



**Because**

The Georgetti report identified significant concerns with Article 12 Trustees and various associated provisions;

**Because**

Trustees should have the highest levels of impartiality and be apolitical;

**Because**

The Union deserves the highest levels of financial oversight, stronger financial controls, and a mechanism for direct action in cases of reasonably held concerns;

**Therefore be it resolved.**

## ARTICLE 6 – CHARGES, TRIAL, APPEALS, & REFERRALS

### Section 7 – Referrals to NUPGE

Where specifically authorized by this Constitution, an individual will use the following process:

- (i) The person making the referral will forward the matter to the National Union of Public and General Employees (“NUPGE”), which will investigate, produce a report containing the results of its investigation and any recommendations for further action, and provide that report to the Trustees and Provincial Executive Officers.
- (ii) The person making the referral will report back to the membership the results of the investigation under subsection (i) of this provision.
- (iii) NUPGE may take any temporary action it deems necessary to ensure the good and welfare of the Union.
- (iv) NUPGE shall remain seized of the matter until satisfied any issues are resolved.

## ARTICLE 9 - PROVINCIAL EXECUTIVE

### Section 10 - Secretary-Treasurer, Provincial Executive Officer

- (a) The Secretary-Treasurer, Provincial Executive Officer of the Union, shall be responsible to the Provincial Executive for all financial administrative matters and shall ensure the required books are maintained, showing all revenue and expenses.
- (b) The Secretary-Treasurer, Provincial Executive Officer, shall cause to have prepared a monthly revenue and expense statement.
- (c) The Secretary-Treasurer, Provincial Executive Officer, shall be one of the five (5) designated signing authorities for payment of cheques on the Union account and shall cause to be paid all bills authorized for payment by the Union.
- (d) The Secretary-Treasurer, Provincial Executive Officer, is empowered to authorize the normal month-to-month expenditures of the Union such as employees' wages, Employment Insurance premiums, and members' expenses as per the Financial Guide. Expenditures other than normal shall not exceed one thousand (\$1000.00) dollars without the endorsement of the majority of the Provincial Executive.
- (e) The Secretary-Treasurer, Provincial Executive Officer, shall cause to be kept an accurate record of the membership of the Union, including the original Application for Membership cards, which shall be kept on file. The Secretary-Treasurer, Provincial Executive Officer, shall cause to be kept a continuous record of the dues payments made to the Union on forms provided

**Commented [j1]:** NEW Art. 6 Sec 7 This Section provides a mechanism for resolving problems with Union finances and for responding to petitions submitted under Art 12 Sec 2(f). Some questions have arisen over having the CLC Ombudsperson fill this role. We have been informed this position does not currently exist.

Regardless, NUPGE is a better fit for this purpose because it is our highest parent affiliate, representing some 370,000 members across Canada. Our relationship to NUPGE exists through our affiliation with the BCGEU. Because NUPGE is how we affiliate to the CLC and the BC Federation of Labour, it is a more stable affiliate than either Labour Centre, and unlike the BCGEU, NUPGE exists beyond arms-length. Consequently, NUPGE should be viewed as our most stable, reliable, and objective affiliate.

As a result, this process provides for a high level of objectivity from an organization that has the capacity and experience dealing with such matters (many other NUPGE affiliates have similar clauses in their Constitutions).

**Commented [j2]:** Art. 6 Sec. 7 i-iv This process replaces Art. 12 Sec. 2(f), and is also made available for issues of financial concern.

**Commented [j3]:** Art. 6 Sec. 7 ii Having the originator hold the concern instead of an officer allows for better continuity through election cycles.

**Commented [j4]:** Art. 6 Sec. 7 iii This provision allows for broad executive action for a temporary period of time to ensure the good and welfare of the Union, if deemed necessary.

**Commented [j5]:** Art 6 Sec. 7 iv Ensures corrective action is taken.

**Commented [j6]:** Strike Art 9 Sec 10. Add NEW Article 9 Sec 10.

**Commented [j7]:** Art 9 Sec 10 Georgetti Report – The interaction between the Secretary Treasurer and Trustees is not well defined in our Constitution. These amendments direct a working relationship between the two, with responsibilities held both the Trustees and Secretary Treasurer to one another. Consequently, Art 9 Sec 10 required some significant amendments to ensure checks and balances and fulsome compliance with the recommendations in the Georgetti Report.

for these purposes. S/he shall cause to be issued receipts for all monies in a bank or credit union with chequing facilities, as the Provincial Executive may direct in the name of the Union.

(f) The Secretary-Treasurer, Provincial Executive Officer, shall cause to have prepared a monthly membership report.

(g) The Secretary-Treasurer, Provincial Executive Officer, shall produce books, vouchers, and any other materials or information to the Finance Committee or Trustees required to carry out their scheduled reviews, upon request in writing, after ensuring the information complies with the Union's statutory and contractual obligations.

**Commented [j8]:** Art 10 Sec 9(g) Georgetti Report pts 6&7

(h) The Secretary Treasurer shall, with the Trustees, direct an annual external audit of the Union and participate in identifying any potential areas of financial concern to the auditors (the "Annual Audit").

**Commented [j9]:** Art 9 Sec 10(h) Currently direction of the annual audit is not clearly defined. Placing the audit in the hands of the Secretary Treasurer and Trustees provides a thorough check and balance.

(i) The Secretary Treasurer, Provincial Executive Officer, shall produce all books, vouchers, and any other materials or information to the auditor(s) conducting the Annual Audit.

(j) Should the auditors provide anything other than an "unqualified opinion\*" on the Annual Audit, the Secretary –Treasurer may follow the steps in Article 6, Section 7.

**Commented [j10]:** Art. 9 Sec 10(j) This language is mirrored in Art 12 Sec 2(b)iii (Trustees). These provisions allow either the Secretary Treasurer or Trustees with a mechanism for independent external intervention to address objectively held concerns provided by an independent external auditor. In practice, given reasonable and legitimate concerns, either the Secretary Treasurer or Trustees would be able to initiate this mechanism through raising their concerns during the audit process (see "Qualified Opinion").

(k) The Secretary-Treasurer, Provincial Executive Officer, shall enforce the terms of the Financial Guide and the Investment Policy Statement.

(l) The Secretary-Treasurer shall meet with an investment advisor as required, but no less frequently than once per year.

**Commented [j11]:** Art. 9 Sec 10 (l) A Secretary Treasurer is not expected to be a financial professional, so professional consultation and guidance should be considered essential.

(m) All investments shall comply with established standards as set out in the *Trustee Act*, R.S.B.C. c-464, as amended.

**Commented [j12]:** Art. 9 Sec 10 (m) Already contained in Constitution..

#### \* Unqualified Opinion

An unqualified opinion means that the report is clean. It is usually expressed when auditors determine that the financial statements of the organization are presented fairly or give true and fair view of the entity's operations, in accordance with the applicable financial reporting framework. It is considered by many professionals as equivalent to a patient's "clean bill of health," hence the term "clean opinion."

#### Qualified Opinion

Qualified opinions are expressed when auditors conclude that they can't express unqualified opinions, and the effects of disagreements with the organization's management or limitation of scope is not so pervasive and material as to require adverse opinions or disclaimers of opinions. It is expressed when auditors take exception to a certain accounting application or are unable to minimize the risk of potential misstatements by their audit procedures.

#### Disclaimer Opinion

When auditors can't express an opinion, they give a disclaimer. This typically occurs when the organization limits the auditors. For example, the company may, for whatever reason, prevent the auditors from performing a specific audit procedure. Auditors also may not be able to render an opinion because of circumstances beyond their control. For example, the audit might have started after the company completed its inventory processes, which means the auditors did not actually observe the inventory. Other instances when auditors may not be able to render an opinion include when books of accounts are not appropriately maintained and when the auditors are unable to perform procedures they believe are necessary.

#### Adverse Opinion

When there is a conflict between the auditor and the organization's management, and the effects of this conflict are high enough to impact the decisions of the users of the financial statements, the auditor may need to take an action more severe than to give a qualified opinion. Misleading or incomplete financial statements also could lead auditors to give an adverse opinion. This opinion typically states that the financial statements are not representative of the actual position or performance of the company's finances. The conflict might be based on the use of an accounting policy that is not acceptable, the method by which they are applied, or the calculation of the accounting estimates made by the organization.

(n) The Secretary –Treasurer shall not create or close any accounts without the prior authorization of the Provincial Executive.

**Commented [j13]:** Art 9 Sec 10(n) Acts in concert with (o) to prevent transactions to unreported accounts.

(o) The Secretary-Treasurer, Provincial Executive Officer of the Union is authorized to transfer money in excess of current expenses, between Union accounts.

(p) The Secretary-Treasurer shall advise the Finance Committee of any professional investment recommendations they are given and/or any investments made. Any investment decision may be reviewed by the Provincial Executive.

**Commented [j14]:** Art 10 Sec 9(p) Creates a higher standard of review for investment decisions made by the Secretary Treasurer.

(q) The Secretary-Treasurer shall obtain the approval of the Finance Committee prior to purchasing any investments contrary to the advice of the investment advisor; such purchases shall be reported to the Provincial Executive.

**Commented [j15]:** Art 10 Sec 9(q) Places a check on the Secretary Treasurer making decisions contrary to the advice of the investment advisor.

(r) The Secretary-Treasurer, Provincial Executive Officer shall deliver a quarterly investment report to the Provincial Executive of the Union. This report will explain any changes and discuss investment direction.

(s) The Secretary-Treasurer shall ensure the Trustees' semi-annual reports are produced and delivered to the Provincial Executive.

**Commented [j16]:** Art 9 Sec 10(s) Georgetti report (pt 6) recommendation to ensure Trustees reports come to the attention of the Provincial Executive.

(t) The Secretary-Treasurer, Provincial Executive Officer of the Union shall cause an insurance policy to be in effect covering employees and Provincial Executive members while on Union business, as well as all other members engaged in Union business authorized by the Provincial Executive for loss of wages or injury in the event of accidents, etc.

(u) The Secretary-Treasurer, Provincial Executive Officer shall be concerned primarily with financial matters. Except where otherwise specified in this Constitution, they will only act on a committee when appointed by the Provincial Executive.

(v) The Secretary-Treasurer, Provincial Executive Officer shall cause to be kept a correct, full and impartial account of the proceedings of each Provincial Executive meeting of the Union, in a minute book.

## ARTICLE 10 - COMMITTEES

### Section 4 - Finance Committee

**Commented [j17]:** Strike Art 10 Sec 4. Add NEW Art 10 Sec 4.

(a) The Finance Committee shall consist of four (4) members. The Secretary-Treasurer, Provincial Executive Officer will be one of those members by right, and will chair the committee.

**Commented [j18]:** Art 10 Sec 4 Georgetti Report – There is currently no working nexus between the Trustees and Finance Committee. Creating this nexus provides more oversight, insight, and hopefully better shared understanding of our financial processes and decisions.

(b) The Finance Committee will have the responsibility of reviewing the finances of the Union, and advising on the creation of relevant policies and administrative procedures.

(c) The Finance Committee shall:

- (i) meet no fewer than four times annually;
- (ii) meet with the investment advisor at the start of each term to discuss investment strategies and direction, and to approve an Investment Policy Statement, which shall be reported to the Provincial Executive in the Finance Committee Report;
- (iii) annually review Union financial policies and, after consulting with the Trustees, make recommendations for any amendments to the Provincial Executive;
- (iv) provide the Trustees with drafts of any recommendations made under subsection 4(c)(iii) no later than four weeks prior to presenting them to the Provincial Executive;
- (v) annually recommend the name of a qualified auditor to the Provincial Executive, following consultation with the Trustees and Union staff; and
- (vi) cooperate in the Annual Audit, including participating in any interviews required by the auditor(s) or Trustees, and providing input to the auditor(s) with respect to any areas of financial concern.

**Commented [j19]:** Art 10 Sec 4(c)iii Ensures strong oversight and review of Union financial policy.

**Commented [j20]:** Art 10 Sec 4(c)iv Ensures more review and oversight of financial policy.

**Commented [j21]:** Art 10 Sec 4(c)v The Finance Committee is at the heart of Union Finances and policy, and is the most appropriate body to provide a recommendation for an auditor. Note: this group is required to consult with both the Trustees and Union Staff. Failure to satisfy those consulted could lead to a qualified opinion from our auditors.

(d) The Finance Committee may:

- (i) review the financial statements and all supporting documentation of any component or local;
- (ii) decide if any officer, staff or other person who handles the union's money or property needs to be bonded;
- (iii) withhold money to any component or local not following financial policies;
- (iv) immediately freeze the funds of any component or local that violates financial policies, subject to review by the Provincial Executive; and
- (v) order any component or local to pay any account run up by, or on behalf of, that component or local.

## ARTICLE 12 - BOARD OF TRUSTEES

### Section 1 - Composition

(a) The Board of Trustees shall consist of three (3) members who may not serve simultaneously on any committee or hold office within the Union.

**Commented [j22]:** Strike Art 12. Add NEW Art 12

**Commented [j23]:** Art 12 Georgetti Report – The Georgetti report recommends a clearer, more focused, less political role for the Trustees. Consequently, these amendments go some way to removing Trustees from any Executive function while empowering them with stronger financial oversight and granting them a mechanism to address their concerns through a neutral third party.

(b) The Board of Trustees shall be elected at each Triennial Convention for a three-year term according to the procedures outlined in Article 14, Section 4. Each term will terminate on the last day in May of the last year of the term.

**Commented [j24]:** Art 12 Sec 1(b) Extends term to allow better handover and keeps Trustees with the Executive they are elected with.

(c) Training shall be provided to the Trustees, at the Union's expense, in order to prepare them for the discharge of their duties, including the conduct of the semi-annual financial reviews. Training shall include an orientation to the Union's finances with the outgoing and incoming Secretary-Treasurers and Trustees (where applicable), and training in financial literacy and effective communication.

**Commented [j25]:** Art 12 Sec 1(c) Georgetti Report recommendation providing for mandatory appropriate training

(d) In the event that the position of Trustee becomes vacant, the Provincial Executive will solicit nominations from the membership for the position of trustee and elect a Trustee from the members nominated.

(e) Trustees of the Union shall be delegates to each Triennial Convention of the Union with voice in matters related to their position, but no vote.

## Section 2 - Duties of Trustees

(a) The Trustees shall not violate or compromise their position of trust. Furthermore, the Trustees shall not engage in the politics of the Union and shall maintain the highest level of impartiality in the oversight of the Union's finances.

(b) The Trustees shall review the finances and financial practices of the Union and shall, at all times, seek to protect and further the good and welfare of the Union. In order to give effect to these duties, the Trustees:

- (i) shall review the financial accounts held by the Union office twice annually: six months into the fiscal year and immediately prior to the Annual Audit. The Trustees may interview any member of the Finance Committee or the Provincial Executive as a part of these reviews and shall provide a report of their findings to the Secretary-Treasurer;
- (ii) shall, with the Secretary-Treasurer, direct the Annual Audit and participate in identifying any potential areas of financial concern to the auditor(s);
- (iii) shall have access to component or locals' financial statements and any supporting documentation, upon written request to the components or locals, once the Union has ensured the information complies with the Union's statutory and contractual obligations;
- (iv) shall annually review the component and locals' finances, and shall report any issues or concerns to the Provincial Executive;

**Commented [j26]:** Art 12 Sec 2(b)i Provides more specific direction for financial review, lines up financial reviews with the yearly audit, and empowers Trustees to interview Executives and Finance Committee members. This point also acknowledges Georgetti Report pt 4, where we feel prescribing how much time is spent on a financial review may be the wrong approach, but where providing unlimited time for review four times a year is also unreasonable. Brother Georgetti's suggestion was two days four times a year for the financial reviews. This clause gives no time limit two times a year, lined up and opposite to the financial audit respectively.

**Commented [j27]:** Art 12 Sec 2(b)ii Georgetti Report pt 6 recommendation mandates Trustee participation in the audit, mirrored in art. 10 sec 9(h).

**Commented [j28]:** Art 12 Sec 2(b)iii & iv Ensures local accounts will be subject to financial review from our Trustees

- (v) shall review any policy recommendations proposed by the Finance Committee, and may provide comments on those recommendations for the consideration of the Provincial Executive;
- (vi) may propose recommendations to the Finance Committee or the Provincial Executive;
- (vii) shall sign such inventory immediately preceding the Convention and report damage and loss to the Provincial Executive; and
- (viii) shall cause to have presented a general report of the financial business of the Union at the subsequent Provincial Executive meeting following any audit.

**Commented [j29]:** Art 12 Sec 2(b)iv SEE Art 10 Sec 4(c)iii Provides expanded oversight.

(c) Should the auditors provide anything other than an “unqualified opinion” on the Annual Audit, the Trustees may direct their Chair to follow the steps in Article 6, Section 7.

**Commented [j31]:** Art 12 Sec 2(c) SEE Art 9 Sec 10(j)

(d) Should a petition signed by forty percent (40%) of the membership be forwarded to the Trustees, regarding the operation of the Union or state of the Union as a whole, the Trustees shall review the petition and membership information to ensure the petition is in compliance with the requirements of this section. Where a petition is in compliance, their Chair shall follow the steps in Article 6, Section 7.

**Commented [j32]:** Art 12 Sec 2(d) replaces Art 12 Sec 2(f). Raises the petition threshold to 40%, a far more common threshold for such petitions. Removes unlimited power and discretion granted to the Trustees should a petition be accepted, and in its place invests temporary authority in a neutral third party (NUPGE).

## ARTICLE 15 - BALLOTING PROCEDURES

### Section 7 - Counting the Ballots

**Commented [j33]:** Amend Art 15 Sec 7(b)

(a) On the appointed date, the Provincial Returning Officer together with the Provincial Assistant Returning Officer, in the presence of scrutineers, shall check the number of ballots against the number of signatures on the endorsed signature sheets, ensuring that there are no irregularities and place the ballots in a common ballot box. The common ballot box shall then be opened, ballots counted, recorded and reported to the Provincial Executive in writing.

(b) If any irregularities have been charged to occur during the counting of ballots, and the Provincial Returning Officer and/or Provincial Assistant Returning Officer deems that charge may have merit, they shall request a pre-appointed NUPGE arbiter to investigate the charge, to determine the validity of the charges, and order any action deemed by them to be appropriate. The Returning Officer and Assistant Returning Officer will make themselves available to the arbiter and provide the arbiter with any requested assistance.

**Commented [j34]:** Art 15 Sec 7(b) Currently, our Trustees are able to “order any action deemed appropriate” in the event an election irregularity is alleged. Placing this authority in a neutrally appointed third party provides a much cleaner, more objective resolve. The decision to use a NUPGE appointed arbiter to determine resolve *after* a decision about the merit of the charge was made on the suggestion of NUPGE. This is reflected in sec. 10 as well

### Section 10 - Holding Ballots After Vote

The Returning Officer will hold fleetwide referendum ballots for a period of six (6) months prior to their being destroyed, allowing access to members in good standing. Members have the right to lodge a grievance or complaint to the Provincial Returning Officer and/or Provincial Assistant Returning Officer. If either the Provincial Returning Officer and/or Provincial Assistant

**Commented [j35]:** Amend Art 15 Sec 10

Returning Officer deems that charge may have merit, an inspection of the balloting shall be coordinated through and under the supervision of a NUPGE-appointed arbiter who may order any action deemed by them to be appropriate.

**Commented [j36]:** Art 15 Sec 10 This change is made for the same purpose as the amendment to Art 15 Sec 7(b). The recipient of the charge is changed from the Provincial Executive to the Returning Officer to help avoid potential conflict of interest from elected officials.

## ARTICLE 19

*Strike Article 19(9)*

## ARTICLE 23 - UNION POLICY

(j) Upon a request in writing to the Provincial Executive, and subject to a consideration of applicable legislation and privilege, union members shall have access to all Union records as determined by the Provincial Executive.

**Commented [j37]:** Strike Art 23(j). Add **NEW** Art 23(j) Georgetti Report pt 7. Clarifies Union's legal and privacy obligations

## APPENDIX "A" – POLICY

... Complaints of harassment should be immediately reported to the President, Provincial Executive Officer, or the Ranking Elected Officer that may be in attendance where the harassment occurs...

**Commented [j38]:** Appendix "A" Amend Policy to place harassment complaints within the hands of the Executive. This removes Trustees from potentially politically charged situations.