I. OPENING REMARKS BY THE CHAIR

The Chair welcomed all Board members, advisors and representatives, especially new members for India and South Africa and the guest from AusAID. He noted that Dr. Berry and Ms. Ecker
were unable to attend but representatives were in place and he conveyed apologies from the Commonwealth Secretary-General that neither he nor a representative was able to attend.

The Chair expressed his appreciation for the President’s leadership over her first year in office, noting good results and a good spirit among staff.

The Chair also reported that he and the Chair of the Audit Committee had discussed their agreement that, after 25 years of active life, COL has justified its existence and might look again at the possibility of securing permanent premises.

II. APPROVAL OF THE AGENDA

THE DRAFT AGENDA WAS APPROVED AS CIRCULATED.

III. MINUTES OF THE 29TH MEETING OF THE BOARD OF GOVERNORS – JUNE 8, 2012 (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 29th 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 on-going action items.

2. Achieving a Balanced Budget

The President reviewed the paper provided to Board members on “Strategies for Achieving a Balanced Budget Approach”, which provides an historical perspective and shows that balance has been achieved in the past over the years but never within any particular year due to various challenges. She noted, however, that COL was presenting a balanced budget for the ensuing year and will be diligent in “prudence, value for money and achieving more for less”.

There was some discussion on how to obtain evidence of value for money.

Mr. Geyer noted that one way is the ratio of programme expense vs. administration costs which is excellent and shows that COL is using funds for what they are intended. He expressed endorsement of these levels on an on-going basis on behalf of the Government of Australia.

The President noted that distance education itself represents value for money as is evident from research studies within the formal education sector but cost studies are needed in the area of ‘learning for development’. She added that some studies have been undertaken on the social rate of return for the Lifelong
Learning for Farmers (L3F) initiative and that the two evaluations to be undertaken by COL during this triennium will provide further data.

Support for the paper and this year’s budget direction was also expressed by the Chair of the Audit Committee, Professor Sankat, and Professor Baijnath.

3. Cash Reserves

The President reviewed the paper provided to Board members on “Cash Reserves”, which is in response to the Board’s direction to provide “additional revisions to COL’s policy on cash reserves to help clarify the policy”. The proposed revisions include new terminology for the cash reserve: the “Internally Restricted Reserve”, or IRR component, and the “Unrestricted Net Assets” component. She noted that the Audit Committee, when it met in February, had determined that the new terminology is “clear and precise in definition” and that “the conditions for access are appropriate and the delineations of reserves are helpful.”

In recommending adoption of the revisions to the Board, the Audit Committee also supported the recommendation from COL that the IRR be increased from four to six months of average operating costs – because it is a safer level that is more in line with what other organisations do and that the cash is available for this purpose, since a balanced budget is planned for the ensuing year. The Audit Committee further noted that the policy is to be reviewed every two years.

THE BOARD APPROVED REVISIONS TO THE CURRENT CASH RESERVE POLICY, AS PROPOSED BY THE PRESIDENT AND ENDORSED BY THE AUDIT COMMITTEE.

THE BOARD ALSO APPROVED AN INCREASE IN THE INTERNALLY RESTRICTED RESERVE (IRR) FROM FOUR MONTHS TO SIX MONTHS OF ANNUAL OPERATING COSTS, AS ENDORSED BY THE AUDIT COMMITTEE.

4. Financial Indicators

The President reviewed the paper provided to Board members on “Key Financial Indicators for COL”, which had been requested by the Audit Committee to monitor financial performance. The indicators relate to revenues, expenditure and cash liquidity where two additional indicators were added on expenditure to budget and types of expenditure at the request of the Audit Committee.

Ms. Saqib expressed the U.K.’s appreciation and support for these additional indicators.

Professor Sankat added that, at its most recent meeting, the Audit Committee had recommended that expenditure to budget be targeted at 95% to 105% to address both the level of underspend based on past data and the concern that programmes could be compromised by lack of adequate expenditure.
Members were supportive of these targets provided the reasons for any underspends are known and that these factors are mitigated to the degree possible.

5. Full-Cost Recovery

The President reviewed the paper provided to Board members on “Strategies for Achieving Full-Cost Recovery – COL Fee-for-Service”, also requested by the Audit Committee. The President noted that COL’s eLearning for International Organisations programme is implementing several strategies, including negotiating contracts in Canadian dollars wherever feasible, and building in protection clauses for cancellations. She explained that the programme is close to achieving full-cost recovery in financial terms, but that there are also spin-off benefits through exposure to large international organisations, citing increases in partners, funding opportunities and advocacy for open and distance learning (ODL).

The Chair noted that the trend is in the right direction and that less-tangible benefits should also be considered.

There was some discussion and general support for the strategies, although it was agreed that COL should keep a close watch on this matter, continue to strive for full-cost recovery and not pursue activities that are not in keeping with its strategic goals.

6. Foreign Exchange Policies/Guidelines

The President reviewed the policy paper provided and noted that it had been discussed and endorsed by the Audit Committee at their most-recent meeting. To guard against adverse foreign exchange situations, COL maintains accounts in four currencies: Canadian dollars, U.K. sterling, US dollars and Indian Rupees, enabling expenditures incurred in these currencies to be settled in these currencies.

Board members expressed support for the present practice. It was noted by one member that even with the best financial advice there is always the possibility of error.

7. Risk Management

The President introduced the paper on risk management noting that, as requested by the Board, it provides a higher-level view of risks/mitigation than those outlined in the Three-Year Plan. It was developed with the help of Dr. Sissons, Professor Wood and the Board Chair and tracks risk under three broad headings – strategic, operational and financial. These risks can be scored according to their impact, probability of occurring and COL’s ability to mitigate them.

There was general support for the new risk management matrix with queries made concerning how it integrates with the existing critical success factors and risk management document, and how and when it will be updated. After some
discussion, agreement was reached to integrate some elements of the critical success factors document into the proposed matrix so that COL can comprehensively monitor and mitigate risks. The matrix will be reviewed and updated regularly by management on a quarterly basis; be monitored periodically during the year by the Executive Committee and/or Audit Committee; and reviewed by the Board on an annual basis.

THE BOARD AGREED TO ACCEPT THE RISK MANAGEMENT MATRIX, INCLUDING INTEGRATION OF RELEVANT ELEMENTS OF THE CRITICAL SUCCESS FACTORS INTO THE MATRIX.

THE BOARD AGREED THAT THE CHAIR OF THE AUDIT COMMITTEE BE THE FINAL ARBITER FOR THE WHISTLE BLOWING POLICY.

8. 25th Anniversary of COL

On behalf of the Board, the Chair expressed appreciation to staff for the Board’s 25th anniversary of COL reception, held the previous evening, and for the history presentation that was displayed at the reception. The President noted that COL will also celebrate its 25th anniversary at PCF7 in December in Nigeria.

IV. EXECUTIVE COMMITTEE MEETING

A. Minutes of the 34th Executive Committee Meeting (February 27, 2013)

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

V. PRESIDENT’S REPORT

A. President’s Report

The President reviewed her report, noting that it had been a good year that included increased contributions from a number of countries, enhanced reputation in the field of OER, and more partnerships. She reported that COL was well received by Commonwealth Education Ministers, when they met at their triennial conference in August (18CCEM, Mauritius), and were pleased with COL’s needs-based, country-focused approach. COL next reports to Foreign Ministers at the Commonwealth Heads of Government Meeting (CHOGM), to be held in Sri Lanka later this year, where COL’s contribution over the past 25 years will be presented as a short document.

The President added that it is important that COL continue to be a learning organisation and be seen as a thought leader. She cited COL’s soon-to-be-launched online Journal of Learning for Development as an example.

There was some discussion on the semantic distinction between outcomes and outputs, the need for staff development and thought-leadership and whether to present a short or substantive document on 25 years of COL.

The Board expressed their appreciation for the President’s leadership and reporting, and welcomed the new open access online journal.
B. Seventh Pan-Commonwealth Forum on Open Learning (PCF7)  COL/BD/30 - 12

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.

On concerns expressed by the Executive Committee regarding security, the President pointed out that Abuja is a much safer area in Nigeria and reported that COL’s Nigerian partners had given full assurances that all aspects of security would be fully covered. Mrs. Katagum confirmed that comprehensive security arrangements will be in place.

The Chair noted that PCFs over the years have proven to be very beneficial events.

VI. FINANCIAL MATTERS

A. Minutes of the 24th Audit Committee Meeting  COL/AU/24/MIN &
(November 29, 2012),
Minutes of the 25th Audit Committee Meeting  COL/AU/25/MIN - 13
(February 19, 2013),
and Oral Report from the 26th Audit Committee Meeting
(June 13, 2013)

The Chair of the Audit Committee, Professor Sankat, reviewed the outcomes of the three Audit Committee meetings that had been held since the last Board meeting, and noted that the Financial Statements for 2011/12 were unqualified by the auditors and approved by the Audit Committee subject to ratification by the Board.

Professor Sankat reported that the Audit Committee had again benefited this week from an orientation session presented by Management Development Associates (NA) Inc. The Audit Committee’s Terms of Reference were reviewed and attention was given to flags that the Committee should look for, such as material changes, variances and adherence to accounting standards. On the latter, Professor Sankat noted that the consultants were also confident that the new non-profit reporting standards that were adopted by COL with effect from July 1, 2012 would not present any significant changes.

He reported that the Audit Committee had approved the audit plan and associated fees presented by Deloitte to conduct the audit for the year ended June 30, 2013 and added that the audit would go out for tender again after June 2014.

He also noted that the Audit Committee will conduct its next self-evaluation in the coming year.

B. Ratification of the audited Consolidated Financial Statements  COL/BD/30 - 14
for the year ended June 30, 2012

Professor Sankat reviewed the unqualified Auditors’ Report and audited Consolidated Financial Statements for the year ended June 30, 2012 and invited the Board to ratify the statements.
THE AUDIT COMMITTEE’S APPROVAL OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDING JUNE 30, 2012 WAS RATIFIED BY THE BOARD.

C. Interim Consolidated Financial Statements, COL/BD/30 - 15

to March 31, 2013

Professor Sankat and the President presented the interim consolidated financial statements for 2012/13 (nine months). The President reported that the revenues are now tracking at achieving 99% of budget by year-end. She also explained that while expenditure shortfalls have been improved by fourth-quarter activity, they do reflect some unexpected delays in programme implementation but also cost savings in the interests of continuing efforts to ensure value for money (including shifting some costs to local partners).

The Board noted the interim statements and the projections of revenue and expenditure made to June 30, 2013.

VII. HUMAN RESOURCE MATTERS COL/BD/30 - 16

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 in ensuring that COL’s most valuable resource, its staff, is well-maintained.

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.D, BELOW):

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

2. That a cost-of-living adjustment be approved for eligible Delhi-based CEMCA staff, benched to Government of India pay scales effective from July 1, 2013.


A. Programme Achievement Report, 2012–2013 COL/BD/30 - 17

The President introduced the progress report on programme activity pointing out that it covers the first nine months of the first year of the three-year planning period, 2012–2015, and is therefore focused primarily on outputs, but also shows linkages to expected outcomes.

She noted increased activity and expenditure in the Caribbean and Pacific regions, but that it was taking time to establish regional centres in a systematic manner. She thanked Australia and New Zealand for their assistance in this regard.

The President also noted, thanks to additional funding from the U.K., that an impact evaluation has been commissioned to assess the difference that COL had made in the
field over a period of nine years, i.e. from 2006–2015. An outcomes-based evaluation would also be commissioned to assess whether the expected results identified in its Three-Year Plan for 2012–2015 had been achieved.

The Board noted the report as well as the update to June tabled at the meeting and congratulated staff on the achievements. The Board expressed its support and appreciation for the format of the reporting, the useful information provided and for COL’s approach to results-based management (RBM).

B. Gender Update

The President highlighted the progress report on gender and noted that as a part of its gender policy COL ensures that there is at least one gender-related activity in every programme initiative.

There was some discussion and acknowledgement that gender work includes boys and men as well as women and girls. The President noted that COL’s policy takes a holistic approach to gender and has focused on boys’ underperformance in the Caribbean and Southern Africa and equality for girls in South Asia and Sub-Saharan Africa. However, in order to enhance its developmental impact, COL had to make a strategic choice and will focus on girls and women during this triennium.

The Board noted the gender update and commended COL on its work in this area.

C. Critical Success Factors and Risk Management

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

The Chair noted that the Board had already discussed Risk Management and that the two sets of criteria would be integrated.

The Board noted the report on critical success factors and risk management.

D. Approval of Budget, 2013–2014

The President presented the proposed budget, noting that it was a balanced budget. Although the programme allocation is less than in the previous year, it represents a more rigorous approach that plans to achieve more for less rather than a reduction in programme activity.

The Chair noted that he supports COL’s rigorous, needs-driven budget process and is assured of COL’s commitment to value for money. Other Board members also expressed their support.

IX. GOVERNANCE MATTERS

A. Annual Review of the Governance Manual

Ms. McEachern noted that there were no changes to the Governance Manual presented to the Board for this meeting, since the Board’s last review, but several revisions may now be needed as a result of decisions made by committees and the Board this week.

THE BOARD REQUESTED REVISIONS TO THE GOVERNANCE MANUAL TO REFLECT RECENT DECISIONS. THESE WOULD BE PREPARED AND DISTRIBUTED TO BOARD MEMBERS FOR THEIR ENDORSEMENT. THE BOARD WELCOMED PROPOSALS FOR FURTHER REVISIONS TO THE MANUAL, PRIOR TO ITS NEXT MEETING, FROM BOARD MEMBERS.

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. New Board members noted that it was worthwhile and expressed their appreciation.

X. TERMS OF OFFICE AND APPOINTMENT FOR BOARD OF GOVERNORS AND COMMITTEE MEMBERSHIP

There was some discussion on board appointments and committee membership.

The Board named Mrs. Katagum as Deputy Chair for the ensuing year (from July 1, 2013) and thanked Dr. Sissons for her service as Deputy Chair over the past year.

The Board agreed to the following committee memberships:

Audit Committee: Caribbean representative, African representative, Asian representative, Canada and Commonwealth Secretary-General’s appointee

Performance Committee: Board Chair, Nigeria and Commonwealth Secretary-General’s appointee

Executive Committee: Board Chair, Pacific representative, India, New Zealand, South Africa and the U.K.

XI. COL PREMISES

The Board noted and endorsed the paper on COL’s future premises. Board members commented that it was a thorough document and an appropriate way forward.
XII. IN-CAMERA SESSION

A. Approval of the In-Camera Minutes

B. Matters arising from the Minutes

C. Report of the Performance Committee

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

XIII. OTHER BUSINESS

On behalf of the Board, the Chair thanked the President of COL and staff for the arrangements made for the Board meeting, committee meetings and associated events, and for their good work throughout the year.

The Chair also thanked Board members for their participation and made particular reference to the three Board members who stepped down over the course of the past year – Ms. Vibha Puri Das (India), Ms. Jo Bourne (U.K.) and Ms. Jenny Glennie (South Africa) – and to three Board members whose final terms of office end later this year – The Honourable Dr. Dame Carol Kidu (Pacific), Professor Akilagpa Sawyerr (Africa) and Dr. Linda Sissons (New Zealand).

XIV. NEXT MEETING OF THE BOARD

IT WAS AGREED THAT THE NEXT MEETING OF THE BOARD WOULD TAKE PLACE IN VANCOUVER IN JUNE 2014 WITH THE DATE TO BE DETERMINED.

The meeting concluded at 3:15 p.m., Friday, June 14, 2013, Pacific Daylight Time.