

**CANADA SOCCER**  
**FINAL GOVERNANCE REVIEW REPORT**



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May 3, 2024

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## EXECUTIVE SUMMARY

Canada's Sport Minister and Sport Canada **requested this independent governance review**. To continually improve its organization, Canada Soccer (CS) took the opportunity to ask for a fulsome review of its governance. Our firm, LBB Strategies, which has performed similar governance and strategic reviews for many organizations, conducted its review between September 2023 and April 2024 (the review period).

The **first chapter** presents the review's scope and the methodology we adopted to conduct it. The review included a comprehensive review of CS's governing documents, such as the applicable legislations, the FIFA's governing statutes documents and a thorough stakeholders' consultation.

The **second chapter** presents the essentials of good governance with relevant references.

The **third chapter** describes the key legal and governance framework that CS is subject to. In general, CS shall comply with the Law, its own Bylaws and policies, the FIFA Statutes and, as a condition of federal funding, the Canadian Sport Governance Code (as amended from time to time). CS shall also be guided and inspired by exemplary governance practices provided by international governance resources developed by sports organizations such as the IOC and others referenced in this chapter.

The **fourth chapter** focuses on the actual analysis of CS's governance. It analyses CS's compliance with the Canadian Sport Governance Code, Bylaws and policy issues, financial transparency, stakeholders' engagement, safe sport and DEI and other important aspects of good governance. Generally speaking, the analysis concludes that CS's governance has many strengths that need to be continued and leveraged but also important gaps that will require modernization, innovation and change. CS has demonstrated that it has a solid policy framework, as well as a safe sport, DEI recommended best practices. CS's board has demonstrated good diligence and stewardship during the review period. Frankly, the Board was in a difficult situation focusing on managing the organization without a CEO while simultaneously trying to deal with a crisis related to the CSB contract and the negotiation of the National Teams' CBAs.

Many Bylaws issues were identified such as the composition and independence of the Board, the election of the President and Vice-President, the role (or lack) of the Nominations Committee, the number of years a Director can service on the Board, the imbalanced membership voting structure and the role of the Members Council to name a few. The lack of a strategic plan embraced by the stakeholders, the weak communication and the lack of financial transparency were also identified as important issues. All issues resulted in a series of recommendations.

The **fifth and final chapter** proposes 8 key recommendations issued from the analysis and best governance standards and practices. Recommendation 1 covers Bylaws modernization. Recommendation 2 refers to the Athlete's engagement. Recommendation 3 is about improving the CS's Standing Committees. Recommendation 4 is about the Board's evaluation and skills matrix. Recommendation 5 is about the Board's onboarding and education on good

governance. Recommendation 6 is about strategic planning. Recommendation 7 covers the issues of transparency and engagement. Finally, recommendation 8 refers to the development of an alignment strategy on DEI and safe sport.

The first key recommendation is to modernize CS's Bylaws and strike an advisory governance expert working group to assist CS in improving its Bylaws on issues such as the CS membership voting structure, Board composition, number of years on the Board, independence of Directors, the role of the Nominations Committee and the role of the CEO in hiring the National Teams Coaches. Simplifying or streamlining the Bylaws is also recommended especially related to the sections on the Nominations process and Committee and the Members Council. Other recommendations include the importance of actively engaging the athletes, the enhancement of the Committees' responsibilities, the development of an engaging strategic plan created in consultation with CS's stakeholders, a comprehensive risk registry, a more robust governance onboarding and training program, a corporate communication strategy and policy, and a system-wide DEI and safe sport plan.

The review concludes that many of these recommendations are implementable, with some being easier to implement than others. The critical and most urgent issue is the modernization of the membership voting structure, which will require innovation, trust, openness, and simplification. We wish to acknowledge that the Board and the new CEO have made significant efforts in 2024 to modernize CS governance.

# 1. CHAPTER 1 : ABOUT THIS REVIEW

## 1.1. Background

Canada Soccer (“CS”) is a not-for-profit corporation governed by the Canada Not-for-Profit Corporations Act, SC 2009, c 23 (“CNCA”). CS is also a Registered Canadian Amateur Athletic Association (“RCAAA”), a designation under the Income Tax Act, RSC 1985, c 1 (5th Supp). CS, as the official governing body for soccer in Canada, in partnership with its Members and stakeholders, promotes the growth and development of soccer in Canada, from grassroots to high performance, and on a national scale. Soccer is the largest participatory sport in Canada and is considered the fastest growing sport in the country. There are nearly 1,000,000 registered CS active participants in Canada within 1,200 clubs that operate in 13 provincial/territorial Member Associations (“PTMA”). CS’s headquarters is in Ottawa and there are approximately 60 employees across the country. CS is affiliated with and is the Canadian governing sport organization recognized by the Fédération Internationale de Football Association (“FIFA”), the Confederation of North, Central American and Caribbean Association Football (“Concacaf”), the Canadian Olympic Committee (“COC”) and the Government of Canada (Department of Canadian Heritage - Sport Canada).

In May 2023, the Department of Canadian Heritage (Government of Canada) has requested that CS engages a fully independent third party to conduct a governance review. The review is to entail a comprehensive review of CS’s governance structures, systems, and processes, including financial decision-making and transparency which takes into consideration the provisions of the Canadian Sport Governance Code (“CSGC”) and governance and legal requirements.

CS, wishing to respond to a Department of Canadian Heritage’s request for a governance review and to improve its governance, retained the governance services of our legal and strategic consultancy firm LBB Strategies ([www.lbbstrategies.com](http://www.lbbstrategies.com)).

Through our organizational enhancement mandates, we have assisted many provincial, national, and international sport organizations in their evolution and transformation, particularly by helping them assess their organizational performance and capabilities (such as in the areas of governance, legal, operational excellence, finance, programs and services, sport development and high performance) and make purposeful strategic decisions to optimize sustainable growth and organizational excellence.

## 1.2. Scope of review

The review’s main focus is to critically assess CS’s governance and provide meaningful and progressive recommendations aimed at improving its governance so CS can continue to strive to be a best-in-class organization. CS’s desired outcomes and expectations with this review are, among others, to assess and answer the following questions and issues:

- *Are CS’s By-Laws and its governance structures, processes, and policies (including those related to finances) in line with current best practices, and compliant with the requirements of the Canadian Sport Governance Code?*

- *Are financial decision-making processes transparent and consistent with CS's mission and values?*
- *Does CS's Board of Directors exercise an appropriate degree of oversight of senior management?*
- *Is senior management properly structured and constituted, with clearly defined roles, to oversee the operations of CS, from the grassroots level to the high-performance level?*
- *Do CS's present policies and practices ensure that its decision-making is transparent?*
- *Based on its structures, policies and processes, does CS ensure that its members and stakeholders are effectively represented and embrace equity, diversity and inclusion?*
- *Are CS's Members familiar with safe sport measures such as the Office of the Sport Integrity Commissioner ("OSIC"), Abuse-Free Sport, and the Universal Code of Conduct against Maltreatment in Sport ("UCCMS")?*
- *In the area of governance, are there any other actions that the Board of Directors and senior management could take to improve the confidence Canadians have in CS?*

In addition to these questions and issues, the following critical governance issues were identified by CS's stakeholders during the strategic ideation session about the future of soccer held at the 2023 Annual Member Meeting ("AMM"):

- *Governance - There is a need for improved governance and decision-making processes, including stakeholder integration and addressing power imbalances. Transparent communication, accountability, and alignment between governing bodies and stakeholders are essential to enhance the overall effectiveness of the system.*
- *DEI - Issues persist within Canadian soccer, ranging from potentially discriminatory practices and biases to disparities in player pathways and leadership positions. Embracing DEI initiatives is crucial to creating a more inclusive and equitable environment for all participants.*

### ***What this review is not about***

For clarity, this review is not meant to be a governance or financial audit, an investigation on CS's governance including the issues revealed in the course of the review such as the Canada Soccer Business's agreement ("CSB"), the National Teams' Collective Bargaining Agreements ("CBA"), other legal issues, nor does this review cover the assessment of historical governance related facts or issues including the facts that led to the change of leadership at CS at the 2023 AMM (for both the President and General Secretary).

The review is solely based on the governance's related facts, situations, and events contemporary to the period of the review (September 2023 to April 2024) assessed through and informed by the governance and governing documents that were made available to us and the inputs received from a wide range of stakeholders. Even though we received many inputs on operational issues, the review doesn't cover an analysis of the operational or management's performance or effectiveness except when governance issues relate to management or operations. Finally, this review doesn't constitute a fulsome Bylaws or policies review or legal opinion on governance considerations even if we refer to and discuss several Bylaws, policies, and the Law in general in this report. All considerations and recommendations contained in this

report will need to be validated by CS's legal counsel and LBB and Benoit Girardin take no legal responsibility for the content of this report.

Contextually, it is important to note that during the review period (September 2023 to May 2024), CS had an interim General Secretary (the "GS") until December 2023, conducted an executive search that resulted in the selection, in January 2024 of a GS that immediately withdrew her candidacy after being selected (and announced) and finally hired its new GS in February 2024 (who started in mid-March 2024).

In reality, the Board of Directors had to manage a governance and leadership transition following the 2023 AMM, while dealing with the burning issues such as this review, the CSB, the CBAs and the financial situation, ensure the ongoing day-to-day business and operations with an interim GS and conduct an executive search process at the same time. That's why we say, despite the criticisms we heard that this Board was diligent and acted as quickly as possible in the circumstances and in the best interests of CS.

That said, it was a challenging period for us to obtain all the information necessary to conduct a thorough review. We were still receiving information at this final stage of the review. Again, we have based this review solely on the information we obtained and analysed during the review period.

We wish to acknowledge the genuine and full collaboration, openness, and support from CS's Board and Committees members, CS's GS and Chief Operating Officer, CS's employees and CS's Members during the entire review process.

### **1.3. Methodology**

To achieve CS's desired outcomes and perform this governance review, we deployed a methodology divided into 2 phases that began in September 2023 and ended with the presentation of the final report at the 2024 AMM in May 2024. The phases are described as follows:

#### **Preliminary phase: Kickoff meeting – September 2023**

This preliminary phase focused on agreeing on the scope of the review and desired outcomes, key project milestones, inventory of documents, scope of consultation and targeted interviewees, reporting mechanism, content of final report, and administrative considerations.

#### **Phase 1: Current state analysis - documentary analysis and stakeholders' consultation – September 2023 to April 2024**

**Firstly**, this phase focused on performing a comprehensive analysis of key CS's corporate, governance, operational and legal documents (Bylaws, key legal documents, policies, committees' terms of references, Board and Committees minutes, the Sport Canada governance report card, operational and strategic plans, sport development and HP plans, annual reports and audited financial statements, budget templates and practices, HR chart and key job descriptions, FIFA/Concacaf official documents and statutes, etc.), and other applicable

documents such as the Canadian Heritage Standing Committee minutes and the McLaren report.

**Secondly**, informed by the documentary review, LBB planned and conducted a stakeholders' engagement and consultation process comprising of input gathered from questionnaires and individual and group interviews with key stakeholders such as Athlete, representatives, Coaches, CS's staff, CS's Board and Committees members, CS's Voting Members (PTMA, leagues, professional clubs, officials, coaches), CS's contractors and other targeted stakeholders. The list of stakeholders consulted in this process can be found in Appendix 1.

We conducted over 40 individual and 8 group interviews with CS's stakeholders and received 20 supplementary questionnaires that represent each person's perspective interpreted through a personal lens of experience, knowledge, and values. We noticed that not all stakeholders were experienced, knowledgeable, and versed in governance which sometimes influenced the quality and relevance of the inputs. In addition to addressing the targeted review questions and issues, the interview findings included a range of current and sometimes historical and conflicting perspectives. Even if interviewees had divergent views on specific issues, common governance themes emerged and are discussed in this report. Taken together, the interview results gave us a good sense of CS stakeholders' perspectives on CS's governance. Their perspectives matter significantly in such a review given that good governance requires optimal stakeholders' engagement and transparency with those who are impacted by governance. The interviews covered the key governance questions addressed and analyzed in this report. You can find in Appendix 2 the key questions and issues discussed with the interviewees.

**Thirdly**, LBB researched and considered other sport organizations' exemplary governance models. When relevant, we refer to those models in the report. The list of comparable models include Swimming Canada, Rugby Canada, Equestrian Canada, Basketball and Golf Canada can be found in Appendix 3.

## **Phase 2: Governance review report – March to May 2024**

Due to the non-availability of a few interviewees, we had to extend the interview period to April 2024 which caused some delay in the drafting of the report. That said, we were able to present the final report at the AMM. This phase focused on drafting this final report that includes an executive summary, the situation analysis, the consultation results, and governance enhancement recommendations tailored to the reality of CS and inspired by the principles and standards of EDI, Safe Sport, the Canadian Sport Code of Governance, and best modern governance practices. The final report was first presented to CS's Board and CEO and then to the Members at CS's AGM in May 2024 (PowerPoint presentation).



## 2. CHAPTER 2: ABOUT GOOD GOVERNANCE

*Good governance is not a guarantee of success, but bad governance ensures failure.*

The game of sports is changing contemporary governance structures and sporting organizations should regularly consider how their governance structures allow them to best achieve their purpose, respond to the challenges of a changing environment and deal with unethical behaviours that threaten sports in general<sup>1</sup>. As such, governance is not static and constantly needs to evolve and adapt to the evolution of sport and societal changes and be progressive. We find that Canada Soccer is now at a stage of reform and modernization of its governance.

Participants, stakeholders, and the public expect that those who are entrusted and empowered to lead the organization follow the highest standards of good governance. To reduce the consequences of bad governance, good governance is now the norm and is a requirement of many funders or international governing bodies. By doing this review and wanting to improve its governance, Canada Soccer is doing the right thing to best service the interests of its stakeholders and soccer in Canada.

Governance refers to the processes and structures used to direct and manage the organization's operations and activities. It defines the division of power and roles and establishes mechanisms to achieve accountability among stakeholders, the board of directors, and management. *Good governance* systems are designed to help organizations focus on their purpose and the activities that contribute most to their overall objectives, use their resources effectively, and ensure that they are managed in the best interests of their stakeholders<sup>2</sup>.

Governance can be summarized in 3 components: **structure, people, and culture**.

**Structure** means that the organization has adopted proper enabling Bylaws, policies, procedures, systems and bylaws to ensure good governance.

**People** means that those who have a decision-making role in the organization must act with integrity in compliance with the Law and the governing rules of its organization, meet the standards of good governance and act in the best interests of soccer in Canada and CS. They shall clearly understand and accept the role they play in the organization's structure.

**Culture** refers to the values *People* embrace, and their behaviours and interests related to governance. The organization, its *People* and stakeholders must accept and endorse a value-based culture of good governance and good sport in which integrity, the interests of CS and its stakeholders shall prevail.

In most governance reviews that we perform, including this one, the issues often originate from a dysfunction in the Structure, People or Culture of the organization. We cover these themes in this review.

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<sup>1</sup> Sport governance principles - the Australian Sports Commission (Australian Government), March 2020

<sup>2</sup> The Effective Not-for-Profit Board A value-driving force, Deloitte

Governance, boiled down to the essentials, requires strategic direction, oversight and control, and accountability from a leading governing body. Effective or good governance should:

- *Clarify the organization's purpose and values in consultation with its stakeholders and with those on whose behalf it exists*
- *Identify the internal and external risks involved in fulfilling the purpose in alignment with its values*
- *Direct and control the organization in a manner that enables proper reporting*
- *Be integrated into a single, holistic, open, forward-looking, effective, efficient, and empowering system that starts and ends with accountability.*

Good governance requires clear delineation, understanding and acceptance of the role and responsibility between **Voting Members, the Board of Directors, and Committees such as the Members Council and the CEO**. All parties must understand and accept their role. Generally, a Member shall not interfere with the Board and CEO decisions. The Board shall not interfere and manage the operations and the CEO shall not act as if he or she was a Director or a Member. If all parties understand and accept to play their respective governance role, a culture of good governance will emerge.

The **Voting Members** own the Bylaws and shall elect, democratically and in full obedience to the Law and Bylaws, the Board of Directors and perform other duties as prescribed in the CNCA, including approving, by special resolution (2/3), any fundamental changes (as prescribed in section 197 of the CNCA). Once the Voting Members elect the Board, they shall accept the delegation of authority vested in the Board and empower the Board to manage the affairs of the organization and fulfill its fiduciary responsibility in the best interests of the organization. The Members shall not interfere in the Board or CEO decisions except in exceptional circumstances as permitted under the CNCA. If Members are involved in Committees such as the Members' Council, they shall act in an advisory and supportive role to the Board or the CEO, not as if they were exercising their rights as Members under the Bylaws. This dual role often causes confusion as Members believe, because they are also the Voting Members, that they should be involved in the CEO on the Board's decisions. These two roles must be clearly defined in CS's policies and Bylaws and ongoing education is required.

Essentially, as prescribed in the CNCA, the Members decide, through the adoption of the Bylaws, on issues such as:

- Membership (types of members, rights of members, membership fees, how members are chosen),
- Annual general membership meetings, voting rules, voting processes (including voting electronically, by email, teleconference or by proxy) and membership revocation
- Board (composition, role, appointment, and removal)
- Appointing an external auditor
- Dissolving the organization and disposing of its assets
- Any fundamental changes as defined in s. 197 of the CNCA

Bylaws shall respect the Canadian Sport Governance Code's requirements, the CNCA and good governance in general. The organization is responsible for educating its Members on

legal, FIFA, and governance requirements and standards, enabling them to adopt modernized Bylaws effectively.

The **Board of Directors**, once elected by the Members, must perform its fiduciary duty as prescribed by the CNCA and Bylaws. The Board is ultimately and legally accountable to its Members and stakeholders including the general public. A good Board will focus on governance, strategy, risk management and control, accountability, and general financial and management oversight.

In addition to their legal duties, the Directors must constantly balance their independent fiduciary oversight duty with their role to offer added value and support to their stakeholders and senior management team. The key to better governance lies in the working relationship between boards and managers, in the social dynamics of board interaction, and in the competence, integrity, and constructive involvement of individual directors<sup>3</sup>.

As suggested by Dr. Elspeth Murray who taught the COC/Smith School of Business Governance Series, a good Board:

- *Clearly distinguish between the roles/responsibilities of the board and management*
- *Get the basics right - size of the board, use of committees*
- *Ensure appropriate oversight*
  - *Planning, strategy, risk*
  - *Oversight/reporting processes (scorecard),*
  - *Risk management (risk register, contingency plans)*
- *Get the best people and ensure there are no gaps - Competencies/skills matrix*
- *Ensure good group (within board, between board and management) communication and decision-making processes, so that great people will make smart decisions*
  - *Norms of behaviour as Directors and as Board (established, adhered to)*
  - *Appropriate use of committees to advise and inform the Board*

Dr. Murray also reminds us of the key responsibilities of the Board which are to:

- *Set the organization's mission and ensure the organization's strategy achieves that mission*
- *Monitor the organization's performance and hold management accountable for it*
- *Select, evaluate, support, and if necessary, replace the CEO/ED/GM*
- *Develop, protect and conserve the organization's resources (funds and facilities) and evaluate potential risks to them*
- *Serve as a bridge/buffer between the organization and its environment*

Individually, Directors have the legal and fiduciary duties to:

- *Attend all board and committee meetings and functions*
- *Stay informed about the organization's mission, services, policies, and programs*
- *Review (consent to) agenda and materials prior to board and committee meetings*
- *Serve on committees or task forces and take on special assignments*
- *Respect the role of staff and not interfere with operations unless risk management or fiduciary responsibilities justify doing so*
- *Assist the board in carrying out its fiduciary responsibilities*
- *Avoid situations of conflicts*

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<sup>3</sup> David A Nadler, "Building Better Boards", Harvard Business Review, 82(5), 2004.

- *Abide by the organizational Bylaws, policies, and the Law*
- *Ensure confidentiality is respected and balanced with transparency*
- *Stand behind and support the decisions made by the Board even if dissenting opinion*

As prescribed or suggested legally and by best governance practices, the Directors' responsibilities and duties are as follows:

FIDUCIARY	A Director holds a position of trust and must act honestly, in good faith and in the best interests of the organization. A Director has an obligation of loyalty and duty to uphold the integrity of the organization.
SKILL AND DILIGENCE	A Director must exercise that degree of skill and diligence that can reasonably be expected from someone of his or her knowledge and expertise.
DUTY OF CARE	A Director has a duty to be informed about the state of the business and affairs of the organization. This responsibility includes ensuring that the organization is properly managed, and its property and assets suitably cared for.
CONFLICT OF INTEREST	A Director must not let personal interests or the interests of a third-party conflict with those of the organization. If a conflict arises, the Director is forbidden from exploiting his or her position and shall recuse him or herself. A Director must not allow his or her conduct as a Director to serve personal ends. A Director who is in any way, directly or indirectly, interested in a contract or arrangement with the organization must declare his or her interest at a Board of Directors' meeting and subsequently refrain from any involvement in decisions around such contracts or arrangements
CONFIDENTIALITY	Directors are not permitted, either during or after their term of office, to use information deemed confidential by the organization.

Roles and responsibilities are well defined in the CS Governance policies (January 2022).

The role of the Board of Directors' **Chair or President** is to lead the Board's activities and meetings, not to direct strategy and make operational decisions. The Board (not the Chair or President) sets the direction, and the CEO develops and deploys the strategy to achieve it. As stated in section 8.02 of CS Bylaws, *the President represents CS and speaks for the Board, ensuring CS's mission, strategic direction, policies and values, as defined by the Board, are protected and advanced.*

The role of the **CEO**, who is accountable to the Board, is to

- *manage the day-to-day operations,*
- *develop and execute the strategy to meet the mission and vision,*
- *ensure the policies are followed,*
- *develop a risk registry and keep the Board informed on risks,*
- *support the board on its decisions, general oversight, and accountability.*

The following chart summarizes well the delineation of roles between the Board and the CEO<sup>4</sup>.

<b>Governance: provide the framework</b>	<b>Management: Does the work</b>
Emphasis on Vision, Values, and Vigilance	Implements the vision within associated framework of resources/conditions
Sets Destination	Selects course/strategy to destination
Fiduciary Transparency	Ensures efficient use of resources

<sup>4</sup> Adapted from Dr. Elspeth Murray's COC/Smith School of Business Governance Series workshop

Monitors Performance of the organization and CEO	Assesses if current strategy is achieving desired results and adjusts it accordingly, appraises the performance of staff
Ensures accountability	Reports on Progress and Milestones Achieved

It is therefore paramount that an NSO such as CS promotes and adopts good governance culture and practices within its organization and ecosystem. CS shall provide ongoing information, training and education on good governance to its Members and Board, especially on the sharing of roles and responsibilities and conflicts of interest.

### 3. CHAPTER 3: CS LEGAL AND GOVERNANCE FRAMEWORK

To perform a thorough governance review, the reader needs to understand the legal, sport and governance framework that CS is subject to. This chapter highlights the key legal and governance considerations relevant to this review.

#### 3.1. Legislative framework

As a federal not-for-profit corporation, CS is subject to the Canada Not-for-profit Corporations Act, SC 2009, c 23 (“CNCA”) and the Income Tax Act as a Registered Canadian Amateur Athletic Association (“RCAAA”) and all applicable federal laws. Given that CS is headquartered in Ontario and has employees and conduct activities across Canada, CS is subject to the Ontario and other provincial/territorial laws. CS shall also comply with its corporation’s articles, Bylaws, policies, FIFA and Concacaf Statutes and legal principles developed by the courts.

##### 3.1.1. Canada Not-for-profit Corporations Act (“CNCA”)

The CNCA provides the foundation rules for all incorporated sports organizations such as CS. In particular, the CNCA establishes the key duties and responsibilities for directors and the rights of voting members. The key legal responsibility of the elected directors under the CNCA is to “*manage or supervise the management of the activities and affairs*” of the corporation and fulfill their fiduciary duty of care, diligence, and compliance in full honesty and good faith always putting the interests of the corporation (CS) at the center of their decisions and actions.

As a soliciting corporation as defined in the CNCA (meaning a corporation that receives more than \$10,000 in income from public sources in a single financial year), CS must comply with additional requirements to ensure sufficient transparency and accountability for that income, such as complying with specific requirements for public accountants and financial review and sending financial statements and the report of the public accountant to the Director appointed by the Minister of Innovation, Science and Industry in accordance with the CNCA.

Many references to the CNCA are made throughout this report.

##### 3.1.2. Registered Canadian Amateur Athletic Association (“RCAAA”) under the Income Tax Act

CS is a RCAAA that has applied to the Canadian Revenue Agency for registration, has been registered and whose registration has not been revoked. Under the Income Tax Act, RSC 1985, c 1 (5th Supp), a “RCAAA or Canadian amateur athletic association” is defined as an association that:

- (a) *was created under any law in force in Canada;*
- (b) *is resident in Canada;*
- (c) *has no part of its income payable to, or otherwise available for the personal benefit of, any proprietor, member or shareholder of the association unless the proprietor, member or shareholder was a club, society or association the primary purpose and primary function of which was the promotion of amateur athletics in Canada;*
- (d) *has the promotion of amateur athletics in Canada on a nationwide basis as its exclusive purpose and exclusive function; and*
- (e) *devotes all of its resources to that purpose and function.*

### 3.2. CS Bylaws and governance policies<sup>5</sup>

#### 3.2.1. CS Bylaws (May 2023)

CS Bylaws constitute the governance foundation that CS and its Members shall always follow. In particular, CS Bylaws provide the governance framework for the rights and obligations of Members, the Voting membership structure, the eligibility of Directors and the composition of the Board of Directors, the role and responsibilities of elected Directors and of the standing Committees and Judicial Bodies. Many Bylaws issues are discussed and covered throughout this report.

#### 3.2.2. CS governance policies

In addition to its Bylaws, CS adopted the following governance policies and documents which shall be complied with by the Board of Directors and CS Members. The main ones are:

- ***Governance policies (January 2024)*** – This document sets forth the key governance policies of CS and defines the roles and responsibilities of, and relationships between, the Board of Directors and its Directors, Officers and Committees. Good corporate governance is vital to the effective and efficient operation of CS. It entails establishing, maintaining, and enhancing structures and processes to achieve accountability, transparency, diversity, equity, inclusiveness, the pursuit of strategic objectives, and high standards of ethical behavior.
- ***Basic principles of good governance (September 2023)*** – This document provides the governance standards and principles in the areas of accountability, equity and inclusiveness, separation of powers, representative democracy and affirmation and protection of positive values.
- ***Canada soccer guide to accessibility & inclusion*** - The Canada Soccer Guide to Accessibility and Inclusion (the Guide), as an element of the Canada Soccer Club Licensing Program, presents information, resources, and guidance to support the development of accessible, inclusive, and welcoming soccer environments. “Becoming a diverse and inclusive organization is an ongoing process and is about developing the capacity to become more diverse and inclusive, which will help to ensure that issues of inclusivity are considered on a regular basis.
- ***CS Risk Management Policy (March 2018)*** - CS recognizes that there are risks inherent in all facets of our governance, program delivery and business operations. CS is committed to managing risks to the organization.
- ***CS Disciplinary Code (“CSDC”) (January 2020)*** – The CSDC 1) specifies the organization, procedures and functions of the Judicial Bodies of CS, 2) describes the disciplinary processes CS will follow when the FIFA Laws of the Game, CS Code of Conduct and Ethics, CS Rules and Regulations, Canadian Anti-Doping Policy, FIFA Anti-Doping Regulations and any/all CS Competition Regulations are breached, and 3) specifies the disciplinary measures or sanctions that may be imposed. The CSDC applies to all categories of membership defined in 2.01A of the CS Bylaws and to Officials, players and individuals employed or engaged by CS. The Code also applies to the Directors of the Member Associations, Professional Club Members or League Members or any other individuals who perform duties on behalf of Members when the Members are engaged in soccer activities, whether on or off field, sanctioned by CS.

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<sup>5</sup> CS Bylaws and policies can be found at <https://canadasoccer.com/about-landing-page/about-resources/>

- **CS Whistleblower Policy (September 2023)** – The purpose of this Policy is to encourage and enable individuals to safely report allegations of actual or potential Wrongdoing without fear of reprisal.
- **CS budget principles and process (November 2019)** – This document states that the budget is a key means by which Canada Soccer sets financial criteria for its performance. The process by which the budget is formulated and approved arises from the recognition that the board's role is to govern and management is responsible for the operations. More specifically, the board is responsible for approving the budget, while management's role is to design and prepare a budget for the board's approval.
- **CS Conflict of Interest Policy (November 2020)** - The purpose of this Policy is to a) protect CS against ethical misconduct and possible criminal activity that can start with a conflict of interest, b) protect Directors and members of Committees by establishing a process for disclosing conflicts of interest, and c) eliminate any possibility of favouritism, cronyism, patronage and unfair advantage, or perceptions thereof, in transactions involving CS. The Board is responsible for enacting measures that ensure that an effective policy framework and culture exists regarding actual, perceived and potential conflicts of interest. The Conflict-of-Interest Policy applies to the Board and Committees. The expectation is that all Directors and members of Committees shall perform their duties and arrange their personal affairs in such a manner that confidence and trust in the integrity, objectivity, and impartiality of CS are maintained at all times. They must demonstrate the highest standard of care in order to avoid not only real conflicts of interest but the appearance of such conflicts. The Policy supplements but does not replace, any applicable Federal and/or Provincial/Territorial laws and regulations governing conflicts of interest.
- **Executive Limitations Policy (November 2020)** – The Executive Limitations policy describes boundaries for the General Secretary established by the Board of Directors of CS. The Executive Limitations are guided by the following governance principles:
  - The Board needs to maintain oversight of internal operations because it is accountable for all organizational activity; yet the Board needs to be free from operational matters so that it can get its own job done.
  - The Board, through its Executive Limitations policy, establishes limitations on the authority of the General Secretary and then allows the General Secretary latitude to use all reasonable, prudent and ethical means to carry out the responsibilities of his/her position.
  - The Board reserves the right to alter the Executive Limitations from time to time and shall consult with the General Secretary before doing so.
- **CS Code of Conduct and Ethics (2016)** - The purpose of the CS Code of Conduct and Ethics is to ensure a safe and positive environment (within CS's programs, activities, and events) by making individuals aware that there is an expectation, at all times, of appropriate behaviour consistent with CS's core values. CS supports equal opportunity, prohibits discriminatory practices, and is committed to providing an environment in which all individuals are treated with respect. This Code applies to Officials, Athlete Members, Life Members, players and individuals employed or engaged by CS. The Code also applies to the Directors of the Provincial / Territorial Association Members, Professional Club Members or League Members or any other individuals who perform duties on behalf of these Members when the Members are engaged in soccer-related activities sanctioned by CS. This Code focuses on the conduct of actions on and off the field of play. Any breach of this Code will be addressed as described in the CS Disciplinary Code.



### **3.3. Federation Internationale de Football Amateur (“FIFA”) Statutes and the Confederation of North, Central America and Caribbean Association Football (“Concacaf”)**

As the Member association for Canada duly recognized by FIFA, CS is subject to and shall comply with FIFA Statutes (“Statutes”) including directives on governance issues made by FIFA and Concacaf from time to time. CS must ensure FIFA and/or Concacaf are consulted and endorse changes to its Bylaws. The Statutes contain various provisions regarding governance. In particular, Section 14 of the Statutes stipulates that the Member associations have the following obligations:

- (a) to comply fully with the Statutes, regulations, directives and decisions of FIFA bodies at any time as well as the decisions of the Court of Arbitration for Sport (CAS) passed on appeal on the basis of art. 56 par. 1 of the FIFA Statutes;*
- (b) to take part in competitions organized by FIFA;*
- (c) to pay their membership subscriptions;*
- (d) to cause their own members to comply with the Statutes, regulations, directives and decisions of FIFA bodies;*
- (e) to convene its supreme and legislative body at regular intervals, at least every two years;*
- (f) to ratify statutes that are in accordance with the requirements of the FIFA Standard Statutes;*
- (g) to create a referees’ committee that is directly subordinate to the member association;*
- (h) to respect the Laws of the Game;*
- (i) to manage their affairs independently and ensure that their own affairs are not influenced by any third parties in accordance with art. 19 of these Statutes;*
- (j) to comply fully with all other duties arising from these Statutes and other regulations.*

According to Section 15 of the Statutes concerning the Member associations statutes, Member associations’ statutes (or Bylaws) must comply with the principles of good governance, and shall in particular contain, at a minimum, provisions relating to the following matters:

- (a) to be neutral in matters of politics and religion;*
- (b) to prohibit all forms of discrimination;*
- (c) to be independent and avoid any form of political interference;*
- (d) to ensure that judicial bodies are independent (separation of powers);*
- (e) all relevant stakeholders must agree to respect the Laws of the Game, the principles of loyalty, integrity, sportsmanship and fair play as well as the Statutes, regulations and decisions of FIFA and of the respective confederation;*
- (f) all relevant stakeholders must agree to recognize the jurisdiction and authority of CAS and give priority to arbitration as a means of dispute resolution;*
- (g) that the member association has the primary responsibility to regulate matters relating to refereeing, the fight against doping, the registration of players, club licensing, the imposition of disciplinary measures, including for ethical misconduct, and measures required to protect the integrity of competitions;*
- (h) definition of the competences of the decision-making bodies;*
- (i) to avoid conflicts of interests in decision-making;*
- (j) legislative bodies must be constituted in accordance with the principles of representative democracy and taking into account the importance of gender equality in football; and*
- (k) yearly independent audits of accounts.*

In its letter to CS dated July 11, 2023, FIFA refers to section 14.1 f) of its Statutes stating that CS has the obligation to ratify statutes that are in accordance with the requirements of the FIFA Standard Statutes. In its letter dated April 16, 2024, FIFA requested that CS shall not make any Bylaws changes in a presidential election year. FIFA reminded CS to comply with this directive as per section 14.1 a) of the Statutes.

We haven't found in the FIFA Statutes any specifications or articles justifying such a directive from FIFA. It will be therefore critical for CS's legal advisor to provide an opinion to the Board on the requirements contained in the FIFA Standards Statutes and Concacaf regulations, in light of the Canadian laws and funding requirements before modernizing the Bylaws.

Rightfully, CS decided not to put its FIFA membership at risk and decided to not ask its members to approve Bylaws changes at this year's AMM (2024), even if these changes were minor. The GS has already developed a plan to engage FIFA in the modernization of its Bylaws especially regarding the membership voting structure.

In general terms, the FIFA Statutes are coherent and consistent with the good governance principles contained in the CNCA, the CSGC, the IOC's basic universal principles of good governance and CS's governance documents and policies. Given that CS must comply with FIFA Statutes as well as with Canadian laws and Sport Canada's funding requirements, it will be a constant balancing act for CS, especially if conflicts of jurisdiction arise. In addition to FIFA Statutes, CS is also subject to the Concacaf's regulations and policies, as applicable. That being said, we are not discussing Concacaf's governance rules in this report.

### **3.4. Sport Canada's funding requirements and framework**

Sport Canada funds many of the organizations that make up Canada's sport system at the national level through the Sport Support Program ("SSP"). To be eligible for funding, the organization must be a national sport organization that has met the eligibility requirements of the Sport Funding Framework ("SFF").

Organizations that meet the eligibility requirements will be asked to develop a multi-year needs-based funding application according to the Contribution Guidelines for National Sport Organizations. Sport Canada expects that funded organizations increasingly meet critical benchmarks on governance, safety in sport and in other areas as part of Sport Canada's enhanced monitoring and evaluation.

As the sole national sport organization for soccer recognized Sport Canada, the COC and FIFA, CS is therefore entitled to receive federal funding to support its organization and national teams. Before CS starts receiving funding, it shall sign a contribution agreement which defines the roles and responsibilities of each party. Once funded, CS remains accountable to Sport Canada and must abide by standards of *good governance*, safety in sport and other areas. The agreement contains mandatory requirements and conditions such as but not limited to, adopting the Universal Code of Conduct to Prevent and Address Maltreatment in Sport ("UCCMS"), the Canadian Policy Against Doping in Sport and, by no later than April 2025, the *Canadian Sport Governance Code* ("CSGC"). A Sport Canada scorecard ("Scorecard") is prepared by Sport

Canada assessing NSOs good governance practices. The last governance Scorecard is dated back in 2021 and is discussed in this report.

### 3.4.1. The Canadian Sport Governance Code

*Good governance is a condition of federal funding for National Sports Organizations*

In May 2023, the Honorable Pascale St-Onge, Minister of Sport and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec at the time, announced new actions that the Government of Canada was taking to *improve governance* of federally funded sport organizations, enhance safe sport practices, and amplify the role of athletes in decision making.<sup>6</sup>

Enhanced governance measures are part of an ongoing process toward a more accountable and safer sport system where the well-being of sport participants is top of mind. Related to good governance, she said that: *“Good governance practices are a necessary requirement for healthy, safe, and inclusive sport environments.”*

To that end, she announced that, to receive federal funding, all National Sport Organizations (“NSOs”) like CS will be required to fully *adopt the foundational governance principles* stipulated in the CSGC by April 2025. These principles include precise target requirements for diversity and athlete representation on boards of directors, parameters around board independence and term limits, proper training for board members, and various requirements regarding transparency. The CSGC will be evolutive and updated in the context of sport or societal changes. It is noted that at the time of this report, the CSGC was under review by Sport Canada and some of the guiding principles may change after the review. On April 20, 2024, the Honorable Carla Qualtrough, Canada’s Sport Minister, announced that, given that the CSGC is under review, the funding requirements associated with the revised CSGC would be known later in 2024. That said, even if the CSGC may change and Sport Canada doesn’t require that the full CSGC be adopted as a condition of funding, we believe that the good governance principles and practices contained in the current CSGC shall guide and inspire CS.

#### *CSGC’s Application and purpose*

The CSGC is applicable to all NSOs representing sports on the Olympic Program such as soccer and CS. The purpose of the CSGC is to improve organizational performance by encouraging NSOs to upgrade governance practices through the adoption or revisions to by-laws and other structural mechanisms. Therefore, the adoption of the CSGC by an NSO aims at

- *Establishing independent, transparent, and accountable governance.*
- *Improving governance practices which will enhance board performance and result in improved organizational performance.*
- *Facilitating the attraction of qualified individuals to serve on the NSO’s board.*

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<sup>6</sup> <https://www.canada.ca/en/canadian-heritage/news/2023/05/minister-st-onge-announces-new-measures-to-improve-accountability-and-foster-a-safe-and-sustainable-culture-change-in-sport.html>

To achieve that purpose, the CSGC states that:

- *Board members will be provided initial and ongoing educational opportunities so that they understand what good governance means and why it is fundamental to optimal organizational performance.*
- *Board membership is to be competency-based and boards should perform policy-making and risk assessment functions (and conversely, not assume operational roles) with appropriate independence from management.*
- *Structural mechanisms will be established that foster good governance.*

The CSGC articulates best practices to be met, thereby providing an objective standard that funding sources and other stakeholders can measure against. It is anticipated that various funders wishing to protect and maximize their investment in sport will expect that any NSO who seeks funding will be required to confirm it is following the CSGC.

### **3.5. Other good governance regulations and references**

#### *Provincial and territorial jurisdictions*

In addition to the GSGC, good governance is requested or highly recommended by many provincial and territorial governments as a condition of recognition, funding or as a recommended best practice and culture for sport organizations. For instance, the Code of Governance for Québec Sport and Recreation Non-Profit Organizations is one of the funding and recognition requirements of the ministère de l'Éducation's sport and recreation sector for provincial sport organizations. Therefore, to ensure optimal alignment on good governance, CS shall be aware of the governance requirements that their provincial and territorial sport associations are subject to.

#### *The international framework for good governance and comparator*

At the international level, the International Olympic Committee ("IOC") has developed 7 basic universal principles of good governance under its Code of Ethics<sup>7</sup>, principles and practices that are strongly recommended to International Federations ("IF") such as the FIFA and National Olympic Committees ("NOC") that are an integral part of the Olympic movement. Even though the IOC Code of Ethics doesn't apply directly to CS, CS is a national member of the Olympic movement as a member association of FIFA and an Olympic sport recognized by the COC and shall be inspired and guided by these basic principles of good governance.

These *Good governance* principles are:

- *Principle 1 states that all sport organizations shall have a bold and engaging vision, mission, and strategy.*
- *Principle 2 states that sports organizations shall establish robust governance structures and operate in accordance with the applicable rules of the Olympic Movement and its IF (FIFA in the case of CS), their respective statutes and regulations, and applicable laws.*
- *Principle 3 states that Sports organizations shall adopt ethical principles and rules, in compliance with the IOC Code of Ethics.*

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<sup>7</sup> <https://olympics.com/ioc/integrity/universal-principles-for-integrity>

- *Principle 4 states that Accounts shall be established in accordance with the applicable laws and the “true and fair view” principle. All sports organizations shall adopt accounting principles (e.g. IFRS/GAAP) in the preparation of their financial statements.*
- *Principle 5 states that appropriate measures should be taken to adopt and implement the Athletes’ Rights and Responsibilities Declaration. The right of athletes to participate in sports competitions and within applicable rules (including competition laws) shall be protected.*
- *Principle 6 states that, as a principle, financial resources which are proceeds from sport shall be allocated to sport, in particular for the development of sport and direct or indirect support to the athletes.*
- *Principle 7 states that, Sports organizations should preserve their autonomy and political neutrality in their operations and governance, and should reject any form of political, religious, or economic pressures which may prevent them from complying with the Olympic Charter.*

#### *The International Partnership against Corruption in Sport (“IPACS”)*

The International Partnership against Corruption in Sport (“IPACS”) also plays a significant role in promoting *good governance* within sport. The IPACS is a multi-stakeholder initiative bringing together sports organizations, governments, and intergovernmental organizations to combine efforts for the fight against corruption in sport through the promotion and adoption of good governance practices. The concept of *good governance in sport* draws from corporate governance and public governance frameworks.

The recommended principles of *good governance* are *transparency, integrity, democracy, development and solidarity, checks and balances / control mechanisms* and should apply both to governmental authorities in charge of sport and to the sports organizations. The promotion and implementation of *good governance* in sports organizations at all levels is seen as key to preventing, addressing, and managing safeguarding and integrity, mismanagement, reputational, financial and corruption risks. However, the benefits of *good governance* contribute to make the organizations effective, reliable, and accountable to their members and trusted by their partners and by the public. Similarly, a growing number of international federations are cascading *good governance* principles and requirements down to their regional associations and their national federations (such as CS), and national federations to their provincial or territorial organizations and local clubs. Recognizing that sport occurs within the framework of society, including legal obligations, sports organizations have the rights and obligations of autonomy, which include freely establishing and controlling the rules of sport, determining the structure and governance of their organizations, enjoying the right of elections free from any outside influence and the responsibility for ensuring that *principles of good governance* be applied.

#### *The Australian Sports Commission (Australian Government)*

The Australian Sports Commission (Australian Government) <sup>8</sup>, as an exemplary national model of good governance, has also developed 9 sport governance principles (March 2020). These principles are:

- *Principle 1 The spirit of the game - values-driven culture and behaviours.* An organisation's culture and behaviours should be underpinned by values which are demonstrated by the board and embedded in its decisions and actions.
- *Principle 2 The team - aligned sport through collaborative governance.* Across a sport, boards should work together to govern collaboratively and create alignment to maximise efficient use of resources and implement whole-of-sport plans.
- *Principle 3 The gameplan - a clear vision that informs strategy.* The board is responsible for overseeing the development of the organisation's vision and strategy as well as determining what success looks like.
- *Principle 4 The players - a diverse board to enable considered decision-making.* A board should be a diverse group of people who, collectively, provide different perspectives and experience to facilitate more considered decision-making.
- *Principle 5 The rulebook - documents that outline duties, powers, roles and responsibilities.* An organisation should clearly define and document its structure and the duties, responsibilities and powers of members, directors, committees and management.
- *Principle 6 The playbook - board processes which ensure accountability and transparency.* Through effective processes and continual review of its performance, the board is able to demonstrate accountability and transparency to its members and stakeholders.
- *Principle 7 The defence - a system which protects the organisation.* To proactively protect the organisation from harm, the board ensures the organisation has and maintains robust and systematic processes for managing risk.
- *Principle 8 The best and fairest - a system for ensuring integrity.* An organisation should have measures and protocols to ensure integrity of the sport and safeguard its participants.
- *Principle 9 The scorecard - embedded systems of internal review to foster continuous improvement.* The board must have an appropriate system of internal controls to enable it to monitor performance, track progress against strategy and address issues of concern.

All these good governance guiding principles are exemplary practices that shall inspire and guide CS in modernizing its own governance. Finally, aside from these sports-related governance references, the literature on corporate governance is immense and is reflected in these sports' governance codes and recommended principles and best practices. Although sport organizations are subject to different legislative and regulatory requirements that affect how they are governed, the general governance principles that apply from one sector or industry to another are fundamentally the same (from provincial to international levels).

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<sup>8</sup> <https://www.sportaus.gov.au/governance/principles>

## 4. CHAPTER 4: ANALYSIS OF CS GOVERNANCE

This chapter provides an analysis of the key governance issues outlined within the scope of this review, informed by documentary analysis, as well as the results and findings gathered from the stakeholder consultations. The governance enhancement recommendations follow in the next chapter.

This analysis concludes that CS is, in general, meeting many standards and principles of good governance, even leading in some respects. A good example of CS's effort in good governance is its comprehensive governance policy suite and the recent appointment of a Board's Corporate Secretary whose role is to support the Board in good governance. Other good governance actions are referenced in this chapter.

With that being said, we also found significant gaps in CS governance's structure and culture that will require courage, innovation, openness, and willingness for change. Major Bylaws issues exist especially related to the voting structure, the composition of the Board, the role of the General Secretary and other issues hence why we recommend reforming and modernizing CS's Bylaws to adopt exemplary governance standards. We believe, because of the history, past governance culture and resistance to change, that external governance experts shall advise and support CS in modernizing its Bylaws notably, as a priority, in adopting a more democratic and balanced membership voting structure.

We found weaknesses or issues that will require significant cultural changes but constitute opportunities for improvement or enhancement. A tipping point for CS.

The following pages cover the key governance issues and questions analysed in this review.

### **4.1. Issue 1: Are CS's By-Laws and its governance structures, processes, and policies (including those related to finances) in line with current best practices, and compliant with the requirements of the Canadian Sport Governance Code?**

One of the objectives of this review is to assess CS's governance in light of the requirements of the CNCA, the recommended best governance practices provided for in the CSGC, CS's governance-related documents and good governance in general. Please note that, as we were drafting this report, the CSGC is under review by Sport Canada which could result in a revised CSGC after the release of this report. Therefore, this review is based on the CSGC as published at this time.

#### **4.1.1. Bylaws and Policies**

We have noted that CS has modernized its Bylaws over time, evolving from a representative board to a more diverse, independent, and competency-based board.

The inclusion of six (6) independent skills-based directors, enhanced diversity and the athlete representative are a testament to that evolution. An evolution that is in line with the recommendations of the CSGC. CS has also developed a comprehensive policy suite on good

governance, making CS, in our opinion and compared to other leading N/MSOs, a leader in policy development.

Generally speaking, we believe that CS has adopted the proper policies and Bylaws in line with the CNCA, the CSGC and best governance principles. That said, improvements to the Bylaws and governance structure are still required and recommended in the following sections.

#### **4.1.2. Board composition**

This section addresses the Board composition considering the CSGC's best practices and recommendations.

##### ***Number of Directors***

The CSGC indicates that "*Boards should be functional in size with a minimum of five (5) Board members and a maximum of fifteen (15) Board members. It is expected that a typical Board would have seven (7) to eleven (11) members*". The review of the comparable NSOs indicate that a board composed of 9 to eleven 11 directors is the average norm and best practice.

Article 6.01 of CS Bylaws states that the Board of Directors shall consist of fourteen (14) Directors including two (2) Officers (President and Vice-President), six (6) Regional Directors and six (6) Independent Directors and shall include one (1) former Athlete (Bylaws 6.02 iv)). CS's Board is therefore close to the maximum limit (15) recommended by the CSGC.

We find that this size (14) may lead to possible issues such as the Board's effectiveness in decision-making, and Directors' engagement but, at the same time, allows for more diversity and a variety of skills and competencies. A Board of this size could have an impact on the organization's agility, responsiveness, Directors' engagement and overall transparency and communication. In our view, a smaller and more independent Board composed of 9 or 11 Directors would be preferable and in line with the comparable NSOs' effective models we studied and recommended modern governance practices.

##### ***Independence and diversity of the Board of Directors***

The CSGC states that "*not less than 40% of the directors should be Independent*". Under the current Bylaws, if we include the President and Vice-President, eight (8) Directors are independent representing fifty-seven (57) percent of the Directors. The Bylaws do not specify if the President and Vice-President are independent or not, but we presumed they are. The current Board composition meets the proposed minimal "independence" requirement (40%) of the CSGC. However, we noted that the Nominations Committee is not responsible, in addition to not nominating the Regional Directors, to vet and nominate these 2 Officers, which in our opinion, could lead to the election of an unbalanced Board. We address this issue later in the section related to the Nominations Committee.

The CSCG also recommends that "*within an independent Board staffed with directors who possess the necessary skills for the successful stewardship of the NSO and of whom not more than 60% of the directors are of the same gender, it is recognized that diverse perspectives,*



*experiences, and backgrounds provide for optimal Board performance. Consequently, each NSO should develop a policy for diversity at the Board level”.*

CS Bylaws 6.02 also states that not more than 60% of the Directors shall be of the same gender.

Given the current composition of the Board, that threshold is met. Diversity is present on the Board. Six (6) women (43%) compose the current Board. Diversity and gender equity shall be an ongoing criterion in terms of Board composition. Other aspects of enhanced diversity are also present on the Board (3 persons of colour, and 1 person with a disability). It is noted that there is no Indigenous representative on the Board.

The CSGC also states that *“the Board chair should be an Independent Director”*. The Bylaws don’t specify if the Board Chair shall be an Independent Director, an issue that The Bylaws shall clarify. Independent under the CSGC means *that a director has no fiduciary obligation to anybody for the subject sport at the national or provincial level, receives no direct or indirect material benefit from any such party, and is free of any conflict of interest of a financial, personal or representational nature (provided that participating in the NSO’s sport does not alone cause a person not to be Independent). Whether a director or prospective director is Independent is to be determined by the nominating committee.*

We are of the view that the construct of CS Bylaws shall ensure the election of a competency-based Board composed of a vast majority of independent skills-based Directors.

### ***Election of Board Chair or President***

The CSGC also recommends that “each Board must have a Board chair who should be elected by the Directors”. There are two (2) schools of thought or approaches to the election of the President or Chair of the Board.

One suggests that the main Officer, i.e. the President or Chair of the Board, be elected directly by the Voting Members. The CSGC and other modern approaches suggest that once the Voting Members elect all the Directors, the Board elects the President and other Officers at the first meeting of the Board following the election.

We are of the strong opinion that the President shall be appointed by the Directors once they are elected by the Members. That said, we recognize, especially at the international level, that Voting Members may wish to elect their leader. Both models offer advantages and disadvantages. In corporate governance in the for-profit sector, the Chair of the Board is mainly elected by the Directors, not by the shareholders. The potential risk with the President being elected by the Members is the possibility of political interference or the election of a leader who doesn’t necessarily possess the best skills or governance acumen to lead the Board. In our opinion, all Officers shall be appointed by the Directors and not by the Members, as recommended in the CSGC and adopted by many progressive NSOs.

### **Competency-based board**

As far as the relevant skills and competencies on the Board are concerned, we were privy to the Board's skills assessment matrix and found that in addition to the diversity criteria, a good mix of diverse skills, experience, and competencies is currently present on the Board. That said, the internal and external stakeholders' interviewees were of the view that the Board, as a collective, lacked business acumen, experience, or education in good governance (and not just in FIFA governance), financial oversight, Enterprise Risk Management ("ERM"), and soccer/football acumen. We disagree with the interviewees and believe that these competencies and skills are present on the Board. That said, we agree that the Directors (and Members) shall be much better educated and trained in good governance and on FIFA Statutes.

Many internal and external interviewees believed the Board lacked leadership and effectiveness because of its size and composition which may create inherent potential bias or conflict of interests (because of Regional Directors and FIFA /Concacaf involvement) and thus could result in some division between the Independent and Regional Directors and the new and long-standing Directors. A fully independent Board of Directors would reduce the risk of conflicts of interest.

### **Athlete representation**

The CSGC states that *"it is fundamental for athletes to have meaningful representation in the governance structure of the NSO and for athlete voices to be heard. The Board of each NSO determines the best way for that objective to be achieved which is to be articulated in the Board mandate, Athlete representation on the Board is strongly encouraged"*.

Bylaws 6.02 indicates that the Board shall include one (1) former Athlete (former member of CS National Teams (Senior, Youth, Para, Beach and/or Futsal). CS Board hence meets that CSGC recommended practice. Many leading national sport and multisport organizations (hereinafter "N/MSO") have Athlete representation (mainly retired athletes) on their Boards (many of them leaning towards gender parity on the Board with 2 athletes).

Bylaws are not clear as to whether the Athlete Director is included in the twelve (12) directors stipulated in Article 6.01. The Athlete Director could be one of six (6) Regional Directors or six (6) Independent Directors. One could interpret that the maximum number of directors on the Board is fifteen (15), made of six (6) Regional Directors, six (6) Independent Directors, a President, a Vice-President and one (1) Athlete Director. Another interpretation would be to say that one (1) of the twelve (12) directors (Regional or Independent) shall be an Athlete which would result in a total of fourteen (14) directors. This issue should be clarified in the Bylaws. We believe the Athlete Director shall be nominated by an Athlete committee and vetted by the Nominations Committee to ensure their eligibility for directorship.

Since we began this review, CS was planning to create a National Teams Committee to ensure the Athletes' voices are heard by CS and the optimal engagement of Athletes. The draft terms of references indicates that the Committee's purpose is:

- *To provide a structure for decision-making, consultation, and collaboration at the executive level between the General Secretariat and the National Teams Athletes on administrative and operations-related matters;*

- *Committee members are expected to possess an understanding of the Committee's terms of reference and to demonstrate a basic understanding of the requirements of effective governance and related issues of organizational effectiveness.*

To this date, this Committee has not started its work. In our view, it is paramount and best practice that an advisory athlete committee be quickly created to support the organization in decision-making. An opened dialogue with athletes is essential in good governance and is highly recommended. It is noted that with the former interim GS and now with the new GS, we have noticed a shift and improvement in communication with Players and Members.

#### **4.1.3. Directors' Terms limits**

On the Directors' time limits and number of terms, the CSGC indicates that *"each Board member shall be subject to a term limit. Absent compelling reasons to the contrary as determined by the Board's nominating committee, that term limit should be a maximum of nine years (comprised of multiple terms each not longer than four years) other than:*

- (i) a sitting Board chair who may serve for one additional term for a maximum twelve-year term limit, but who may not hold the position of chair of the Board for longer than six years; and*
- (ii) one director other than the chair who serves on the Board of that sport's international federation who may serve for one additional term for a maximum twelve-year (12) term limit".*

Bylaws 6.03 A indicates that the Director's term shall be three (3) years with a maximum of three (3) terms, for a total of nine (9) years. As for the President and Vice-President, their terms shall last four (4) years with a maximum of two (2) terms irrespective of other previous terms served as Director.

In theory, if a Director exhausts all three (3) terms of three (3) years, and then becomes President or Vice-President, that could represent a total of twenty-five (25) years if we include two (2) terms as Vice-President and two (2) terms as President. Sitting on a Board of Directors for twenty-five (25) years is considered too long compared with modern governance practice.

In our opinion, a maximum of twelve (12) years (as recommended in the CSGC) to sixteen (16) years seems to be a more acceptable maximum number of years to serve on a Board (irrespective of their role on the Board (Directors or Officers)). Reducing the number of years on the Board allows for better renewal of skills and competencies and succession planning balanced with stability and corporate history. The Bylaws shall better align with the CSGC recommendation and clarify the maximum of years, irrespective of their role, a Director, President, or Vice-President can serve on the Board.

#### **4.1.4. CEO search and hiring**

The CSGC indicates that the *"Board is responsible to select, hire and, where it determines it is necessary or desirable to do so terminate, the CEO. In selecting the CEO, the Board must be satisfied that that candidate has the skills, experiences, and qualifications that the Board considers appropriate to best serve the interests of the NSO".*

Indeed, one of the key responsibilities of the Board is to hire the Chief Executive Officer (“CEO”) or the GS in the case of CS. For the purpose of this report, the GS refers also to the role of a CEO.

During the approximate eight (8) months of our review, we have worked with an interim CEO and have seen a candidate selected but who decided to not take the position for personal reasons. Finally, the incoming CEO took office in March 2024.

Without question, this was a lengthy and bumpy executive search process in the eyes of many Members and interviewees. That said, even if we have witnessed this process from the outside, we are of the view that the Board properly exercised its fiduciary and leadership role in the circumstances. It retained a global search firm, involved the Members Council, and performed a thorough interview process to select its leader.

Many interviewees criticized the Board for not being fast enough to hire a leader for the organization. We believe that more transparency and regular updates from the Board would have probably mitigated criticisms from the Members and stakeholders. With the hiring of the new GS, that issue has now been addressed and we have already noticed a major leadership shift with the new GS. Moving forward, it will be very important to respect the strategic and management role of the GS in position and give him the means and support to drive the organization forward and make the necessary changes to lead and advance soccer in Canada.

The interviewees were also of the view that if the selected GS doesn’t have a soccer background (which is the case), a strong technical leader shall be part of CS’s management team. We agree with this proposal. Most leading NSOs have a technical leader in the senior management team. We believe that CS shall have a “Chief Sport Officer” or a similar technical position to lead the “technical” side of CS, the National Teams program and report to the GS (and not the Board). That said, this review is not an operational one and that decision rests with the GS.

#### **4.1.5. Role and responsibilities**

Article 124 of the CNCA prescribes the Board’s role as follows: *“Subject to this Act, the articles and any unanimous member agreement, the directors shall manage or supervise the management of the activities and affairs of a corporation”*.

In addition, article 142 of the CNCA prescribes that *“subject to the articles, the by-laws and any unanimous member agreement, (a) the directors may designate the offices of the corporation, appoint as officers’ persons of full capacity, specify their duties and delegate to them powers to manage the activities and affairs of the corporation, except powers to do anything referred to in subsection 138(2)”*. The General Secretary is appointed by CS to fulfil these management and operational duties and powers.

The CSGC recommends that *“Board members should not liaise with management other than the CEO or, in respect of the chair of the Board and members of the audit and finance committee, the CFO, or assume operational responsibilities without the joint approval of the Board and CEO.”*

Bylaws 6.06 states the detailed authority (A) and powers (B) of the Board. The CS governance policies also prescribe the delineation of roles and responsibilities between the Board, as a collective, Directors individually and the Committees. The CS policy on roles and responsibilities can be found in Appendix 4. We believe that CS governing documents provide clarity on that delineation of roles and responsibilities. However, section 10,01 of the Bylaws shall be revised to clarify the role of the GS in the selection, hiring and evaluation of all staff including the National Teams' Head Coaches.

The literature, the CSGC, the Law and sport governance policies clearly state that the Board should focus on governance matters, and the CEO, supported by the C-Suite management team, lead the day-to-day operations and implementation of the strategic plan. A CEO plays a central leadership, strategic and operational role for the corporation. Contrary to an executive director who executes the Board's decisions or instructions, the CEO's role is to provide leadership for the organization including deciding what's the best strategy to achieve the Board or organization's vision, mission, and strategic goals. A strategy that the Board shall approve though.

The governance policies state that the role of the Board is:

- *To maintain authority over, and responsibility for the conduct of the affairs of Canada Soccer;*
- *To develop policies and strategies that guide Canada Soccer and provide direction for management;*
- *To ensure that there are sufficient and appropriate human and financial resources for Canada Soccer to accomplish its work;*
- *To remain attentive to the changing needs of Canada Soccer's membership and other key Stakeholders.*

The Board's responsibilities cover accountability, planning, selection, support and evaluation of General Secretary, financial oversight and development, Board governance and development, membership, external relations.

We believe that once the GS is hired, the Board should refrain from being involved in operational matters such as, for instance, the hiring of the National Teams' coaches, the negotiation or reopening of the CSB agreement or the National Teams' CBAs. Even if these matters are strategically and politically of utmost importance, the GS should lead these files, seek support from the Board or a Committee of the Board if necessary and report to the Board.

Inevitably, concerns or questions about the Board's role and responsibilities were raised by internal and external interviewees during the consultation. Some interviewees felt that the Board was too involved in the operational decisions during the interim and transition period that occurred since the former CS President and GS resigned at the 2023 AMM.

Conversely, some interviewees also felt that the Board lacked leadership during this transition period and took too long to act on critical issues such as the GS search and hiring, the ongoing issue regarding the CSB, National Teams' Collective Bargaining Agreements (CBA) and the difficult financial situation.

When dealing with a leadership transition, the Board should empower its leadership team to propose and execute a transition plan while keeping closer oversight. In our view, the transition should not be led but supported by the Board given its duty to ensure proper risk management. The governance policies are very clear and comprehensive in this regard and provide clarity about the Board's role and responsibilities.

That said, given that the interviews didn't provide enough insights or evidence of what happened in the Board room, these comments must be nuanced. Our view is that the Board might have lacked experience or maturity and was too interventionist during the transition period that was covered in this review. We believe the Board did its best, in the absence of a GS or CEO, to manage this transition but lacked governance acumen and experience in managing the risks associated with it. It got to a point where the Board was very prudent and exercising too much control to avoid any possible risks which refrained it from entrusting the staff and caused a lack of responsiveness, and timeliness. Unfortunately, many perceived this as a lack of leadership from CS and the Board.

#### **4.1.6. Duties of directors and officers (fiduciary, duty of care and compliance)**

According to Article 148 (1) of the CNCA, every director and officer of a corporation in exercising their powers and discharging their duties shall *act honestly and in good faith with a view to the best interests of the corporation; and exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.*

According to Article 148 (2) of the CNCA, every *director and officer of a corporation shall comply with (a) this Act and the regulations; and (b) the articles, the by-laws and any unanimous member agreement.*

On the fiduciary duty, some internal and external interviewees perceived that the Board might have not always favoured CS's interests but may have been influenced by personal interests or the interests of the organization they represent. We have no evidence of that assumption or perception, but the construct of the Board with Regional Directors and the unbalanced memberships voting structure may explain that perception or potential existence of bias or conflicts.

Again, without direct evidence of such bias or conflicts, one could say that, given the Board's construct composed of Regional Directors nominated by regions without being vetted and recommended by the Nominations Committee, this could lead to possible inherent perceived or real conflicts of interest or bias especially when Directors must balance their personal or regional interests with CS's interests. The other perceived conflict lies in the involvement of Directors in FIFA and Concacaf. Our view is that Canadians shall be encouraged to play a role in international federations if it doesn't cause a real or perceived conflict when they have to act in the best interest of CS. If a CS Director is involved in a decision-making committee of FIFA or Concacaf they shall not be on CS Board.

The CSGC's recommended best governance practices are clear: *the organization's interests for which you are elected as directors shall prevail at all times.*

The Directors are, first and foremost, accountable to the Members that elect them. It is paramount that CS' interests shall prevail at all times and that Directors declare conflicts or recuse themselves when a perceived or real conflict of interest arises. A fully independent Board composed of Directors mitigates the risk of real or perceived bias or conflicts of interest hence why we recommend an independent competency-based Board.

The interviewees said that given the Board's composition of Regional and Independent Directors, the current membership voting structure and the indirect or assumed influence of Concacaf and FIFA, Directors could be naturally or implicitly influenced by other external or personal interests or forces when making decisions that are supposed to be in the best interest of soccer in Canada and CS. Again, to be clear, we have not obtained any direct or indirect evidence of such external influence on the Board. It is solely based on the subjective opinion of a number of external and internal stakeholders who believe, rightfully or wrongfully, that such conflicts exist.

Whether perception is reality is for the reader to judge. On that issue of conflicts of interest, the board has adopted a practice asking all Directors to sign a declaration of conflicts before all Board meetings. We don't believe it's necessary to request a written declaration of conflicts before each Board meetings. An annual declaration combined with a standard agenda item on the declaration of conflicts of interest at all meetings (included in the minutes) and the legal and Bylaws requirements suffice.

Good governance suggests that governance structures shall accord as much objectivity and independence as possible to ensure the Board fulfills its fiduciary role with no bias or external interests. The existing structures provided for in CS's Bylaws (Articles 6.01 and 6.03) on the Board composition and the membership voting structure, carry the risk of external forces influencing national decisions and thus possibly fragilizing the independence of the Board.

Regional Directors may be influenced by the interests of their regions and because the membership voting structure is unbalanced and favours a few PTMA, this could also lead to influential external forces or interests on the Board. The membership voting structure should be revised to better balance votes amongst Members and remove the power imbalance that currently exists. Most interviewees also felt that this voting structure should change and be improved to be more balanced and democratic. As it stands, the current membership voting structure causes a lack of engagement among Members. We recommend that the membership voting structure models or formulas be recommended by external governance experts respecting and balancing the requirements of the CNCA, the FIFA Statutes and the membership of CS. The CS Members' Council shall be consulted, and other NSOs' democratic voting structure models should be analyzed.

This independent external expert group shall be composed of governance experts on sport governance and individual(s) who understand(s) soccer and the FIFA/Concacaf environment, who shall have no direct or indirect vested interests in CS, the Board or the Members and be tasked to analyze structural options and provide recommendations to the Board's governance Committee who will then report to the Board. According to section 2.05 or the Bylaws, a special

resolution of the Members will be necessary to approve this Bylaws change on the voting structure given it's a fundamental change under s.197(1) of the CNCA.

By opting for a more balanced voting structure, CS will significantly enhance the engagement and trust of its Members and stakeholders and meet the requirements of FIFA and the CSGC.

#### **4.1.7. Orientation and Onboarding**

We analyzed the onboarding materials provided by CS which consisted of a PowerPoint presentation deck. This is clearly minimal and insufficient to be considered as a comprehensive onboarding or orientation package. On the other hand, we found many good governance resources in the Board's *SharePoint* which is a best practice. We also noticed that the Board has access to many training opportunities through webinars and online resources.

Best-in-class NSOs or organizations offer, at a minimum, a retreat or a series of governance-related workshops for onboarding and encourage their Directors in continuing education and certification. A good onboarding package and session should include a review of the CNCA, the CSGC, CS's Bylaws and policies, CS's key agreements, CS Committees' terms of reference, FIFA/Concacaf Statutes and governing documents, Sport Canada governance scorecards, organizational studies or reviews, risk registry and insurance coverage, strategic and operational plans, annual reports, budget and financial reports and statements, and any other relevant reports on the game of soccer. Practical governance-related case studies are also recommended.

Given the previous comment on the Board potential lacking or understanding of good governance, it will be critical for CS to enhance education in this area.

A few internal interviewees revealed in fact that there are no real discussions on (good or bad) governance, policies, or strategy, and no meaningful discussions on risk management. Understanding that the review period was a transitional one for the Board trying to lead the organization without a GS, we still believe that the Board should have spent more time on good governance training.

#### **4.1.8. Board evaluation**

The Board self assesses its performance after each meeting and regularly. It should then be reflected on a governance enhancement plan setting governance objectives. It is best practice for any Board to self-assess its performance regularly to ensure continued performance. That said, this review, even though is not a Board evaluation, should well assist CS in improving its overall governance and Board performance. We were not made aware of any external inputs from CS stakeholders.

#### **4.1.9. Vision and Strategy**

The current CS strategic plan has the following strategic framework and pillars:

- **Vision:** Leading Canada to victory and Canadians to a life-long passion for soccer.



- **Mission:** To provide leadership in the pursuit of excellence in soccer, nationally and internationally, in cooperation with its members and stakeholders.
- **Values:**
  - We lead with unwavering integrity.
  - Honesty guides our actions.
  - Our decisions are fair and ethical.
  - We thrive with excellence.
  - Our passion fuels our performance on and off the field of play.
  - We are accountable to our stakeholders.
  - Transparency directs our communication.
  - We respect and include all.
- **4 strategic Pillars:**
  - *Develop:* Canada Soccer will continue to link the grassroots of the game with the aspirational levels of its National Teams' programming in support of the development of Canadian players, coaches, referees, and administrators, and to expand and clarify its programs in support of best practices in soccer development.
  - *Govern:* Canada Soccer will work toward providing transparent, accountable, and steady leadership of the game through its stewardship as the governing body of soccer in Canada to ensure an open, welcoming, and supportive soccer environment for all backed by its Safe Sport Roster.
  - *Grow:* Canada Soccer will work to ensure the growth of the game by maximizing the impact of hosting the FIFA World Cup in 2026 and providing opportunities to those that have previously encountered barriers to access or advancement.
  - *Aspire:* many aspirations are described in this pillar.

As it reads, the strategic plan seems to be a good guiding document to sustain growth and excellence in soccer and makes CS a leading sport organization.

We were not privy to the operational plans that derive from that strategic plan (with measurable outcomes, strategies, tactics, actions, and budgetary plans). In fact, we were told that those plans either don't exist or are still in the development stage.

We also learned that the current strategic plan was developed by the former President without meaningful engagement from the Members or the employees. The consensus amongst the internal and external interviewees is very clear: *CS lacks a vision and a strategy for soccer in Canada and CS's stakeholders and Members don't feel engaged or connected to that strategy.* A session about the future of soccer in Canada was held at the 2023 AMM but didn't result in a meaningful engagement of CS's stakeholders afterward. Many Members, employees and even some Directors feel unconnected and disengaged in CS's strategy.

No real strategic objectives related to the opportunities associated with the hosting and legacy of the FIFA World Cup were developed, a missed opportunity in the opinion of many interviewees. Approving the related strategy is one of the key duties of the Board. The CEO shall develop a relevant and evidence-based strategy to best achieve the overall vision and seek input and approval from the Board and buy-in from the membership.

We believe this is a major gap in CS's governance as confirmed by many interviewees. That lack of strategy weakens CS's leadership and credibility. It causes an absence or lack of Members and stakeholders' alignment, engagement, and trust in CS as the national leader. External and internal stakeholders (employees and Directors) felt that the Board was not proactive or forward-thinking but rather reactive all the time.

As the stewardship and leader of soccer in Canada, it is CS's responsibility to adopt and communicate a bold vision that is engaging, inspiring and aligned with CS's Members. The GS and his team shall develop and recommend a strategy and plan and be entrusted to deploy it according to the approved budget and operational plans. The role of the Board is to ensure there is a solid strategy in place and that such strategy is properly structured, resourced and executed.

#### **4.1.10. Nominations Process and Committee**

Any well-governed organization shall have an independent and effective Nominations process and Committee to recruit, evaluate, recommend or nominate the best possible slate of candidates to compose the Board with the relevant skills, competencies, and diversity. The Nominations' stipulations are thoroughly described in CS's Bylaws (Section 9.01 ii) and in CS's governance policies.

Our interviews revealed that the Nominations Committee was not able to meaningfully propose nominees to compose a balanced Board given that it has no role or influence on the nominations of Regional Directors, the President and Vice-president (aside from ensuring their eligibility).

Given the Committee only nominates Independent Directors, the Board could end up being unbalanced, not as diverse as it should be and missing relevant skills or competencies.

It was also brought to our attention that the Nominations Committee didn't receive enough administrative support, and that information was coming at the last minute thus causing a rushed and condensed process. Should the Nominations Committee have full jurisdiction to review all Directors, it would be in a better position to nominate a balanced Board meeting the targeted skills and competencies and diversity objectives.

The other issue raised was the actual composition of the Nominations Committee. We are of the view that a Nominations Committee should have more independent members and fewer Board members which is the case as per Section 9.01 ii) a) of the Bylaws. In our view, one Board member who is not running for election suffices. We also believe that the Nominations Committee shall report directly to the Members and not be required to seek approval of the nominations from the Board.

#### **4.1.11. Members Council**

The Members Council's ("MC") mandate and terms of reference are defined in section 5 of the Bylaws. According to Bylaws 5.01 iii), the purpose of the Member Council shall be to:

- a) *Create and maintain a communication platform among all the Voting Members of Canada Soccer*
- b) *Facilitate the discussion of the development of soccer between the Voting Members of Canada Soccer and the leadership of Canada Soccer.*

This two-fold purpose allows for better communication, information sharing and alignment amongst Voting Members and an ongoing dialogue with the Board and the GS on the development of soccer in Canada, including bringing to the attention of CS's leadership Members' related issues. While the MC's purpose seems clear, some interviewees were of the view that the MC should have more say or input on CS's operational decisions. We disagree with this view.

The MC shall solely be an advisory committee to support the Board and the GS in making better-informed decisions taking into consideration the Members' needs and realities. As previously stated, it could be perceived that the MC is a means to do indirectly what cannot be done directly i.e. Members being involved in CS operations. The Members shall be consulted but the decisions shall be made by the CEO and the Board.

It is also important to differentiate their role as Voting Members under the Bylaws and as members of the MC. Voting Members' role is defined under the Bylaws and MC members under MC's terms of reference. These two roles are clearly delineated and shall be followed. However, fostering two-way communication between CS's leadership and the MC is essential for advancing soccer in Canada and addressing ongoing challenges and opportunities within the Canadian soccer ecosystem. It should not be perceived as *us (members) versus them (CS)* but more as a collective of leaders responsible for and interested in advancing soccer in Canada.

In addition, some members of the MC felt that the MC's meetings were not as meaningful and productive as they should have been, and that a more engaging and inclusive approach should be favoured considering all Members' interests and not just the ones from the Members holding most of the votes under the Bylaws. Many MC members believed that the MC is too big to be effective and that sub-groups should be formed to focus on specific issues. The MC would like to be more involved in strategy development with CS's leadership. A strategic retreat resulting in a bold and engaging alignment plan should be held which is paramount for the future of soccer in Canada and stakeholders' engagement.

We also believe that the MC's stipulations and terms of reference should be removed from the Bylaws and transferred into a Board policy. It seems that such detailed stipulations contained in the Bylaws are the result of history and a lack of trust in CS. Good governance suggests that committees' terms of reference such as the MC shall be adopted by the Board in compliance with the Bylaws. It is sufficient to simply include the MC's purpose and role in the Bylaws. That said, even if we disagree with the Bylaws' construct, we understand why the MC was created under the Bylaws and not through a policy.

### *Engagement and transparency*

The stakeholders, especially the Members, don't feel engaged with CS and even said that many decisions are communicated at the last minute with no rationales thus causing a lack of trust towards CS. That said, stakeholders noticed an improvement in the communication and transparency from the CS's Board and leadership, including when the interim GS was in position and recently since the arrival of the new GS.

The MC feels that the CS's Board should be more transparent about its decisions by providing rationales and action plans when dealing with major strategic issues impacting Canadian soccer or CS such as, for instance, the National Teams' CBAs, the CSB and the overall difficult financial situation. The Board did make efforts to better communicate their plans, but evidently, this was not enough in the eyes of the Members. We didn't find any Board or Committees' minutes or updates on CS's website, a sign of a lack of transparency and communication.

The culture around transparency and communication should improve. True leadership requires transparency and constant communication to show progress and keep people informed and engaged. When a crisis arises, combined with a lack of communication, distrust and criticism emerge. The issues that CS faced such as the GS transition, the CSB renegotiation and the CBAs were used as weapons by those who wanted to criticize the organization, often without enough information to make evidence-based opinion. Without justifying the diligence or lack of diligence of the Board on these issues, if the Board would have had been more transparent and informative, this would have helped mitigate criticisms or the "weaponizing" syndrome. Effective communication is essential when an organization faces challenges.

Good governance suggests that when Directors are elected through a democratic process, they are entrusted with the responsibility and duty to manage and govern the organization in its best interests. They are accountable to the Voting Members and other stakeholders, but they also have the authority and independence to run and govern the organization in the most effective way. Ensuring transparency and accountability is a balancing act that requires good judgment and common sense from the Board, the Members and the stakeholders. Often, when crises or issues arise, Members expect more accountability and transparency hence why better communication is necessary.

On the other hand, this is exactly why Directors are elected, to make decisions and act during the good and the bad days. The Board shall assume responsibility and Members must trust them and let them do their job even if they disagree with the Board's decisions. That said, if transparency or communication is too poor, doubt and distrust will inevitably emerge. The key is to face the music, be open and transparent by communicating the action and problem-solving plans, seek inputs from Members when deemed necessary and show progress regularly.

#### **4.1.12. Other Committees and Judicial bodies of the Board**

The Board has established several standing Committees and Judicial bodies as required under its Bylaws or to meet the needs of the organization. CS also created ad hoc structures such as task forces or interim committees to deal with timebound issues or with the GS transition. The Governance Committee plays an instrumental role in an organization such as CS. It advises the Board on Bylaws issues and matters of good (or bad) governance.

In our view, this CS Governance Committee should play an enhanced role within CS on good governance leadership and issues such as regulatory compliance, Directors' training and onboarding, Board's evaluation and skills matrix, ethical conduct of Directors and Members' engagement and alignment in good governance. This Committee should be composed of internal Directors and external experts in good governance. The Corporate Secretary, the GS and CS's legal counsel should be ex-officio members of the Committee.

One issue raised by the interviewees is the lack of a comprehensive risk registry. The risk oversight Committee exists, but doesn't, in the opinion of interviewees, play a meaningful role in advising the Board on risks. The Board has experts and experienced Directors on risk management, but it doesn't take advantage of them. We didn't receive any risk registry, a sign that this duty or function of the Board might not be fully fulfilled.

That said, the events that took place during the review period were managed daily and were critical risks for the organization. The Board was in a continuous risk management mode.

We met with the other Committees' Chairs (Audit and Finance, HR and Compensation, Emergency) and we didn't notice any issues with these Committees. We believe that these Committees fulfill their role. Our comments on the Nominations Committee have been provided earlier in the report. We didn't analyze the Judicial bodies, but we question the fact they are created through the Bylaws. We believe that the detailed stipulations and procedures of the Judicial bodies shall be defined through Board' policies and not through the Bylaws.

#### **4.2. Issue 2: Are financial decision-making processes transparent and consistent with CS's mission and values?**

Financial decision-making and oversight are a key fiduciary duty of the Board. The Board needs to adopt mechanisms that allow proper financial oversight. The Board's SharePoint provides detailed information related to CS's finances. CS has adopted policies related to executive limitations and budgetary practices and has an Audit and Finance Committee responsible for financial oversight.

However, aside from the financial information shared at the AMM, the audited financial statements and some occasional financial information shared with the MC, we believe that CS should improve its communication related to the management of its financial affairs. That said, we have noted significant improvement in terms of financial communication, in the first few days of the new GS office. Rationales on high-level budget decisions should be communicated, and a robust revenue generation plan shall be developed and communicated to the Members and stakeholders. Some Directors also indicated that the financial information was sometimes

insufficient for them to make an informed decision and believed that financial planning practices and reporting shall be more structured and strategic.

We believe that CS should abide by its strategic value of transparency and better engage its stakeholders through enhanced communication. The CSGC states that the following items must be posted on the NSO's website and be publicly accessible:

- (i) *articles of incorporation/continuance (as amended)*
- (ii) *by-laws*
- (iii) *annual financial statements*
- (iv) *minutes of meetings of members*
- (v) *Board mandate*
- (vi) *terms of reference of all committees*

Many interviewees believed that CS lacked proper financial stewardship and oversight when the CSB contract was approved by the Board in 2018. Since it was not within our mandate, we refrain from making any judgments on the CSB issue, as we have not analyzed the facts related to the Board's conduct in the negotiation and approval of the CSB in 2018. We can only say that the Board and the new GS are diligently dealing with these critical issues.

#### ***4.3. Issue 3: Does CS's Board of Directors exercise an appropriate degree of oversight of senior management?***

During our review, given the transition of senior leadership, we had limited access to information related to the Board oversight over senior management. We only noticed that the Board might have exercised too much oversight over the senior management team during the transition period. Appreciating that the Board wanted to avoid risks or other crises at all costs, we believe that the management team should have been more entrusted to manage the transition. That said, reports from management were requested by and provided to the Board and checks and balances were in place to ensure proper oversight and continuity of the day-to-day operations. We have no evidence that the Board lacked oversight and stewardship over the senior management team.

#### ***4.4. Issue 4: Is senior management properly structured and constituted, with clearly defined roles, to oversee the operations of CS, from the grassroots level to the high-performance level?***

Upon reviewing the job descriptions, the organizational chart and interviewing the staff, we are satisfied that the senior management is properly structured and constituted with clearly defined roles. However, given that the strategic plan is not trickled down into operational plans, staff sometimes felt unguided when key operational decisions were to be made. That's why it is paramount that CS becomes a strategic organization guided by a realistic strategic plan that translates into operational plans and employees' objectives.

The GS role and responsibilities are delineated in CS policies and the organizational chart (HR) confirms that as well. Even if our mandate was not to assess CS's operational structure, we find that the organization is currently lacking a senior technical leader such as a Chief Sport Officer ("CSO") or similar title or role. A CSO with soccer acumen and credibility would be, in our opinion, an added value and a good combination with the new GS who brings the business and

organizational excellence acumen. Many good comparable NSOs are structured with a CEO with business and operational acumen supported by a technical leader such as a CSO.

Subject to an organizational effectiveness review, we believe that the current staff team provides good leadership from grassroots to high performance but would benefit from being led by a CSO or technical leader. On the National Teams coaches' issue, these are 2 key positions in CS's organizational structure. Contrary to what CS Bylaws indicate in section 10.01, we don't believe the Board should be involved in the selection, evaluation, or termination of the National Coaches. Good governance strongly and clearly suggests that this should be the sole decision of the GS or CSO who shall consult, when deemed appropriate, the Board. Boards of leading NSOs may provide inputs and insights but shall not interfere with the CEO or CSO decision. The role of the Board is to ensure that a good hiring and selection process is in place.

It is anticipated and recommended that the new GS will revise the organizational structure based on the current needs and eventually the new strategic plan. Structure shall follow strategy.

***4.5. Issue 5: Do CS's present policies and practices ensure that its decision-making is transparent?***

In addition to our previous comments on transparency and communication, the policies and strategic plan's corporate values state that, when appropriate, transparency is warranted. Nonetheless, the interviewees revealed that the organization and the Board share limited information with the Members and stakeholders.

The fact that no minutes, updates, or reports are posted on CS website or communicated otherwise, combined with the uncertainty with the GS transition and the issues associated with the CSB and the National Teams' CBAs, contributed to some level of mistrust with CS's overall leadership.

Good governance suggests that the organization shall be transparent around decision making bearing in mind the fiduciary, confidentiality, and independent role the Board shall play. A corporate governance communication policy and strategy shall be developed.

***4.6. Issue 6: Based on its structures, policies and processes, does CS ensure that its members and stakeholders are effectively represented and embrace equity, diversity and inclusion?***

We are of the view that CS embraces diversity, equity, and inclusion ("DEI") through its DEI program and activities and considering the current Board and Committees' composition. CS's guide to accessibility and inclusion, the DEIA Day initiative and the CS/FIFA's Women-focused Coach Development workshops are a testament of CS's engagement in DEI. CS's stakeholders are represented on the Board given the Regional Directors.

That said, in terms of stakeholders' representation, some Members feel they should have a seat and be represented on the Board. We disagree with this statement as we believe a Board should be mainly independent. By electing the Directors, the Members exercise their democratic rights and shall not have a seat on the Board. Through their involvement on the MC, they have

an opportunity to support CS in decision making. A suggestion is to involve more Members and stakeholders, when appropriate and when there are no conflicts, in CS's Committees.

**4.7. Issue 7: Are CS's Members familiar with safe sport measures such as the Office of the Sport Integrity Commissioner ("OSIC"), Abuse-Free Sport, and the Universal Code of Conduct against Maltreatment in Sport ("UCCMS")?**

Like most Canadian N/MSOs, CS has adopted the UCCMS and OSIC and made safe sport a priority. For instance, CS hired a consultant (Allison Forsyth) to support safe sport initiatives and offered safe sport training to its stakeholders. CS's staff and the Board of Directors have all signed the Abuse Free Sport consent form and accepted to be bound by the UCCMS.

CS's website on safe sport, [Canada Soccer Safe Sport Roster - Canada Soccer](#), contains relevant and sufficient information on the OSIC, UCCMS and safe sport in general.

Interviewees indicated that they were aware of the existence of the UCCMS and OSIC, especially those who are designated UCCMS or Abuse Free Sport Participants and as such, have signed the consent form.

We were not privy to any action plans deriving from the McLaren report but understand that such a plan is being developed by the safe sport consultant.

We believe that CS shall develop a safe sport plan to ensure better alignment in this area. More work is required to ensure alignment and ongoing training about unsafe behaviours, maltreatment and prohibited behaviours defined under the UCCMS.

**4.8. Sport Canada governance scorecard 2021**

While the results of the Sport Canada governance scorecard date back to 2021 and are not contemporary to the review period, the results are interesting. Aside from not meeting the marks on the onboarding and training, CS performed reasonably well on governance communication (official languages), board functioning, accountability and transparency, organizational leadership, and capacity. The Scorecard can be summarized as follows:

Good governance criteria	Score	Comment
<b>1. Communication and Engagement</b>		
<b>Official Languages Practices Within Governance Elements</b> - The availability of documents to the public in both official languages through the organization's website, the equivalent content of English and French versions, and the quality and clarity of writing.	4/6	The organization has met four of the six criteria about official languages.
<b>2. Board Function</b>		
<b>Board Structure</b> - The design, reporting structure, committee structures, and functional interdependencies through which the organization is directed and controlled.	2/5	The organization is in good standing with the Canada Not-for-Profit Corporations Act. Board committees are structured following strategic priority areas and in line with the organization's by-laws.
<b>Board Role and Responsibility</b> - The policies, procedures, and practices that	2/5	Clear roles and responsibilities for the most senior staff person are in place, although documentation



ensure efficient and effective decision-making and oversight, particularly the delineation between oversight and management.		on the Board of Directors' roles and responsibilities is underdeveloped.
<b>Board Composition</b> - The makeup of the Board of Directors, is designed to ensure that the Board of Directors has the balance of requisite skills, diversity, and recruitment and succession planning strategies to meet the governance needs and oversight responsibilities of the organization.	3/5	Members of the Board of Directors are recruited, nominated, and elected through a fair, open, and transparent process. The Board of Directors has formalized their approach to diversity through policy. Succession planning is documented.
<b>Board Development</b> - The initiatives aimed at ensuring that essential knowledge, skills and abilities are resident within the Board of Directors.	1/5	There is some, although limited evidence, that the Board of Directors' orientation and development are considered.
<b>3. Accountability and Transparency</b>		
<b>Conflict of Interest</b> - The policies, procedures, and practices designed to guide the declaration, management, and mitigation of real, potential and perceived conflicts of interest.	2/5	The Independence of the Board of Directors is managed on an informal basis. There is a conflict-of-interest policy in place that specifies how to disclose, report, and monitor real, potential and perceived conflicts of interest.
<b>Dispute Resolution</b> - The policies, procedures, and practices designed to guide dispute resolution.	3/5	There is a documented dispute resolution process in place, established either through policy or procedure.
<b>Financial Strategy and Control</b> - The policies, procedures, and practices through which the organization monitors and controls the direction, allocation, and use of financial resources.	3/5	The Board of Directors has a Finance and Audit Committee, or equivalent, with approved terms of reference. Budgets are drafted annually.
<b>4. Organizational Leadership &amp; Capacity</b>		
<b>Strategic Planning</b> - The forward-looking activity that is used to set priorities, focus effort and resources, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment.	5/5	The strategic plan is incorporated into all aspects of the organization's operations and is connected and articulated to the everyday aspects of the organization. KPIs are used to assess progress and inform decision making.
<b>Risk Management</b> - The policies, procedures, and practices that guide the identification, assessment, mitigation, management, and reporting of risks.	4/5	The risk registry and risk management strategy are aligned to strategic, operational, and financial plans. Policies are developed strategically using a principled approach to strategy and operations.

## 5. CHAPTER 5: RECOMMENDATIONS

Based on this review, CS's legal and governance framework, good governance principles and practices and the analysis of CS's governance issues, we propose the following governance enhancement recommendations.

We recommend that a governance expert working group ("GEWG") be constituted to further assess and provide recommendations to CS on governance issues and Bylaws modernization. The GEWG would be composed of sport governance experts and individual(s) who understand(s) soccer and the FIFA/Concacaf environments and who shall have no direct or indirect vested interests in CS, the Board, or the Members. It would be tasked to provide Bylaws and good governance recommendations to the Board's Governance Committee which will then report to the Board. Their priority should be to recommend a new and more balanced membership voting structure in which Project 8 ("P8") would be included.

The specific recommendations are as follows.

### 5.1 Recommendation 1: Modernize CS's Bylaws

**5.1.1** Conduct a comprehensive review of CS's Bylaws to align with the CSGC, the CNCA and FIFA Statutes. At a minimum but not limited to, the specific recommendations are as follows:

5.1.1.1 Modernize the membership voting structure or distribution of votes by eliminating or reducing the power imbalance amongst Members. A more balanced distribution of votes will result in a better engagement of all CS Members. This issue is a priority. As requested by FIFA, it shall be involved in that discussion. The GEWG shall provide recommendations to CS in this regard.

5.1.1.2 As recommended in the CSGC, reduce the number of Directors from 14 to 9 or 11 (we recommend 11) and ensure that the Board is composed of a vast majority, if not entirely, of independent competency-based Directors meeting the skills matrix (including an Athlete Director).

5.1.1.3 Restate, in the policies and Bylaws, that the Board should perform policy-making, strategy development, organizational oversight, and risk assessment functions with appropriate independence from management. The role of the Board is to ensure a bold strategy is developed by the CEO/GS, taking into consideration the stakeholders' inputs.

5.1.1.4 Ensure the Athlete representative and DEI objectives are constantly met, including assessing the inclusion of an aboriginal representative. Clarify if the Athlete representative comes from the Regional or Independent Directors or not at all.

5.1.1.5 Clarify the maximum number of years a Director can serve on the Board, irrespective of their role on the Board. We recommend a maximum of 12 or 16 years.

- 5.1.1.6 As requested in the CSGC, clarify the Bylaws to ensure the Chair of the Board (the President) is a truly Independent Director. The Vice-President shall also be an Independent Director. Both shall be vetted and nominated by the Nominations Committee and the Committee shall determine how campaigning should work. Campaigning, if not well-circumscribed, may lead to political promises that may not be necessarily relevant to the needs of the organization or aligned with the strategic plan.
- 5.1.1.7 The Nominations Committee's terms of reference and role shall be revised and modernized to allow the Committee to vet all Board positions' applicants. We also recommend that the Bylaws' detailed and prescriptive articles on the Nominations Committee (section 9.01 ii) be simplified and transferred into the Board's approved Nominations Policy and terms of references. The Bylaws shall have a general stipulation about the creation and role of the Nominations Committee but not all the details that are normally contemplated in a policy. The Board should be entrusted and responsible for adopting and modernizing policies and terms of reference. As it stands right now, modernization of the Nomination process would require a Bylaws change.
- 5.1.1.8 As stipulated in the CNCA and recommended in the CSGC, the Officers, including the President and Vice-President, shall be appointed by the Directors once the Directors are elected by the Members. All Directors shall be vetted and included in the Nominations Committee's report. Alternately, if Members prefer electing the President, the nominees for this position shall be vetted by the Nominations Committee and the campaigning be well-circumscribed. All other Officers shall be appointed by the Board and not elected by the Members.
- 5.1.1.9 Clearly state the responsibilities of the GS that shall include the search, selection, and evaluation of the National Teams Coaches. Remove the involvement of the Board with the National Coaches as currently stated in section 10.01 of the Bylaws. This is an operational decision. Having the Board hire or select the National coaches is contrary to good governance practices and principles, the CSGC and CS's governance policies.
- 5.1.1.10 Create and adopt a policy and terms of reference for the Members Council and remove the MC's detailed stipulations from the Bylaws. The MC shall play an advisory role and be able to strike subgroups to enhance the MC's members' engagement and deal with specific issues.

## **5.2 Recommendation 2: Athlete's Engagement**

- 5.2.1** CS shall ensure optimal athletes' participation and engagement. The Athletes Committee or National Teams Committee should immediately or as soon as possible begin their work.

- 5.2.2 CS shall involve athletes in other committees or task forces when deemed appropriate to ensure their voices are heard.
- 5.2.3 The Athletes Committee shall inform the Nominations Committee of the Athlete Director nominee. For clarity, the Nominations Committee doesn't vet the Athlete director but ensures their eligibility and takes into consideration such nominations to ensure it proposes a balanced slate of nominated candidates.

### **5.3 Recommendation 3: Standing Committees**

- 5.3.1 CS shall strengthen the role of the Board's standing Committees to better support the Board. CS shall invite external experts to the standing Committees.
- 5.3.2 In particular, CS shall strengthen the role of the Governance Committee and task it to develop a good governance enhancement plan including Bylaws modernization (with the expert advice of the GEWG).
- 5.3.3 In particular, CS shall strengthen the role of the risk oversight Committee and ensure that a comprehensive risk registry is developed and updated. The risk registry shall also be a standing item on the Board's agenda. The CEO shall develop and maintain the risk registry and consult with the Committee on risk management issues.
- 5.3.4 CS shall revise the Committees' structure and terms of reference to align optimally with the CSGC, the revised Bylaws and the new strategic plan.

### **5.4 Recommendation 4: Board's Evaluation and Skills Matrix**

- 5.4.1 The Board shall perform a self-evaluation of its performance annually and a 360 evaluation every 2 years. It shall maintain the evaluation of all Board meetings.
- 5.4.2 When performing its skills assessment, the Board shall seek external inputs to develop its skills matrix in time to inform the Nominations Committee of the targeted desired skills and competencies.

### **5.5 Recommendation 5: Good Governance Training, Onboarding, and Orientation**

- 5.5.1 The Board shall conduct a fulsome orientation and onboarding retreat shortly after the AMM.
- 5.5.2 CS shall continue to enhance the good governance resources and offer continued education on good governance to CS Directors, staff, Committee members and CS Members, on issues such as, but not limited to, fiduciary and legal duties, roles and responsibilities, conflicts of interest, FIFA/Concacaf Statutes, the CSGC and CNCA requirements, DEI, and safe sport. Some good governance training shall be mandatory.

**5.5.3** CS shall strive to align governance structures and policies with the Members.

## **5.6 Recommendation 6: Strategy**

**5.6.1** CS shall ensure that it has a bold vision, defined desired outcomes, an achievable strategic roadmap, and associated action plans with the necessary resources. Just because the Board is responsible for developing the strategy doesn't mean that the employees are solely responsible for executing it. In modern governance, the strategy is developed by the leadership team and presented to the Board for input and approval. It is recommended that the leadership team works with the Board to develop the *Strategy*.

**5.6.2** CS shall develop the *Strategy* in consultation with CS's Members and stakeholders to enhance their engagement and buy-in. In our view, the *Strategy* shall be for *soccer in Canada* and ensure that all Members adhere to it. Members shall align, as much as possible, their strategic plans with the national strategy and thus contribute to the common national objectives.

**5.6.3** It is recommended that the *Strategy* be developed sooner than later over the next 6-8 months.

**5.6.4** After developing or updating the *Strategy*, CS shall create associated operational plans and budgets, as well as a strategic dashboard to monitor progress. Employees' objectives and responsibilities shall derive from and align with the strategic plan.

**5.6.5** Regular updates on the *Strategy* shall be communicated to the Board, the Members and the public in general. A strategic plan update shall be a standard business item on the Board's agenda, like conflicts of interest and risk registry.

## **5.7 Recommendation 7: Transparency and Communication**

**5.7.1** CS shall develop and deploy a corporate communication strategy and policy to enhance communication and transparency with their Members and the public in general, particularly in the areas of finances and decision-making.

**5.7.2** CS shall clarify its governance policies regarding the communication of the Board and Committees' minutes and reports, bearing in mind the recommendation of the CSGC, which states that the Board and Committees' minutes shall be made publicly available on CS's website.

**5.7.3** CS shall make this independent review public.

**5.8 Recommendation 8: Safe Sport and DEI**

- 5.8.1** CS shall develop a fulsome strategy on safe sport and DEI across CS's ecosystem aiming at optimally aligning all Members on policies and procedures, education, and preventive measures.

## 6. CONCLUSION

This review provides comprehensive information, insights, and recommendations for CS to improve its governance as a whole. It will now be imperative that CS actionizes this review and develops a plan sequencing the key priorities. CS demonstrated courage by conducting this independent review and making it public. With its completion, it is time for decisive action, enabling CS to become a more engaged, modern, and progressive organization.

We wish to thank again all staff, Board and Committee members, Members and stakeholders who have agreed to participate in this review genuinely and honestly.

Wishing the best success for soccer in Canada!

## APPENDICES

### Appendix 1: Governance review questions and themes

Individual or group interview (part 1)

- *Are CS's By-Laws and its governance structures, processes and policies (including those related to finances) in line with current best practices, and compliant with the requirements of the Canadian Sport Governance Code?*
- *Are financial decision-making processes transparent and consistent with CS's mission and values?*
- *Does CS's Board of Directors exercise an appropriate degree of oversight of senior management?*
- *Is senior management properly structured and constituted, with clearly defined roles, to oversee the operations of CS, from the grassroots level to the high-performance level?*
- *Do CS's present policies and practices ensure that its decision-making is transparent?*
- *Based on its structures, policies and processes, does CS ensure that its members and stakeholders are effectively represented and embrace equity, diversity and inclusion?*
- *Are CS's Members familiar with safe sport measures such as the Office of the Sport Integrity Commissioner ("OSIC"), Abuse-Free Sport, and the Universal Code of Conduct against Maltreatment in Sport ("UCCMS")?*
- *In the area of governance, are there any other actions that the Board of Directors and senior management could take to improve the confidence Canadians have in CS?*

#### Questions

1. **Are there any current issues, gaps, or challenges in CS governance?** Governance includes, but not limited to, CS board's fiduciary role, CS's Committees, CS's bylaws and policies, safe sport, and EDI (equity, inclusion diversity), Voting members' structure, transparency of decisions, the engagement of CS's stakeholders, financial and risk management, strategic planning, and leadership.

**Quels sont les enjeux, manques, ou défis actuels de la gouvernance de CS?** La gouvernance signifie notamment mais sans s'y limiter, le rôle fiduciaire du CA, les comités de CS, les règlements administratifs et les politiques de CS, le sport sécuritaire, l'inclusion, la diversité et l'équité, la structure de votes des membres, la transparence des décisions, l'engagement des parties prenantes de CS, la gestion des risques et financière, la planification stratégique et le leadership.

2. **Please suggest 1 to 3 actions CS should prioritize to improve its governance?**  
**Veillez proposer 1 à 3 actions que CS devrait prioriser pour améliorer sa gouvernance.**
3. **Do you have other comments to share? Avez-vous d'autres commentaires à partager ?**



## **Appendix 2: List of interview's targeted groups**

1. CS Board and Committee members (individually and in group)
2. CS senior management team and staff
3. Presidents and EDs of Provincial/Territorial Member associations
4. Members Council (individually and in group)
5. CS stakeholders
6. Pro Clubs and leagues
7. Players' representatives
8. Referees' representative
9. Coaches' representative
10. CS's Legal counsel

### Appendix 3: Comparable NSOs' governance models

NSO	Board composition - CA	Voting membership structure	Policies
<b>Swimming Canada</b>	<p><b>Article IV: Governance</b></p> <p><b>4.1 Directors</b></p> <p>The Board will consist of nine (9) Directors, one of whom shall be a Retired Swimmer. The Director who is a Retired Swimmer must meet the criteria of these By-laws each time they seek election as such, including without limitation the time limits set out in Section 1.2(v); however, where a Retired Swimmer no longer meets such time limits during a term of office, this does not result in the vacation of their office as Director and they may continue to serve until the end of such term. The Members may, from time to time by Ordinary Resolution, fix the number of Directors of the corporation and the number of Directors to be elected at annual meetings of the Members or delegate those powers to the Directors. No decrease in the number of Directors shall shorten the term of an incumbent Director.</p>	<p><b>Article II: Membership</b></p> <p><b>2.1 Categories</b></p> <p>The Corporation has the following categories of Members:</p> <p>a) Provincial Section members</p> <p>b) Special Interest Group Members listed as follows:</p> <ul style="list-style-type: none"> <li>• High Performance Club Members</li> <li>• CSCA</li> <li>• Athletes Council</li> <li>• Officials, Competitions and Rules Committee.</li> </ul>	<p><a href="https://www.swimming.ca/en/resources/board-governance/board-policies/">https://www.swimming.ca/en/resources/board-governance/board-policies/</a></p>
<b>Rugby Canada</b>	<p><b>4. Board of Directors</b></p> <p><b>4.1 Composition</b></p> <p>(a) The Board shall consist of no fewer than nine (9) and no more than eleven (11) Directors, including the two Athlete-Nominated Directors (collectively referred to as the "Directors").</p> <p>(b) The number of Directors of one gender shall not exceed the number of Directors of all other genders by more than two.</p>	<p><b>2. Membership</b></p> <p><b>2.1 Entitlement</b></p> <p>Membership in the Union shall consist of:</p> <p>(a) the Provincial Rugby Unions; and</p> <p>(b) any New Union which has been admitted as a Member by the Board; provided that, before the Board may resolve to admit a New Union as a Member, the New Union shall:</p>	<p>Third section - Bylaws &amp; policies:</p> <p><a href="https://rugby.ca/en/about/governance">https://rugby.ca/en/about/governance</a></p>

<p><b>Basketball Canada</b></p>	<p><b>Article 3: Governance</b></p> <p><b>Composition of the board</b></p> <p><b>3.1 Directors</b></p> <p>The Board shall consist of not less than six and no more than eleven (11) directors, comprised of:</p> <ul style="list-style-type: none"> <li>(a) Up to six Class A Directors elected by Class A Members;</li> <li>(b) Up to four Class B Directors elected by Class B Members;</li> <li>(c) Up to one Director who may be appointed by the Board annually.</li> </ul>	<p><b>Article 2: Membership</b></p> <p><b>Categories of Membership</b></p> <p><b>2.1 Categories</b></p> <p>The Corporation has two categories of membership:</p> <ul style="list-style-type: none"> <li>(a) Class A Members;</li> <li>(b) Class B Members.</li> </ul> <p><b>2.2 Class A Members</b></p> <p>The following individuals and organizations are eligible to be Class A Members:</p> <ul style="list-style-type: none"> <li>(a) Directors;</li> <li>(b) Any association recognized by any province or territory of Canada as the governing body for the sport of basketball in that province or territory;</li> <li>(c) A male athlete representative elected each year by the athlete members of the Men’s National Teams;</li> <li>(d) A female athlete representative elected each year by the athlete members of the Women’s National Teams; and</li> <li>(e) The Canadian Association of Basketball Officials.</li> </ul> <p><b>2.3 Class B Members</b></p> <p>The following organizations are eligible to be Class B Members:</p> <ul style="list-style-type: none"> <li>(a) Those associations, organizations and corporations that support the purposes and goals of the Corporation and that have been admitted as Members pursuant to Article 2.5, provided that at any given time there will be no more than four such Members.</li> </ul>	<p>List of Canada Basketball's policies: <a href="https://www.basketball.ca/en/about/governance">https://www.basketball.ca/en/about/governance</a></p>
<p><b>Golf Canada</b></p>	<p><b>Article 4: Governance</b></p> <p><b>Composition of the board</b></p> <p>4.1 The Board shall be composed of a minimum of 8 individuals and a maximum of 13 individuals, all of whom shall be elected by the Voting Members:</p> <ul style="list-style-type: none"> <li>a) Two officers to include the president and the vice-president;</li> <li>b) A director representing the Provincial</li> </ul>	<p><b>Article 2: Membership</b></p> <p>2.1 Golf Canada has the following three categories of membership:</p> <ul style="list-style-type: none"> <li>a) Member Club;</li> <li>b) Individual Voting Member; and</li> <li>c) Individual Non-Voting Member</li> </ul>	<p>List of policies: <a href="https://www.golfcanada.ca/golf-canada-policies/">https://www.golfcanada.ca/golf-canada-policies/</a></p>

	<p>Council, who shall serve as chair of the Provincial Council;</p> <p>c) A director representing the Governors Council, who shall serve as the chair of the Governors Council; and</p> <p>d) A minimum of four and a maximum of nine directors-at-large, one of whom shall be appointed by the Board as secretary. The number of directors shall be determined by the Voting Members and may vary as between the minimum and maximum number of directors by ordinary resolution.</p>		
<p><b>Equestrian Canada</b></p>	<p><b>Board of Directors</b></p> <p>4.1 Composition of a Board - The Articles of the Corporation provide for a minimum of 7 and a maximum of 14 Directors. The Board shall be such number of Directors as may be established by the Board within such minimum and maximum. The Board will determine the number of Directors. The Board may provide a standing invitation to the immediate Past President of the Board if no longer a Director to attend meetings of the Board in a non-voting capacity.</p> <p>4.2 Directors to be Elected - Subject to any increase or decrease by the Board within the minimum and maximum as set out in the Articles, the number of Directors to be elected at an annual meeting shall be the number of Directors whose terms expire in the same year as the election.</p> <p>Officers 4.25.</p> <p>Officers -- The Officers of the Corporation shall be the President and any other officers the Board may determine by resolution from time to time. The President and Vice President(s) shall be a Director but no other Officer needs to be a Director, including the Chief Executive Officer. Any two offices may be held by the same Person. The Board, subject to the Act, may delegate to such Officers the power to manage the affairs of the Corporation. The President shall be elected by the Board from among the Directors at the first Board Meeting following the Annual Meeting.</p>	<p><b>Membership Categories</b></p> <p><b>3.1. Categories</b> – The Corporation has three (3) categories of membership and each category of membership shall designate nine (9) qualified delegates to be Voting Members to represent the membership category at meetings of members and each Voting Member shall be entitled to one vote:</p> <p>3.1.1 Category A – Equestrian Sports;</p> <p>3.1.2 Category B – Provincial and Territorial Sport Organizations;</p> <p>3.1.3 Category C – National Equine Organizations.</p>	<p><a href="https://equestrian.ca/news-info/forms-and-documents/?resource-category=complaints-sanctions">https://equestrian.ca/news-info/forms-and-documents/?resource-category=complaints-sanctions</a></p>

## **Appendix 4: CS policy on basic principles of governance**

### **1. ACCOUNTABILITY**

- a) The accountabilities (roles and responsibilities) of the Board of Directors and the chief executive (i.e., the chief executive officer, executive director, or general secretary) are clearly specified in the By-laws and governance policies of the organization.
- b) The Board is accountable to its Members and other stakeholders for all decisions, actions and the strategy and performance of the organization, including its compliance with the organization's core values, and the selection, oversight, evaluation, removal, and compensation of the chief executive.
- c) The chief executive is accountable to the Board for the organization's operations, including the budget/operating plan and the management of finances, risk, human resources, programs and services, and stakeholder relations.
- d) The Members of the organization (collectively represented at the annual meeting of the Members) are accountable for:
  - approving the audited annual financial statements of the organization
  - approving the appointment of the auditor for the forthcoming year
  - the election of Directors and Officers
  - discussing other MOTIONS that may be put forward by the Members or by the Board.
- e) In making decisions, the Board and the Members comply with existing laws and regulations.

### **2. EQUITY AND INCLUSIVENESS**

- a) The Member voting structure of the organization is inclusive and equitable:
  - the voting structures include all soccer stakeholders such as Member districts, leagues, players, referees, and coaches.
  - votes are allocated according to a formula that ensures an equitable or fair balance between all the stakeholders and prevents a small number of stakeholder or stakeholder entities from controlling voting outcomes.

### **3. SEPARATION OF POWERS**

- a) The Board of Directors is the strategic and oversight body; the chief executive is the executive and operational body; the independent disciplinary committees are the judicial bodies; and the annual meeting of the Members is the legislative body.
- b) Each of the bodies has a specified role and has powers which remain distinctive and separate.

### **4. REPRESENTATIVE DEMOCRACY**

- a) The Board has democratic legitimacy because its Directors are elected by the Members and because there is a defined and reasonable limit to their term of office.
- b) The organization ensures that its decision-makers and participants, in their composition, reflect the diversity of the community in which it operates (e.g., race, colour, ethnic origin, disability, gender, age, region, official language/s, indigenous status and immigrant status.)

c) The Board makes decisions and acts with a view to the best interests of the organization, while ensuring that all its stakeholders are represented in the decision-making processes and that their views are effectively taken into account.

d) The organization ensures that it has effective and transparent communication processes in its relations with its stakeholders.

#### 5. AFFIRMATION AND PROTECTION OF POSITIVE VALUES

a) In growing and improving the game of soccer, the organization affirms and promotes the game's unifying, educational, cultural, ethical, and humanitarian values, its respect for all globally recognized human rights, and its assurance of non-discrimination and equality.

Approved by the Board of Directors, 16 September 2023