PRESENT

Members:
The Honourable Burchell Whiteman, O.J. (Chair)
Ms. Jennifer (Jenny) Glennie (South Africa, Deputy Chair)
Mr. Ransford Smith (representing H.E. Kamalesh Sharma, Commonwealth Secretary-General)
Ms. Janet L. Ecker, ICD.D (Canada)
Ms. Veena Ish (representing Ms. Vibha Puri Das) (India)
Her Excellency Mrs. Mariam Yalwaji Katagum (Nigeria)
Dr. Linda Sissons, CNZM (New Zealand)
Mr. Roger Clarke (representing Ms. Jo Bourne, United Kingdom)
Professor Akilagpa Sawyerr (Africa)
Professor Dr. Atta-ur-Rahman, FRS (Asia)
Professor Clement Sankat (Caribbean)
The Honourable Dr. Dame Carol Kidu (Pacific)
Mr. Martin Bean (Secretary-General’s appointment)
Professor Asha Kanwar (Ex Officio; President & C.E.O.)

Advisor to the Board:
Professor John Wood, Association of Commonwealth Universities

Advisors to Board Members:
Mr. Gordon Scott, Canadian International Development Agency, Advisor to the Canadian Member

Other COL Staff:
Ms. Doris McEachern, Director – Finance, Administration & Human Resources
Dr. Venkataraman Balaji, Director – Technology & Knowledge Management
Mr. Dave Wilson, Communications Manager (Meeting recorder)

The meeting began at 9:00 a.m., Friday, June 8, 2012, Pacific Daylight Time.

I. OPENING REMARKS BY THE CHAIR

The Chair welcomed all Board members, advisors and representatives and noted that COL is a strong, effective organisation with enthusiastic Board members and good staff.

He also noted that Australia has rejoined as a funding partner since the Board last met and thanked Dame Carol for her efforts toward that end.

II. APPROVAL OF THE AGENDA

THE DRAFT AGENDA WAS APPROVED AS CIRCULATED.
III. MINUTES OF THE 28TH MEETING OF THE BOARD OF GOVERNORS – JUNE 8, 2011 (VANCOUVER)

A. Approval of the Minutes

THE DRAFT MINUTES OF THE PREVIOUS MEETING WERE APPROVED AS AMENDED.

B. Matters Arising from the Minutes

1. Review of Action Items from the 28th Board of Governors’ Meeting

The Chair reviewed all of the listed Action Items as presented. He noted that all outstanding items have either been dealt with, will be addressed later in the meeting and/or are ongoing action items.

2. Cash Reserves

The Chair invited the Board to note the revised Cash Reserve Policy, inclusive of changes requested by the Board, as recommended by the Audit Committee, at its June 2011 meeting.

There was some discussion and agreement that words should be added in order to clarify the definition, policy, practice and conditions for use of both restricted and unrestricted cash reserves.

THE BOARD REQUESTED STAFF TO PROPOSE AND FOR THE AUDIT COMMITTEE TO CONSIDER ADDITIONAL REVISIONS TO COL’S POLICY ON CASH RESERVES TO HELP CLARIFY THE POLICY.

IV. EXECUTIVE COMMITTEE MEETING

A. Minutes of the 33rd Executive Committee Meeting (February 24, 2012)

The Board noted the draft minutes of the recent Executive Committee meeting.

V. PRESIDENT’S REPORT

A. President’s Report: Self-Assessment 2004 – 2012

The Board considered former President and Chief Executive Officer, Sir John Daniel’s self-assessment report for his term of office, 2004 – 2012 and agreed that it is a useful document.

B. Oral Update

Professor Asha Kanwar, President and Chief Executive Officer since June 1, 2012, presented an oral report that highlighted:

- COL’s increasing focus on advocacy for the use and re-use of open educational resources (OER), COL’s partnerships with UNESCO and the William & Flora Hewlett Foundation in organising the World OER Congress in June 2012, and
the importance that COL’s draft Three-Year Plan for 2012 – 2015 places on OER.

- The importance of the upcoming 18th Conference of Commonwealth Education Ministers (18CCEM; August 28 – 31, 2012, Mauritius), where COL presents its progress report and next Three-Year Plan, for ratification, to Senior Officials and Ministers. COL is also presenting at a Ministerial plenary and two Ministerial round tables, as well as providing content and speakers at parallel forums.

- The recruitment of a Vice President, expecting someone to be in place by October or November.

C. Seventh Pan-Commonwealth Forum on Open Learning (PCF7)  

Professor Kanwar reviewed the paper provided to the Board on PCF7 and noted that planning, in partnership with the Nigerian Federal Ministry of Education through the National Open University of Nigeria, is progressing.

VI. FINANCIAL MATTERS – 2008-2009

A. Minutes of the 21st Audit Committee Meeting  
   (November 23, 2011), COL/AU/18/MIN-8

   Minutes of the 22nd Audit Committee Meeting  
   (February 8, 2012), COL/AU/19/MIN-8

   and Oral Report from the 23rd Audit Committee Meeting  
   (June 7, 2012)

The Chair of the Audit Committee, Professor Sankat, reviewed the outcomes of the three Audit Committee meetings that have been held since the last Board meeting and noted that the Financial Statements for 2010/11 were unqualified by the auditors and approved by the Audit Committee subject to ratification by the Board.

He further reported that a new external member of the Audit Committee was now in place (Ms. Sharon Muzzin) and that the Committee had benefited from an orientation session entitled, “Understanding internal controls”, which focused on risk management, prior to its most recent meeting.

the Committee also noted that COL’s fee-for-service activity (eLearning for International Organisations) is still not self-sustaining and requested a paper around mitigating steps to be taken to achieve full-cost recovery. The Committee also asked COL management to develop financial indicators to help the Board track financial matters/results.

There was some discussion on the establishment of a special-purpose endowment, which might help deal with unplanned excesses in funds over expenditures. (vs. the benefits of having flexibility in the use of funds). It was decided that such a fund is not needed at this time given the current direction of the Board to draw down existing surplus cash reserves.
There was also discussion regarding the confusing use of the word “deficit” when it is actually planned and budgeted in order to draw down unrestricted reserves in accordance with Board policy (vs. the need for reporting accuracy) and on whether specific management policies/guidelines should be established for dealing with foreign exchange.

THE BOARD NOTED THE AUDIT COMMITTEE’S REQUESTS TO MANAGEMENT TO DEVELOP A STRATEGY PAPER ON ACHIEVING A BALANCED BUDGET APPROACH AND A SUMMARY OF FINANCIAL INDICATORS FOR COL AS WELL AS A PAPER ON MITIGATING STRATEGIES TO ACHIEVE FULL-COST RECOVERY FOR THE FEE-FOR-SERVICE ACTIVITY. THE BOARD REQUESTED MANAGEMENT THROUGH THE AUDIT COMMITTEE TO CONSIDER THE PRESENTATION OF STATEMENTS IN REGARD TO CLARIFYING THE REFERENCE TO “DEFICITS” AND WHETHER SPECIFIC FOREIGN EXCHANGE POLICIES/GUIDELINES WOULD BE USEFUL.

B. Ratification of the audited Consolidated Financial Statements, COL/BD/29-9 June 30, 2011

Professor Sankat reviewed the unqualified Auditors’ Report and audited Consolidated Financial Statements for the year ended June 30, 2011 and invited the Board to ratify the statements.

THE AUDIT COMMITTEE’S APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDING JUNE 30, 2011 WAS RATIFIED BY THE BOARD.

C. Interim Consolidated Financial Statements, COL/BD/29-10 to March 31, 2012

Professor Sankat and the Director – Finance, Administration & Human Resources, Ms. McEachern, presented the interim consolidated financial statements for 2011/12 (nine months). The Board noted the interim statements and the projections of revenue and expenditure made to June 30, 2012.

VII. THREE-YEAR PLAN 2009 – 2012

A. Programme Achievement Report COL/BD/29-11

The President introduced the progress report on programme activity pointing out that it covers the first two years and nine months of the three-year planning period, 2009 – 2012, which moves from outputs to outcomes, compared to annual reports for the past two years, and assesses results against performance targets: 45% exceeded, 55% achieved. She added an acknowledgement that levels of risk were uneven across the targets and some targets may have been too modest.

She noted that COL continues to make itself more relevant both within regions and in-country (countries are satisfied), and also outside of the Commonwealth. COL is also successfully extending its partnerships to the private sector (e.g., Microsoft) and with
more in-kind contributions (e.g., hosting Focal Points’ meetings). Travel expenditure has been reduced due to more online collaboration even as results have been increased. The Board noted the report and congratulated staff on the achievements.

B. Gender Update

The President highlighted the progress report on gender and noted that COL has ensured that there is a gender activity in every programme initiative. She also noted that Focal Points had expressed strong support for gender priorities in several areas including open schooling for girls, encouraging more women to take up non-traditional disciplines in higher education and the issue of boys’ underachievement.

Mr. Scott reported that CIDA has offered to work with COL to jointly undertake a “gender audit”, looking at programme and organisational gender practices and outcomes. Based on the recommendations, CIDA will organise training for COL staff. Professor Wood offered the ACU’s help as well. The President welcomed the offers.

The Board noted the gender update.

C. Critical Success Factors and Risk Management

The President reviewed the tabular reporting document on critical success factors and risk management and noted that it reflects a process and is updated regularly. She highlighted:

- Financial stability: COL is financially stable with 40 countries contributing to core funding.
- Partnerships: COL is planning to set up regional centres in the Caribbean and Pacific, through partnership arrangements with local organisations, to help enhance programme activity in the regions.
- Visibility: COL is established as a trusted partner.
- Leadership: COL has developed a good reputation as a high-performance organisation.
- Managing expectations: COL’s Focal Points network has helped governments to understand COL’s limitations and to keep their expectations focused.

She also noted that emerging issues are: the global economy, technologies and the post-2015 world.

On invitation from the Chair, Mr. Bean reviewed his thoughts about the world-wide open educational resources (OER) movement and COL’s positioning within that. COL has a good opportunity to take an even higher profile in adding “value” and “sense” to, in effect, a process of re-defining higher education built on a balance between free open content and for-fee content. The mainstream media is now interested in what COL has done for years: OER assessment, quality assurance, trust building, attention to
adaptation and ensuring that the developing world is considered. He was pleased, he said, to see the emphasis on OER in COL’s draft Three-Year Plan, 2012 – 2015.

There was some discussion, wherein Board members acknowledged that there are different types and levels of risk (management controlled, financial and higher-level Board concerns), that management and the Audit Committee have important roles, but that overall risk management is a Board oversight responsibility.

The Board noted the report on critical success factors and risk management but asked for clarification on types of risks and risk management roles.

**THE BOARD AGREED THAT THE CHAIR OF THE BOARD, THE CHAIR OF THE AUDIT COMMITTEE, DR. SISSONS, PROFESSOR WOOD AND THE PRESIDENT WILL FORM A DISCUSSION GROUP ON HOW TO BETTER CLARIFY RISK MANAGEMENT ROLES FOR COL.**

D. COL’s response to the External Evaluation

In noting the response to the External Evaluation for the Three-Year Plan 2009 – 2012, Dr. Sissons commended staff for the detail provided, as had been requested by the Executive Committee at its meeting in February.

**VIII. THREE-YEAR PLAN 2012 - 2015**

A. Ratification of the Three-Year Plan 2012 – 2015

The President reviewed the documents before the Board. Draft #5 of the Three-Year Plan 2012 – 2015, reflecting programme and organisational evaluations, very wide stakeholder consultation and input from the Board, and a draft summary brochure (responding to a suggestion from the U.K. Department for International Development). Both documents still need finishing touches, including a final proofread and the insertion of updated financial figures to June 30.

There was some discussion on the inconsistency of performance indicators across initiatives (but there was a recognition that this is difficult because the focus and type of activity is different) and recently added section on the “Theory of Change” (Does it add value? How does it differ from the purpose of the Logic Model?).

The President explained that COL staff had concluded that the difference is that the Logic Model is linear and the Theory of Change is organic.

Mr. Clarke stated that the UK Department for International Development was grateful for the inclusion of the Theory of Change section and the production of a summary brochure, following their suggestions, noting that the Theory of Change is the basis for decision making on how COL will make a difference, and a useful tool for identifying assumptions that need to be tested through evaluation activities.

**THE SUBSTANCE OF THE DRAFT THREE-YEAR PLAN 2012 – 2015 WAS APPROVED AS PRESENTED, PENDING REVISIONS TO THE THEORY OF CHANGE SECTION, AS DISCUSSED, AND FINAL DESIGN ADJUSTMENTS, PROOFREADING AND FINANCIAL UPDATE.**

(Atta-ur-Rahman/Sankat)
B. Human Resource Matters

The President introduced the paper on human resource matters and reviewed the background and the process of COL’s Human Resources Framework and Compensation Plan, which she said is working well.

Generally, the Board agreed to support management in ensuring that staff compensation is appropriate, noting that the recommended cost-of-living increase was modest and well researched.

THE BOARD NOTED THE ON-GOING WORK ON THE HUMAN RESOURCES FRAMEWORK AND COMPENSATION PLAN AND AGREED IN PRINCIPLE TO THE FOLLOWING REQUESTS, PENDING APPROVAL OF THE OVERALL BUDGET (AGENDA ITEM VIII.C, BELOW):

1. That performance pay adjustments be approved for COL/CEMCA staff, and

2. That a cost-of-living adjustment be approved for COL/CEMCA staff.

Dr. Sissons, representing the Government of New Zealand, abstained from agreeing to provision #2 (Cost of living).

C. Approval of Budget for 2012 – 2015

The President and the Director – Finance, Administration & Human Resources presented the proposed budget and supporting schedules, reporting that the proposed draw-down of unrestricted cash reserves is consistent with the Board’s new cash reserves policy (agenda item III.B.2). The Director also noted that the proposed budget includes the provisions for performance pay and cost of living adjustments as already agreed to in principle by the Board (agenda item VIII.B).

Total expenditures for 2012-2013 are budgeted at $11.13 million, which is a slight decrease from the previous year. Projections to fund the budget are: member governments – $8.75 million; additional contributions – $1.5 million; and interest, other sources and cash reserves to make up the balance.

THE BOARD APPROVED THE PROPOSED BUDGET FOR 2012-2013, AS CIRCULATED, AT A LEVEL OF $11,130,000, INCLUDING PROVISION FOR PERFORMANCE PAY AND COST-OF-LIVING ADJUSTMENTS (AGENDA ITEM VIII.B, ABOVE). THE BOARD NOTED THAT THE BUDGET REFLECTS A CONTINUATION OF ITS EARLIER DIRECTION OF DRAWING DOWN UNRESTRICTED CASH RESERVES CLOSER TO THE MINIMUM THREE-MONTH OPERATIONAL LEVEL, BUT IT DID NOT WISH TO SEE DRAW-DOWNS OF UNRESTRICTED CASH RESERVES BECOMING THE NORM AT COL. THE STRATEGY PAPER REQUESTED BY THE AUDIT COMMITTEE FROM COL ON REACHING A BALANCED BUDGET WILL BE DISCUSSED AT THE NEXT BOARD MEETING (Bean/Glennie)
IX. GOVERNANCE MATTERS

A. Annual Review of the Governance Manual

Ms. McEachern reviewed the changes on several pages of the Governance Manual as agreed to by the Executive Committee at its last meeting and reflecting those changes agreed to in principle by the Board of Governors at its last meeting which included restoring the Performance Sub-Committee to full committee status.

There was some discussion and further agreement on additional changes.

THE BOARD APPROVED THE AMENDMENTS TO THE GOVERNANCE MANUAL, AS PRESENTED, DISCUSSED AND AGREED UPON, INCLUDING FURTHER REVISIONS.

THE BOARD REQUESTED THAT THE FURTHER AMENDMENTS BE INCORPORATED AND A REVISED VERSION OF THE GOVERNANCE MANUAL BE DISTRIBUTED TO BOARD MEMBERS AS SOON AS POSSIBLE.

B. Update on Orientation for new Board and Committee Members

The Chair reported that the orientation session for new Board members took place on the day prior to the Board meeting. Mr. Bean, who was attending his first Board meeting, attended and confirmed that it was very useful.

X. IN-CAMERA SESSION

A. Terms of Office and Appointment for Board of Governors and Committee Membership

B. Approval of the In-Camera Minutes

C. Matters arising from the Minutes

D. Report of the Performance Committee

THE BOARD MET IN-CAMERA TO DISCUSS THESE AGENDA ITEMS.

XI. ANY OTHER BUSINESS

The Chair reported that from the in-camera session, Board members had agreed that, in future, they would appreciate having more interaction time with staff (such as a retreat) in conjunction with Board meetings and, for the next Three-Year Plan (2015 – 2018), more engagement in the development/strategic planning process, including Focal Point meetings. He also noted that next year marks the 25th anniversary of the establishment of COL through the signing of the Memorandum of Understanding by Commonwealth Governments (September 1, 1988). This might warrant a special Board event or other celebration.

THE CHAIR WILL DISCUSS THESE MATTERS WITH THE PRESIDENT AND MANAGEMENT TEAM.
The Chair also reported that, in its in-camera session, the Board had named Dr. Sissons as Deputy Chair for the ensuing year (from 1 July 2012) and added Mr. Bean to the Audit Committee membership.

On behalf of the Board, the Chair thanked COL staff for the arrangements made for the Board meeting and associated events.

XII. NEXT MEETING OF THE BOARD

*IT WAS AGREED THAT THE NEXT MEETING OF THE BOARD WOULD TAKE PLACE IN VANCOUVER IN JUNE 2013 WITH THE DATE TO BE SET AS SOON AS POSSIBLE.*

The meeting concluded at 3:15 p.m., Friday, June 8, 2012, Pacific Daylight Time.