

EXECUTIVE SUMMARY

BACKGROUND AND SCOPE

In the pursuit of good governance, there are a myriad of frameworks, perspectives, and choices to be considered. Often organizations can be overwhelmed with governance considerations while trying to develop strategy and effective operations. There is a tendency to lose sight of the key objectives when one is inundated with policies, guidelines, best practices, and documentation. The AMS is no different, and perhaps faces an additional challenge as its elected leadership and Council changes annually. Because its operating environment is dynamic, it is important that the AMS perform periodic reviews (usually every 3 to 5 years) of its governance systems and objectives to ensure they are appropriate for the current and future circumstances facing the AMS.

The last major review of the AMS governance system was conducted in 1994. On top of the constant turnover in student leadership over the last 22 years, the AMS has experienced other significant changes. The AMS now runs a full suite of services and businesses, and most recently, the AMS finished construction and moved into its new Student Union Building – the Nest.

Following these changes, the AMS engaged MNP LLP to review its governance system and provide recommendations for improvement. This review comprised three focus areas:

- **Advisory Board for Business and Administration (ABBA)** – assess the relationship and reporting lines between the student leadership, ABBA, and the business operations of the AMS, as represented by the General Manager
- **AMS Council** – assess the size, structure, and representation of AMS Council and its committees
- **AMS Executives** – assess Executive remuneration, accountability, and duties

REVIEW METHODOLOGY

MNP's governance review methodology followed three steps: data collection, analyses, and recommendations.

Data collection was primarily through three methods:

- An organizational and bylaw review to understand the history, context, and issues within the AMS.
- A general survey that was distributed to the 50,000 members of the AMS. The survey received 3,570 responses.
- Stakeholder consultations with over 20 different stakeholders of the AMS.

For the analyses phase, MNP developed a set of governance principles and practices based on leading governance standards and organizational models.

The governance principles were:

- **Oversight** – considerations such as setting objectives, tracking progress, and assessing Council performance
- **Structure** – considerations such as the size, procedures, and use of committees
- **Roles** – considerations such as understanding roles, meeting role requirements, and providing orientation and training
- **Representation** – considerations such as having appropriate representation and consultation of stakeholder groups

The governance practices were a value hierarchy, where a single assessment is made and each subsequent level assumes that the requirements of the lower level are also met. The levels, from lowest to highest value, are:

- **Compliance** – is the AMS meeting the bylaws, codes, or other requirements for the focus area?
- **Operational** – is it easy to complete activities in the focus area?
- **Best Practice** – is the AMS in line with some of the best practice(s) of comparator universities?
- **Thought Leader** – is the AMS doing something unique and creating exceptional value and leadership?

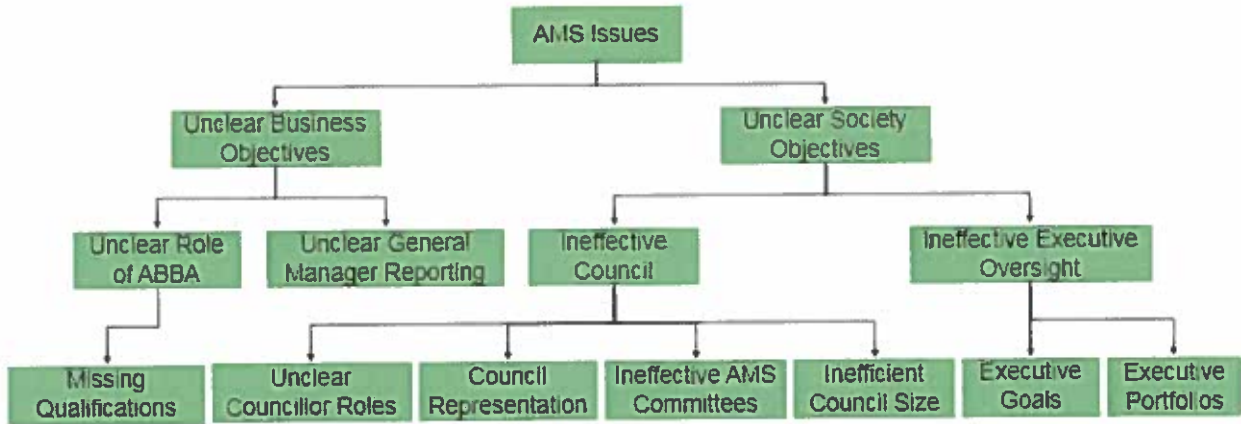
The governance principles and practices were used as the metrics against which the focus areas (i.e., ABBA, Council, and Executives) were analyzed. The governance principles and practices, as well as the findings, are summarized into a governance review matrix that provides a snapshot of how the AMS governance system is performing and where it has the most significant issues.

Recommendations were developed throughout the analyses to address the key issues identified. In total, MNP made 16 recommendations.

ISSUES AND RECOMMENDATIONS

MNP's review identified incomplete objectives and organizational split as the primary drivers of governance issues within the organization. The figure below summarizes the key issues discussed within the report and how they relate to each other. The lack of clear objectives has led principally to an unclear role of ABBA, an unclear reporting structure for the GM, an ineffective Council, and challenges in Executive oversight. These four areas are further impacted by sub-issues, depicted on the bottom row of the hierarchy of AMS governance issues.

The Hierarchy of AMS Governance Issues



In total, MNP found 12 key issues with the AMS governance system. These 12 issues were assessed vis-à-vis their appropriate governance principle and evaluated based on their significance and alignment with the relevant principle. The governance review matrix summarizing MNP's analysis is provided in the following table and discussed in more detail below.

The Governance Review Matrix for the AMS

Focus Area	Governance Principles				Governance Practice
	Oversight	Structure	Roles	Representation	
ABBA	1	2	2	3	Compliance
Council	2	2	2	4	Compliance
Executives	2	-	4	-	Operational

1	2	3	4	5
Significant Issue	Important Issue	Issue	Minor Issue	No Issue

ABBA

The Advisory Board for Business and Administration (ABBA) was created to provide greater oversight of the business operations of the AMS, freeing the Council to spend more time on the student services side of the Society.

The purpose of ABBA is to provide oversight and accountability for the business and administrative operations of the Society and advise Council, the President, and the General Manager. Accordingly, ABBA is focused on staff relations and compensation, and on identifying the ends towards which the business and administrative operations are directed.

The issues identified within ABBA are:

Issue 1: The AMS has unclear business objectives which have contributed to an organizational structure that separates the Society into two “sides”: student services and business operations.

Issue 2: There is confusion as to whom the General Manager reports, which has led to unclear authorities and delays in operational decision-making.

Issue 3: ABBA's role within the Society is poorly defined and understood, leading to unclear objectives and reduced effectiveness.

Issue 4: The members of ABBA may not possess the desired qualifications for the advisory board.

MNP has assessed ABBA as compliant in its governance practices, as it has met its terms of reference as currently laid out in code. However, because of the four issues above, ABBA is not currently reaching the next (i.e., operational) level of governance practices.

It should be noted that the AMS is one of the few student societies in Canada that owns and operates its own businesses (and on a major scale). Consequently, the need for ABBA is relatively unique to the AMS. The AMS, therefore, has the ability to be a thought leader in this focus area and a model for other student societies if it works to implement the recommendations made in this report:

Recommendation 1: Identify and prioritize the objectives of the AMS business operations to ensure they align with and support the objectives of the Society's student services.

Recommendation 2: Move away from contribution as the key measure of business performance as it does not align well with the objectives of the organization. Instead, the AMS should develop a balanced scorecard for the Society including both business and student services metrics. Such metrics could include financial contribution, operational efficiency, student satisfaction, alignment and support of AMS objectives, compliance with applicable business and UBC regulations, and development of people/staffing. Instead, the AMS should develop a balanced scorecard

Recommendation 3: Redraw the organizational structure and reporting lines of the AMS to better align student services and business operations, and to improve oversight.

Recommendation 4: Keep ABBA as an advisory board to the Executive Committee, and therefore Council, with the VP Finance as the permanent chair of ABBA.

Recommendation 5: Revise ABBA's terms of reference as an advisory board to the Executive Committee and VP Finance.

Recommendation 6: Create selection criteria and desired skill sets/qualifications for recruiting members of ABBA, and consider opening non-student membership to persons who may not be UBC alumni.

Council

Council is the elected Board of Directors of the AMS. As the Directors of the Society, Council holds the fiduciary responsibility for the AMS. As of May 2015, the AMS Council had a maximum of 56 seats, although not all were filled.

The Council undertakes its work through the committees of Council. There are currently 16 committees of Council categorized as Standing Committees, Commissions, and Extraordinary Committees.

The issues identified within Council are:

Issue 5: *The AMS has not made its objectives and targets for the Society clear to its staff and stakeholders.*

Issue 6: *Committees are not being used effectively to do Council work.*

Issue 7: *Council is too large to be fully effective.*

Issue 8: *Councillors reported that they do not fully understand their roles, in part due to the time required to learn the requirements of their role vis-à-vis their one year terms, as well as the current orientation program provided to Council.*

Issue 9: *There is concern that some groups on campus are not appropriately represented on Council.*

MNP has assessed Council as compliant in its governance practices. MNP's review found that Council has been following the code and bylaws set for it and is in compliance with these requirements. In order to reach an operational level of governance practices, the AMS should work to implement the eight recommendations made by MNP in this focus area:

Recommendation 7: *Each year, after the new Executives take office, develop a strategic and operational plan for the year which includes annual goals and performance metrics. Communicate these goals and metrics to Council and other stakeholders (as required).*

Recommendation 8: *Remove all committees that are duplicating staff work, and instead focus the committees of Council on advancing the strategic priorities and achieving the operational needs of Council.*

Recommendation 9: *Revise the terms of reference for every committee of Council to include a regular review (e.g., every one or two years) that ensures the objectives and structure of each committee fits with the strategic and operational goals of the AMS.*

Recommendation 10: *Reduce the size of Council and strengthen the Executive Committee to direct the day-to-day oversight and affairs of the Society.*

Recommendation 11: *Expand the term of office for Councillors to two years and stagger appointments to implement a senior and junior Councillor system. This can be done by appointing half of Council each year.*

Recommendation 12: *Expand the content of the Council orientation and integrate the annual strategic and operational planning into the Council orientation (see Recommendation 7).*

Recommendation 13: *Introduce annual self-evaluations and Council performance evaluation for Council based on strategic objectives, operational goals, and balanced scorecard.*

Recommendation 14: *Consider creating Officers within Council that represent specific groups on campus that do not currently have direct representation.*

It should be noted that expanding Councillor terms to two years would be a unique feature of the AMS compared to other student societies. If implemented well, it has the potential to enhance

governance, knowledge transfer, consistency, and continuity, and make the AMS a thought leader in this area.

Executives

The Executives of Council, collectively known as the Executive Committee, provides leadership and direction for the AMS. Their primary responsibility is to supervise and provide direction for the implementation and administration of the policies and procedures of the Society.

A new slate of Executives is elected each year by the members of the AMS. Upon taking office on May 1st, the Executives each set goals to achieve during the year. These goals are the backbone of the Society's priorities for the year.

The performance of the Executives is overseen by the Oversight Committee. This Committee is responsible for working with the Executives to develop their goals, for monitoring the Executives progress toward their goals, and for determining if a bonus is warranted for each Executive.

The issues identified within the Executives focus area are:

***Issue 10:** Oversight Committee has not been successful in influencing Executive roles or behaviour.*

***Issue 11:** The membership feels the Executives do not sufficiently communicate their goals and activities to stakeholders.*

***Issue 12:** There is concern that Executive portfolios do not adequately distribute work among Executives nor represent the current needs of the Society.*

MNP has assessed the Executives as operational in its governance practices. MNP's review found Executives largely meet their code and bylaw requirements. In addition to these compliance measures, MNP heard that the Executive's portfolios are purposefully broad in order to allow Executive terms to be driven by their personal goals as well as the goals of the Society. Executives tend to work together through the Executive Committee to minimize duplication of work and ensure their goals for the year are complementary. In order to reach a best practices level, the AMS should work to implement the following three recommendations:

***Recommendation 15:** Eliminate the Oversight Committee and introduce annual self- and peer- performance evaluations for Executives.*

***Recommendation 16:** Improve the goal setting process for Executives that integrates into the strategic and operational planning of Council during the Council orientation.*