organisation. In most cases agreement will come after proposals are put forward by the President.

3. Distinction between Governance and Management Roles

The distinction between governance and management has been described in the following manner:

- a) Governance is a concern for the basic purpose of the organisation or 'large picture' rather than details of its parts. It involves measurement of outcomes or results rather than the way in which these are achieved.
- b) Governance is about the ends while management is about the means of organisational operation.
- c) Governance is 'hands off'; management is 'hands on'.
- d) Governance is about approving policy and goals. Management is concerned with ensuring that the policies are followed and the goals achieved.

- e) Above all, governance is fundamentally about relationships. The major determinant of success relates to human capital factors, such as the mix of skills and knowledge on the Board and its alignment to organisational needs at a given time.

Although there may be a well-developed appreciation of governance issues and the allocation of responsibilities between the Board and the President, it is important to continue to test and enhance this understanding.

4. Support to the President

Individual Board members, and the Board as a whole should be continually striving to share their thoughts and suggestions, but in the clear context of supporting the President.

5. Roles of Board and President

The following table describes the different roles of the President and the Board in relation to the key areas of responsibility:

Area of Responsibility	President	Board
Strategic (3-5 year) plan	Develops. Implements.	Approves. Monitors.
Business Plan and Budget	Develops and prepares Business Plan and Budget. Implements, monitors and reports on Business Plan and Budget. Prepares Annual Accounts.	Approves and monitors Business Plan and Budget.
Policy (Governance)	Provides advice.	Develops. Approves. Monitors adherence.
Personnel	Employs staff. Develops policy. Monitors performance of other staff.	Employs President. Delegates and documents specific authorities to President. Monitors performance of President.
Strategic development and capital works	Develops plans.	Approves planning.
Accountability	Prepares annual report.	Approves annual report.

CHAPTER 4 – Composition of the Board

1. Membership of the Board

The membership of the Board is as set out in the Memorandum of Understanding on the Commonwealth of Learning as agreed by Commonwealth Governments on 01 September 1988 and as amended on 31 October 1995 (Clause 7).

The membership of the Board is comprised of the following:

a) Chair

Memorandum of Understanding, para 7(g): the Board will have a Chairman who will be a citizen of a Commonwealth country, and a person of international standing who is able to contribute to and provide leadership for COL, particularly in its relationships with member Governments and other supporters or potential supporters of its activities.

b) One member appointed by name by each of up to six donor organizations

Memorandum of Understanding, para 7(a)(ii): One member appointed by name by each of up to six donor organisations, consisting either of Commonwealth Governments or of other governmental or non-governmental organisations approved by the Board, which the Board determines to have pledged the largest qualifying financial contributions to COL for the funding cycle to which those contributions relate provided that, in the event fewer than six Governments or NGOs are determined by the Board to have qualified as major donors, it shall have the power to invite the requisite number of potential major donors to join the Board so as to bring the membership in the Donor category up to a maximum of six.

c) Four Regional Members

Memorandum of Understanding, para 7(a)(iii): One member appointed by each of four Commonwealth Governments, as decided by Commonwealth Education Ministers, on the recommendation of the Commonwealth Secretary-General made after appropriate consultation and with due regard to the importance of, and need for, regional spread and rotation of representation.

d) One member appointed by the Commonwealth Secretary-General

Memorandum of Understanding, para 7(a)(iv): One member appointed by the Commonwealth Secretary-General after appropriate consultation.

e) Commonwealth Secretary-General or the Secretary-General's representative

f) President (*ex officio*)

2. Terms of Office

The terms of office for members are:

a) Chair

Memorandum of Understanding, para 7(g): The Chair will be appointed for a term of three years by the Board on the nomination of the Commonwealth Secretary-General made after appropriate consultation, and will be eligible for appointment for a second term of up to three years.

b) Commonwealth Secretary-General (or Secretary-General's representative)
(not applicable)

Memorandum of Understanding, para 7(c)(i): members of the Board appointed under paragraph 7(a)(ii) will assume office on 1 July of the year in which a funding cycle begins and demit office on 30 June in which that cycle ends, except in the case of the initial appointments to the Board, where members will assume office on 1 January 1996 and demit office on 30 June 1998.

c) Regional Appointments

Memorandum of Understanding, para 7(c)(iii): Initial appointment made to the Board under the following paragraphs shall be for the following terms: under paragraph 7(a)(iii), one for two years, two for three years, and one for four years.

Members appointed under paragraph 7(a) (ii) and 7 (a) (iii) may appoint alternates to represent them in their absence.

d) Appointment by the Secretary-General

Memorandum of Understanding, para 7 (c)(iii): Initial appointment made to the Board under the following paragraphs shall be for the following terms: under paragraph 7(a)(iv), for three years.

e) President *(ex officio)* *(not applicable)*

See Board Secretary for an updated list of members.

3. Advisors to the Board

Memorandum of Understanding, para 7(e): The Board may invite up to three persons representing Governments or organisations contributing to or otherwise significantly assisting COL's activities to participate on an advisory basis in the deliberations of the Board.

Advisors have no rights to vote on matters before the Board.

4. Compensation and Payment of Expenses for Board Members and Chair

Contributions in terms of time are considered voluntary and, while valued, no fees or honorarium is payable for the Chair or for Board members.

All Board members will receive travel and expenses relating to Board meetings at standard COL reimbursement rates. Where individual Governments cover expenses for their member, COL will offer to pay any difference to ensure consistency and transparency. Any other travel and expenses are to be reviewed by the Audit Committee.

Expenses are paid as they are claimed.

CHAPTER 5 – Structure of the Board

Section 1 – *Board Meeting Procedures*

1. Application

These meeting procedures shall apply to both the Board and its Committees.

Any matter not covered by these specifications shall be determined by the Chair of any meeting.

2. Meeting Frequency and Location

The MOU (Clause 7 (f)) states: “The Board will meet at least once in each calendar year.” The Chair will appoint the times and places for meetings of the Board. It is envisaged meetings will be held annually whenever feasible for a minimum of one full day in June in Vancouver.

The Chair may permit a member to participate in a meeting by any means of communication that allows that member to reasonably engage in the proceedings.

3. Notice of Meetings

Members will be given no less than eight weeks notice of any Board meeting; however the Chair may convene an extraordinary meeting within a shorter period if all members agree.

4. Meeting Procedures

The Chair has the following responsibilities:

- a) The Chair will preside at all meetings of the Board at which he or she is present.
- b) If the Chair is not present, the Deputy Chair will preside.
- c) The members present will elect one of their memberships to be chair for the meeting when neither the Chair nor Deputy Chair is present.
- d) The elected person has and may perform and exercise all the functions, duties and powers of the Chair for the purpose of the meeting.

5. Quorum

A quorum for a meeting of the Board is eight members (MOU, Clause 7 (f)). Business may not be transacted at a meeting if a quorum is not present, either in person or by alternative methods of communication.

6. Decision-Making

The MOU (Clause 7 (i)) states: “The Board’s decisions will generally be taken by consensus or where necessary by a simple majority of members present and voting, except in respect of financial matters in which case a majority of two-thirds of the members present and voting will be required; the Chairman will have an original and a casting vote.”

Advisors are not voting members of the Board. While their contribution is valued in debate, decisions will be made by the Board.

The MOU (Clause 7 (d)) states: “In the exercise of their responsibilities members will at all times have regard to the interests of the Commonwealth as a whole.”

When making decisions the Board must act fairly and reasonably and (MOU Clause 1) within the laws of Canada.

To ensure procedural fairness the Board must not:

- a) Predetermine a decision.
- b) Approach decision making with a closed mind.
- c) Be biased in making its decision.
- d) Take into account irrelevant considerations.

7. In-Camera Meetings

At the request of the Chair, meetings may be held in-camera, which shall be attended by Board members only. A record of such meetings will be kept by a member designated by the Chair for this purpose or a staff member from COL. The Chair will advise COL in advance who will be the recorder for the in-camera meeting. The Minutes, once approved, will be held by the Board Secretary.

8. Reporting

Draft Minutes of the meeting are to be circulated by e-mail to members for their consideration and correction of wording within three weeks of the meeting.

9. Secretarial Support

The President will provide secretarial support for meetings.

Section 2 – *Committees*

a) Authority

The MOU (Clause 7 (h)) states: “The Board may establish committees including an Executive Committee and Regional Advisory Committees and delegate functions to them.”

The Board of the Commonwealth of Learning has resolved to establish two Committees and a Sub-Committee to assist with the discharge of the Board’s responsibilities:

- a) Executive Committee
 - i. Performance Sub-Committee
- b) Audit Committee

b) Terms of Reference

The Terms of Reference for each of the Committees and the Sub-Committee will be reviewed by the Board every three years and adjusted as necessary.

A. EXECUTIVE COMMITTEE

1. Establishment of Executive Committee

The Board of the Commonwealth of Learning has resolved to establish an Executive Committee to assist with the discharge of the Board's responsibilities being particularly mindful that for financial reasons, the full Board normally meets only once a year.

The role of the Executive Committee is to monitor progress against the annual plan, with particular emphasis on emerging issues, challenges and risks. It has a strong strategic oversight role to ensure timely attention to strategic issues. It also considers any issues relating to the governance of the organisation.

2. Scope

The Committee shall consider any matters relating to the affairs of the organisation including but not limited to:

- a) Progress against agreed measures/milestones in three-year plan.
- b) Strategic issues including emerging issues, challenges and risks.
- c) Governance issues including:
 - i. The establishment of a Performance Sub-Committee, appointments of its membership and annual receipt of reports from the Sub-Committee.
 - ii. Any proposed reviews of COL.
- d) Any other matters referred to it by the Board.

3. Responsibilities of Executive Committee

In meeting its responsibilities, the Committee is expected to undertake the following activities:

- a) Review the progress against agreed measures/milestones in the three-year plan.
- b) Focus on emerging strategic issues, challenges and risks, determining whether these may need specific attention and how these are to be addressed. Ensure the Board is informed on any salient issues affecting COL.
- c) Oversight of any Board-commissioned reviews.
- d) Receive reports from the Performance Sub-Committee between full Board meetings.
- e) Receive a report from the President at each meeting.
- f) Address governance concerns.
- g) Perform such other functions as assigned by the Board and report the Committee's actions to the Board with appropriate recommendations.

4. Delegated Functions to Executive Committee

The Board of Governors delegates to the Executive Committee approval of terms of reference and resources for Board-commissioned reviews.

5. Membership

The Committee shall comprise a minimum of four Board members, one of whom is the Chair of the Board.

The Chair of the Executive Committee will be the Chair of the Board.

The Board shall appoint the members of the Executive Committee having received a recommendation from the Chair and giving due regard to the need for an appropriate range of skills, experiences and representation.

It is desirable for all Board members to serve on Board Committees and that there be rotation.

The Committee may co-opt other members from the Board, staff or external source, if required to bring specific expertise for a particular issue or specific period of time.

6. Terms of Office

Term of office is three years unless otherwise specified by the Board.

7. Timing of Meetings

Meetings will be held each year as required.

8. Quorum for Meetings

A quorum for the Committee shall be three members.

9. Mode of Meetings

The Chair will determine, in light of the agenda, the mode of the meeting: teleconference or face-to-face.

10. In-Camera Meetings

At the request of the Chair meetings may be held in-camera. A record of such meetings will be kept by a member designated by the Chair for this purpose or a staff member from COL. The Chair will advise COL in advance who will be the recorder for the in-camera meeting.

The Minutes, once approved, will be held by the Board Secretary.

11. Reporting

Draft Minutes of the Committee meeting are to be circulated by e-mail to members for their consideration and correction of wording within three weeks of the meeting.

The Committee Chair shall present the Minutes of the Executive Committee and Performance Sub-Committee to the Board for noting at its next scheduled meeting.

A final assessment report of the President's performance will be submitted to an in-camera session of the Board for approval.

12. Authority to Seek Information

The Committee shall have the authority to seek any information it requires from any employee or independent contractor or supplier to the Commonwealth of Learning and such persons shall be instructed by the Board to respond to such enquiries.

13. Authority to Take Independent Advice

The Committee is authorised to take such independent advice as it considers necessary.

PERFORMANCE SUB-COMMITTEE

1. Establishment of the Performance Sub-Committee

The Executive Committee will appoint a Performance Sub-Committee to establish and monitor the Performance Agreement with the President.

2. Role of the Performance Sub-Committee

The role of the Performance Committee is to:

- a) establish an annual Performance Agreement with the President;
- b) conduct an annual performance appraisal; and
- c) conduct a review of remuneration.

3. Responsibilities

In meeting its responsibilities, the Sub-Committee is expected to undertake the following activities:

- a) form a view of the President's performance, and any questions/issues for discussion;
- b) interview the President in relation to his performance and to his proposed objectives for the following year and in particular to discuss any additions/alterations to the proposed objectives the Sub-Committee may wish to make;
- c) make an assessment of performance and present it to the Executive Committee and to the Board; and
- d) document the proposed set of objectives and criteria for assessment against deliverables for the Performance Agreement in advance of the financial year under review. This document shall be presented to the Executive Committee for any further input prior to final approval by the Board and signing by the Chair and the President. This process shall be completed not later than one month following the Board meeting (or should the Board meeting not be in June, not later than one month into the year of review).

4. Membership

The Performance Sub-Committee shall comprise three members, one of whom is the Board Chair. The Executive Committee shall appoint members of the Sub-Committee having received a recommendation from the Chair and giving due regard to the need for an appropriate range of skills, expertise, representation and length of experience on the Board, this to be not less than one year.

The Chair of the Performance Sub-Committee will be the Chair of the Board.

The Chair will name one of the Committee members to serve as Secretary to the Committee or a staff member from COL. The Chair will advise COL in advance who will be the recorder for the meeting.

The Sub-Committee may co-opt other members from the Board, staff or external source, if required to bring specific expertise for a particular issue or specific period of time.

5. Terms of Office

Term of office is two years unless otherwise specified by the Board.

6. Timing of Meetings

The Sub-Committee will meet a minimum of once per year before the Board meeting.

The Sub-Committee shall schedule its annual appraisal meeting with the President in such a way as to present its report through the Executive Committee to the annual meeting of the Board.

7. Quorum for Meetings

A quorum for the Sub-Committee shall be two members, including the Chair.

8. Mode of Meetings

The annual appraisal meeting with the President shall be held face-to-face; teleconferencing may be used for other meetings.

The Sub-Committee meets in-camera. The Minutes, once approved, will be held by the Board Secretary.

9. Reporting of the President to the Sub-Committee

The President will annually prepare objectives based on the fulfilment of the strategic vision of COL and these will be submitted to the Board for approval following a discussion with the Chair and the Performance Sub-Committee.

The President provides the Chair with an annual written self-assessment of performance for circulation to the Sub-Committee. This is to provide evidence-based reporting and commentary as appropriate against the agreed objectives in the following three areas:

- a) the ongoing work of COL;
- b) challenges for COL; and
- c) the leadership and Management of COL.

The self-assessment should also provide general contextual comment with particular reference (but not limited to) the following questions:

- i. Where were the challenges that you met and where do you feel you exceeded expectations?
- ii. Where would you like to have done better/more but found there were constraints or factors beyond your control that inhibited progress?
- iii. What are your proposed objectives and performance measures in the Areas A, B, C (as noted above) for the upcoming year?

10. Reporting of the Sub-Committee

The Performance Agreement for the President is held by the Chair of the Board, once approved by the Board and signed by both parties with a copy to be held by Human Resources.

The Minutes of Sub-Committee meetings held between meetings of the Executive Committee shall be presented to the next scheduled meeting of the Executive for noting.

A report on the results of the review and appraisal of the President's performance will be presented by the Chair at each annual Board meeting (in-camera session).

11. Process for Review

The review process, including findings and any recommendations for change in remuneration, must be reported in writing to the Board.

12. Disputes Procedure

If agreement on appraisal cannot be reached between the Committee and the President, the parties will submit the dispute for resolution by an independent arbitrator acceptable to both parties.

B. AUDIT COMMITTEE

1. Establishment of Audit Committee

The Board of the Commonwealth of Learning has established an Audit Committee, for the primary purpose of assisting the Board in overseeing the integrity of COL's financial statements, the accounting and financial reporting and internal control processes, financial statement audits, and compliance with legal and regulatory requirements.

2. Scope

The Committee shall oversee the following matters relating to the affairs of the organisation:

- a) Integrity of financial statements and the accounting and financial reporting processes and financial statement audits.
- b) Compliance with ethical standards adopted by the organisation along with internal controls over financial reporting.
- c) Selection and performance of COL's external auditor including with attention on the auditor's qualifications and independence.
- d) Management's monitoring and mitigation of identified risks.
- e) Compliance with legal and statutory requirements.
- f) Whistle blowing complaints of a financial nature.

3. Responsibilities and Duties of Audit Committee

Documents/Reports/Accounting Information Review

- a) Review this charter at least annually and recommend to the board any necessary amendments.
- b) Review with management quarterly financial statements and discuss year-to-date progress towards stated outputs/outcomes.
- c) Meet with management and the independent auditor to review and discuss the organisation's annual audited financial statements as well as relevant reports rendered by the independent auditor. Approve and sign the annual audited financial statements once the review and discussion is complete.
- d) Discuss types of information to be disclosed and the type of presentation to be made in the annual statements while conforming to generally accepted accounting principles (GAAP).
- e) Review annually expenses incurred by the Chair and Board.

Independent Auditor (the auditor)

- a) Appoint, agree compensation, retain and oversee the work performed by the auditor for the purpose of preparing the annual audit report. Review the performance and independence of the auditor and remove the auditor if circumstances warrant. The auditor will report directly to the audit committee.

- b) Consider whether the auditor's provision of any permissible non-audit services is compatible with the auditor's independence. Review and approve any non-audit service to be provided by the auditor.
- c) Review with the auditor any problems or difficulties and management's responses.
- d) Review the auditor's report on management's assessment of internal control over financial reporting and management letter and schedule of unadjusted differences.
- e) Hold timely discussions with the auditor on all critical accounting policies and practices, all alternative treatments of material financial information within GAAP and ramifications of the use of an alternative disclosure.
- f) Actively engage in dialogue with the auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor.
- g) Review the experience and qualifications of the lead partner each year and determine that all partner rotation requirements are executed. The committee will determine whether there should be rotation of the auditor itself with provision for a formal search for a new auditor to be conducted at least once in every five- to ten-year period. This process could result in the reappointment of the same auditor.

Financial Reporting Processes, Accounting Policies and Internal Control Structure

- a) In consultation with the auditor, review the integrity of the financial reporting processes (both internal and external) and the internal control structure over financial reporting.
- b) Receive and review any disclosure from the President and CEO made in connection with the certification of the annual or quarterly financial statements of i) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the organisation's ability to record, process, summarise and report financial data and ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the organisation's internal controls.
- c) Review major issues regarding accounting principles and financial statement presentations, major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies.
- d) Review and approve all related-party transactions that are required to be disclosed.
- e) Establish and oversee procedures for the receipt and treatment of complaints regarding accounting, internal accounting controls or auditing matters including procedures for confidential, anonymous submissions by COL staff regarding questionable accounting or auditing matters (see whistle blowing policy).

Ethical Compliance, Legal Compliance and Risk Management

- a) Oversee, review and periodically update the organisation's code of conduct and ethics and the systems to monitor compliance with and enforce the code.
- b) Review with the organisation's legal counsel any legal compliance or legal matters that could have a significant impact on the financial statements.
- c) Discuss policies with respect to risk assessment and risk management, as well as the major financial risk exposures and steps management has undertaken to control them.

Other Responsibilities

- a) Conduct an annual performance assessment relative to the audit committee's purpose, duties, and responsibilities outlined herein, with a more formal assessment conducted every third year.
- b) Perform any other activities consistent with this charter, the MOU and governing law that the board or audit committee determines are necessary or appropriate.
- c) Encourage continuous improvement of, and foster adherence to, COL's policies, procedures and practices at all levels.
- d) Obtain advice and assistance from outside legal, accounting or other advisors as necessary to perform its duties and responsibilities.
- e) Contribute to the position description for future requirements of the chief financial officer duties.

4. Delegated Functions to Audit Committee

The Board of Governors delegates to the Audit Committee the following functions:

- a) Approval and signing of annual financial statements that are then tabled for ratification by the Board.
- b) Appointment of External Auditors.
- c) Review and acceptance of quarterly financial reports.

There are no limitations on these delegations.

5. Membership

The Committee shall comprise a minimum of three Board members.

The rules are that:

- a) No member shall have external or internal audit responsibilities.
- b) There shall be no proxies or substitutes for appointed members of the Audit Committee.
- c) The Chair of the Audit Committee will be appointed by the Board from within the Committee's membership.

The Board shall appoint the members of the Audit Committee having received a recommendation from the Chair and giving due regard to the need for an appropriate range of skills, experience and representation.

It is desirable for all Board members to serve on Board Committees and that there be rotation

The Committee may co-opt other members from the Board, staff or external source, if required to bring specific expertise for a particular issue or period of time.

6. Terms of Office

Term of office is three years unless otherwise specified by the Board.

7. Timing of Meetings

Three meetings will be held in each financial year, as appropriate, with one to coincide with the timing of the Board meeting.

8. Quorum for Meetings

A quorum for the Committee shall be two members.

9. Mode of Meetings

The Chair will determine, in light of the agenda, the mode of the meeting: teleconference or face-to-face.

10. In-Camera Meetings

At the request of the Chair of the Audit Committee, meetings may be held in-camera to which the Committee may invite Auditors or Management as the need arises.

A record of such meetings will be kept by the Chair or a member designated by the Chair for this purpose. The Minutes, once approved, will be held by the Board Secretary.

11. Reporting

Draft Minutes of the Committee meeting are to be circulated by e-mail to members for their consideration and correction writing within three weeks of the meeting.

The Chair of the Audit Committee will present Minutes of its meetings to the Board and report on any meetings for which the Minutes have not yet been approved.

12. Authority to Seek Information

The Committee shall have the authority to seek any information it requires from any employee or independent contractor or supplier to the Commonwealth of Learning and such persons shall be instructed by the Board to respond to such enquiries.

13. Authority to Take Independent Advice

The Committee is authorised to take such independent advice as it considers it necessary.

14. Auditors' Access to the Audit Committee

Should the Auditors judge it necessary, they may contact the Chair of the Audit Committee directly.

CHAPTER 6 – General Governance Policies for Management

1. Educational Activities

COL's educational philosophy is that:

Learning is necessary for human survival. It enhances the development of identity and adaptability in learners. Education includes training in the language and skills necessary to perform specific tasks and the development of critical thinking, problem solving and creativity that enable the learner to deepen understanding and use knowledge wisely.

The Management of all of COL's activities should facilitate application of this philosophy.

2. Good Employer

The Board requires the President to develop, implement and annually review detailed Personnel Policies that reflect COL's responsibilities as a 'good employer'.

The Staff Policies and Procedures Manual of COL provides in Section 17, Discipline, Dismissal and Suspension, that staff may appeal to the Board of Governors through the President at the conclusion of a dismissal resolution procedure if the employee is not satisfied that the matter has been resolved. The procedure states the employee has the right to appeal to three members of the Board of Governors, named by the Chair of the Board. Their decision shall be final.

If required, an arbitrator agreeable to both parties may be considered.

3. Management System

The Board requires the President to have in place:

- a) A management system which ensures the regular monitoring and reporting of COL's activities.
- b) Standards of policy and practice, which meet the constituents' needs and do not compromise the standing or financial viability of the organisation.
- c) Appropriate internal controls for the size and nature of the organisation. (See also Fraud Management in this section.)

4. Setting of Meeting Dates

Each year Management proposes a schedule of meeting dates for the Board and its Committees for the coming year, and an indication of activities that may be undertaken at each meeting during the year.

5. Reporting to Board

The President provides financial statements and a brief statement of progress on a quarterly basis sent to all Board members. The Audit Committee and the Executive Committee respectively have particular responsibility for using these reports for monitoring purposes.

6. Fraud Management

The Board recognises the importance of its duty to ensure the responsible use of 'public' resources. The Board requires the President to actively deter fraud by minimising the opportunities for fraud through the implementation of appropriate systems and controls.

7. Accounting Policies

All accounting policies approved by the Board are to be followed in the preparation of COL's financial statements.

8. Financial Management

The Board requires the President to develop, implement and annually review detailed operational financial management policies and procedures.

9. Objectives of Treasury Operation

The objectives of COL's treasury management are to:

- a) Ensure adequate liquidity for COL including retention of a cash reserve according to established policy.
- b) Maximise COL's earnings on its investments while ensuring that the principal sum is invested in institutions and in instruments that offer minimal risk and within agreed parameters.
- c) Minimise COL's cost of funds.
- d) Manage interest rate risk.
- e) Manage foreign exchange risk according to established policy.

10. Counterparties

COL will only invest with Registered Banks which have at least an “A” Standard and Poor’s rating or equivalent Moody’s rating for long-term transactions, and at least A2 Standard and Poor’s rating or equivalent Moody’s rating for short-term transactions, except where the above ratings are not available for a Registered Bank in India in which COL holds an account. COL will then make use of national rating agency that is comparable to these ratings.

11. Copyright

COL will ensure that:

- a) Copyright works made by contractors and employees in the course of their employment with COL shall belong to COL.
- b) It obtains the consent of employees and contractors to the waiver of their moral rights in copyright works owned by COL.

Provided however that subject to any prior agreement to the contrary, moral rights in relation specifically to published research, textbooks and journal articles may remain with the employee or contractor entitled to them.

The selling, assigning and licensing of the use of intellectual property (including copyright) belonging to COL is authorised through the Board’s delegation to the President.

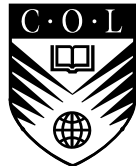
12. Trademarks

COL has no registered trademarks.

13. Brand Image

The branding of COL must aim to create an image of an organisation that:

- a) is a leader in open and distance learning,
- b) operates successful programmes to demonstrate innovative ways of applying ODL, and
- c) is able to provide valuable advice from its position as a leader in ODL.



MEMORANDUM
OF UNDERSTANDING
ON THE
COMMONWEALTH OF LEARNING

As agreed by
Commonwealth Governments
on 1 September 1988; and

As amended, October 31, 1995

MEMORANDUM OF UNDERSTANDING

ON THE

COMMONWEALTH OF LEARNING

as agreed by Commonwealth Governments

on 1 September 1988 and

AS AMENDED

on October 31, 1995

**MEMORANDUM OF UNDERSTANDING BETWEEN
GOVERNMENTS OF THE COMMONWEALTH ON
CO-OPERATION IN DISTANCE EDUCATION**

The Governments of the Commonwealth,

Recalling the request of Commonwealth Heads of Government at their meeting in Nassau, Bahamas in 1985 to the Secretary-General to explore the scope for new Commonwealth initiatives in the field of open learning;

Reaffirming the welcome given by Heads of Government at their meeting in Vancouver, Canada in 1987 to the report of the Expert Group under the Chairmanship of Lord Briggs established pursuant to that request and recalling their agreement to establish 'a Commonwealth institution to promote co-operation in distance education, which may become the University of the Commonwealth for co-operation in distance education';

Having considered the report of the Working group on Institutional Arrangements for Commonwealth Co-operation in Distance Education;

Noting the conclusions of the review of progress of COL's operations conducted in 1993-94 and decisions reached at the Commonwealth Conference of Education Ministers, held in Islamabad, Pakistan in November 1994, pertaining to the governance and operations of the organisation;

Have reached the following understandings.

I ESTABLISHMENT OF THE COMMONWEALTH OF LEARNING

1 The Commonwealth of Learning (hereinafter referred to as “COL”), which was established in 1988 with its Headquarters in Vancouver in pursuance of a Memorandum of Understanding agreed by Commonwealth Governments on 1 September of that year and of a Headquarters Agreement made between the Government of Canada and the Commonwealth of Learning on November 14 also of that year (for the purposes of which it was therein described as an Agency), is an International Organisation under The Privileges and Immunities (International Organisations) Act of the Laws of Canada, with a legal personality under those Laws, with immunities and privileges for itself and its staff as set out in the Convention on Privileges and Immunities of the United Nations (1946), as accepted by Canada, and with member countries of the Commonwealth, through their Governments, as participants.

II PURPOSE AND FUNCTIONS

2 The purpose of COL is to create and widen access to opportunities for learning, by promoting co-operation between universities, colleges and other educational institutions throughout the Commonwealth, making use of the potential offered by distance education and by the application of communication technologies to education. COL’s activities will aim to strengthen member countries’ capacities to develop the human resources required for their economic and social development, and will give priority to those developmental needs to which Commonwealth co-operation can be applied. COL will work in a flexible manner and be capable of responding effectively to changing needs. It will serve the interests of Commonwealth member countries and of the Commonwealth itself, working in co-operation with Governments and other Commonwealth agencies and educational institutions and doing so in a way that is consistent with the principles that have guided the Commonwealth. In performing its functions COL will seek to ensure the appropriateness of programmes and of distance-education techniques and technologies to the particular requirements of member countries.

- 3 Within this broad framework, the functions and objectives of COL will include:
- (a) assisting the creation and development of institutional capacity in distance education in member countries;
 - (b) facilitating the channelling of resources to projects and programmes in distance education;
 - (c) providing information and consultancy services on any aspect of distance education including the selection of appropriate technology;
 - (d) undertaking and supporting staff training in the techniques and management of distance education;
 - (e) facilitating inter-institutional communication links;
 - (f) undertaking and supporting evaluation and applied research in distance education;
 - (g) assisting the acquisition and delivery of teaching materials and more generally facilitating access to them;
 - (h) commissioning, and promoting the adaptation and development of teaching materials;
 - (i) establishing and maintaining procedures for the recognition of academic credit;
 - (j) assisting in the development of local support services to students;
 - (k) analysing and reflecting on educational issues in order to implement more effectively the activities of COL;
 - (l) stimulating and supporting any other activities that fall within COL's areas of interest by such means as may be approved by the Board of Governors.

4 COL will operate through its headquarters, such units in other regions of the Commonwealth as may be set up, and networks of co-operating institutions such as those involved in teaching, information and research.

5 In carrying out its functions COL will respect the integrity and interests of co-operating agencies and institutions, as well as their right to work together independently of COL.

III GOVERNANCE

6 The Board of Governors of COL has general responsibility for determining the principles, policies and priorities that will guide it in its activities and, in particular, has responsibility for carrying out the following functions:

- (a) appointment of the President of COL and determination of the conditions under which he or she and other members of staff serve it;
- (b) review and approval of strategic plans and annual work programmes, monitoring of their implementation and evaluation of their results;
- (c) making of financial regulations, approval of annual budgets and forward budgetary forecasts, and provision of guidance to the President and/or the Chairman on fund-raising activities;
- (d) provision of advice and guidance to the President on any aspect of COL's responsibilities, as laid down in the Memorandum of Understanding; and
- (e) in fulfilment of their accountability to member countries of the Commonwealth, reporting to meetings of Commonwealth Ministers of Education and Heads of Government on the activities of COL over the reporting period and its planned activities for the future, and to such other Ministers as may be agreed and required on matters within the scope of their responsibilities.

7 (a) With effect from 1 January, 1996, all appointments to the Board, other than those of the Chairman and the Commonwealth Secretary-General, shall lapse and the Board shall be reconstituted with the following membership and shall perform its functions in accordance with the following provisions:

- (i) if not already a member of it, the Chairman appointed by the Board.
- (ii) one member appointed by name by each of up to six donor organisations, consisting either of Commonwealth Governments or of other governmental or non-governmental organisations approved by the Board, which the Board determines to have pledged the largest qualifying financial contributions to COL for the funding cycle to which those contributions relate provided that, in the event fewer than six

Governments or NGOs are determined by the Board to have qualified as major donors, it shall have the power to invite the requisite number of *potential* major donors to join the Board so as to bring the membership in the Donor category up to a maximum of six.

For the purposes of this sub-paragraph and paragraph 7(c) the following provisions shall apply:

- (a) a “qualifying financial” contribution is one –
 - (i) that is a minimum of Cdn.\$250,000
 - (ii) for which a pledge has been given and a payment or an arrangement for a payment has been made by a donor organisation before the annual budget meeting of the Board preceding the commencement of the funding cycle to which the contribution relates; and
 - (iii) each instalment of which is paid according to the terms of the pledge, or at such dates as the Board and the donor organisation have agreed; and
 - (iv) of which either the whole is freely usable for the purposes of COL or the lesser part is applicable to programmes indicated by the donor organisation making the contribution and approved by the Board.
- (b) “Funding cycle” means the period from 1 July, 1996, to 30 June, 1998 and thereafter successive periods of three years or such other recurrent periods as the Board may recommend and the Commonwealth Heads of Government may approve.
- (c) If two or more than two donor organisations make equal qualifying contributions and each claims to be entitled by virtue of that contribution to the last seat available for membership, the Board shall determine which one of those donor organisations is entitled to nominate the member, having regard to the amount of freely usable money pledged by each of the respective donor organisations for the forthcoming funding cycle and the amounts of such money made available over the preceding funding cycle.
- (iii) One member appointed by each of four Commonwealth Governments, as decided by Commonwealth Education Ministers, on the recommendation of the Commonwealth Secretary-General made after appropriate consultation and with due regard to the importance of, and need for, regional spread and rotation of representation.

- (iv) One member appointed by the Commonwealth Secretary-General after appropriate consultation;
 - (v) The Commonwealth Secretary-General or the Secretary-General's representative; with the President participating ex officio.
- (b) in making decisions relating to appointments to the Board due regard will be paid by each appointing authority to the need for the Board to represent adequately all regions of the Commonwealth and for gender balance, and to the importance of its members being able to contribute effectively to its work either as spokespersons for the Government concerned or by virtue of their professional experience in distance education and distance learning, education and training at all levels, business and communications, human resource development, management and finance, publishing, international organisations and Commonwealth affairs.
- (c) (i) Members of the Board appointed under paragraph 7(a)(ii) will assume office on 1 July of the year in which a funding cycle begins and demit office on 30 June in which that cycle ends, except in the case of the initial appointments to the Board, where members will assume office on 1 January 1996 and demit office on 30 June 1998.
 - (ii) Subject to sub-paragraph (iii) below, members appointed under paragraph 7(a)(iii), & (iv) shall hold office for three years beginning on 1 January in the year of their appointment and be eligible for reappointment for a further term of up to three years, but shall not serve a longer consecutive term than six years, inclusive of any years served before the reconstitution of the Board. Where a member does not serve a full term, his or her successor shall be appointed for the unexpired portion of that term.
 - (iii) Initial appointment made to the Board under the following paragraphs shall be for the following terms:
 - under paragraph 7(a)(iii), one for two years, two for three years, and one for four years;
 - under paragraph 7(a)(iv) for three years.

- (iv) Members appointed under paragraphs 7(a)(ii) and 7(a)(iii) may appoint alternates to represent them in their absence.
- (d) in the exercise of their responsibilities members will at all times have regard to the interests of the Commonwealth as a whole;
- (e) the Board may invite up to three persons representing Governments or organisations contributing to or otherwise significantly assisting COL's activities to participate on an advisory basis in the deliberations of the Board;
- (f) the Board will meet at least once in each calendar year; eight will comprise a quorum;
- (g) the Board will have a Chairman who will be a citizen of a Commonwealth country, and a person of international standing who is able to contribute to and provide leadership for COL, particularly in its relationships with member Governments and other supporters or potential supporters of its activities. The Chairman will be appointed for a term of three years by the Board on the nomination of the Commonwealth Secretary-General made after appropriate consultation, and will be eligible for appointment for a second term of up to three years;
- (h) the Board may establish committees including an Executive Committee and Regional Advisory Committees and delegate functions to them;
- (i) the Board's decisions will generally be taken by consensus or where necessary by a simple majority of members present and voting, except in respect of financial matters in which case a majority of two thirds of the members present and voting will be required; the Chairman will have an original and a casting vote.

IV ADMINISTRATIVE ARRANGEMENTS

8 The President will be the chief executive officer of COL and will be responsible to the Board of Governors for the administration and operation of COL, for the implementation of its policies and programmes, and for its financial management. The President will be appointed for a fixed term not exceeding five years in the first instance. The President will appoint other members of staff in accordance with such general guidelines as the Board may from time to time determine, and having regard to the appropriateness of

recruiting widely among Commonwealth countries. Appointments of senior staff will be made in consultation with, and with the consent of, the Chairman.

9 When the prospect of activities of COL in the territory of another Commonwealth Government renders it appropriate, COL and such Government will confer and such Government will consider taking steps to accord appropriate immunities and privileges in its territory to COL and its staff.

10 COL will be funded by voluntary contributions from Commonwealth Governments, which will to the maximum possible extent be made in such form as to be freely usable for the purposes of the Commonwealth of Learning, augmented by grants from provinces, states or territories of Commonwealth countries and other appropriate agencies and donors and by income from the provision of services. COL will also be able to seek additional funding from Governments, international agencies, institutions and private sources to finance specific collaborative distance education projects. COL will be empowered to invest and to borrow funds within such limits as the Board may from time to time prescribe, but it will not be authorised to enter into financial commitments which are not covered by firm pledges of funding.

V REVIEW AND FINAL PROVISIONS

11 This Memorandum may be amended from time to time as agreed by the Commonwealth member Governments upon the proposal of the Board of Governors or of a Commonwealth Government.

12 Member Governments may withdraw from this Understanding on giving six months notice in writing to the Commonwealth Secretary-General.

13 Commonwealth Governments will undertake full reviews of the progress of COL periodically at intervals of five years or at such other times as they may decide either in response to a request from the Board or on their own initiative.

14 The foregoing represents the understandings reached between Commonwealth Governments upon the matters referred to therein. Heads of Government noted the endorsement of the Memorandum of Understanding with effect from 31 October 1995 at their meeting in Auckland, New Zealand in November 1995.