CORPORATE GOVERNANCE

AND

CREDIT UNIONS IN CANADA

By

LARISSA ZARIWNY

Integrated Studies Final Project Essay (MAIS 700)

submitted to Dr. Nanci Langford

in partial fulfillment of the requirements for the degree of

Master of Arts – Integrated Studies

Athabasca, Alberta

April 2014

ABSTRACT

This paper identifies the prevailing issues concerning corporate governance including the lack of a universal definition and limited government and industry standardization. This paper examines the need for and challenges with implementing corporate governance structures in credit unions in Canada. This paper accomplishes the previous mentioned task through an analysis of the credit union system in Canada such as the growth of individual credit union through amalgamation and the newly introduced federal credit union legislation.

Table of Contents

Introduction and Research Question 1
What is Corporate Governance? 3
Credit Union: The Uniqueness of a Canadian Financial Institution 7
Growing Strength of the Canadian Credit Union System 8
Amalgamation: The Need for Corporate Governance? 9
Extra-Jurisdictional Legislation: Another Need for Corporate Governance 10
Conclusion 14
References 18

Corporate Governance and Credit Unions in Canada

Introduction and Research Question

My motivation to understand more about corporate governance, specifically within credit unions in Canada, led to a number of immediate discoveries, one of which was that our credit unions appear to be a hidden treasure. For example, all the benefits and the financial services provided by these financial institutions are not known even, unbelievably, to their members. Furthermore, credit unions provide a good example of how corporate governance and grass roots involvement in decision-making can exist together and be connected with each other. The member of a credit union, the 'shareholder' or customer who uses it for financial services including deposits, loans, insurance, pensions and investments is its main building block, its single most important ingredient. Voting directors to a board to act as corporate trustees for shareholders, gives a member unprecedented power and authority to control the strategic direction of a financial institution, their credit union.

This analysis also led to the discovery that there is a paucity of any current substantive and informative analysis on the credit union system within Canada, let alone their corporate governance structures. I was motivated to ask what is fundamentally significant about this discovery, which is illustrative of an absence of research material? In response I chose the following research question: *How do current structural and legislative challenges facing Canadian credit unions compel the need for corporate governance?*

I will be drawing on law, political science, and business disciplines to provide answers to this question. From the business, political science and law perspectives, I will

review a number of developmental issues, which influence and characterize the current state of corporate governance: its definitions; the development of standardized rules; and, the importance of good corporate governance. Also, from the business discipline frame of reference, I will briefly review the following: the corporate characteristics that makes credit unions in Canada unique; and, the growing strength of credit unions on the financial scene. From the business and legal perspectives I will examine how amalgamation of credit unions has increased their scope and magnitude of their operations. Political science, business and law disciplines will be relied on to explain how the current federal legislation allows credit unions to become extra-jurisdictional federal credit unions. Finally, my conclusion will draw on the aforementioned discussion to answer the research question, namely why a sound corporate governance system needs to be implemented within credit unions in Canada.

As credit unions expand and become more powerful players in the Canadian financial sectors, there will be a need to examine them beyond the limited analysis that already exists. Researching for this paper should open candid and professional discussions on credit unions and the impacts of corporate governance on them as they grow in strength and size. Any current analysis of the financial sector in Canada will be lacking without an understanding of the credit unions system. This analytical debate will benefit the business discipline, specifically, the fields of operations and marketing of credit unions, and the relationships they have with their members. Furthermore, it is hoped that a renewed analysis of policy and governance and the impact of current legislation on credit unions and the financial sector will contribute to the further study of those areas from both the political science and legal perspectives.

What is Corporate Governance?

The term corporate governance appears to be first used by Robert Tricker in *The Independent Director* in 1976 (Vagneur, 2004, p. 10/2). While there are numerous books on corporate governance as authoritative source materials, little effort was expended in developing a standardized definition of the term. Many years after he first coined the term, Tricker endeavoured to define corporate governance as follows:

> "*Corporate governance … is concerned with the way that corporate entities are governed, as distinct from the way businesses with those companies are managed. Corporate governance addresses the issues facing boards of directors, such as the interaction with top management, and relationships with the owners and others interested in the affairs of the company…" (Vagneur, 2004, p. 10/4).*

Following Tricker there have been other attempts to define corporate governance. A more comprehensive definition was prepared and presented by the Cadbury Committee, publishers of the Cadbury Report in the United Kingdom. This definition takes into account internal and external corporate governance issues and focuses on "control and accounting for the implementation of board policy" (Vagneur, 2004, p. 10/5). With no specific set definition, scholars and those who enacted laws using the phrase were left to interpret its meaning and impact on an organization. However, a consensus of sorts did arise in that executives and shareholders and the companies they controlled were beginning to rely on a set of "norms, policies, procedures, and processes" to determine responsible behavior and the decision-making process (Vagneur, 2004, p. 10/5).

It was not until the massive corporate collapse in 2000 of various companies with dubious accounting practices in the United States that the topic of corporate governance

was pushed to the forefront by law makers and due to public interest (MacAulay, Dutta, Oxner, and Hynes, 2009, p. 29). Laws such as the *Sarbanes-Oxley Act 2002* (*Sox*) in the United States were enacted to ensure that companies followed standardized corporate governing practices to limit potential future collapses (MacAulay, Dutta, Oxner, and Hynes, 2009, p. 29). *Where Were the Directors?* (The Dey Report), which was published in 1995, analyzed and offered recommendations for corporate governance in Canada. Accompanying this report, the Toronto Stock Exchange (TSX) introduced comply-or-explain requirements (MacAulay, Dutta, Oxner, and Hynes, 2009, p. 30). However, while this report was ahead of some of the work in the United States, corporate governance reform in Canada made slower headway (Barnes, Johnson, and Yarmus, 2003, 259). The recommendations that flowed from the Dey Report were later revoked in 2004 with the introduction of the *National Policy 58-201 Corporate Governance Guidelines* (*National Policy*) (Hansell, 2005). This national policy extends beyond best practices in Canada and draws on those prevalent in the United States such as *Sox*, and the listing standards of the New York Stock Exchange (NYSE) and the Nasdaq (Hansell, 2005). However, the *National Policy* is not a legal requirement but only offers guidelines for corporations. In addition, it is only a high level document that gives overall recommendations that do not guarantee good corporate governance, but merely offer a framework to implement a corporate governance model.

Given the above circumstances, what are the determinants of fair, equitable and just corporate governance that can be emulated and followed with a badge of corporate excellence and, also, to earn profit? The foremost principle is that corporate governance should allow decision-makers to consistently, properly, and legally make good business

decisions. The controls, policies, and procedures that are encompassed in corporate governance can provide a "higher degree of assurance that management acts in the interest of shareholders, thus reducing the likelihood that managers, acting in their self-interest, take actions that deviate from stockholders' wealth maximization" (Bar-Yosef and Prencipe, 2013, p. 296). Sound corporate governance and the policies that stem from these systems can lead to increased market value (Ionescu, 2012, p. 216). Corporate governance not only affects the well being of a company, but also as many cases have shown, the well being of countries and the world economy (Gavrea and Stegerean, 2011, p. 674). With global markets being a persistent reality, the collapse of key strategic companies can wield disastrous results around the world. Internationally there is documented evidence that indicates that there is a positive correlation between implementing specific corporate governance factors and increased market value of business decisions (Anand, 2013, p. 39). Even though there have not been many studies on specific Canadian corporations, those that do exist show this correlation (Anand, 2013, p. 39). There is also indication that a significant number of Canadian companies are taking steps to improve their corporate governance practices, such as, introducing strategic planning sessions, hiring external executive nomination firms to vet candidates, and ensuring succession planning mechanisms are in place (O'Callaghan and Associates, 1999, p. 100).

One thoroughly documented corporate governance model is the "Policy Governance" model, developed by John Carver (Carver, 2013, p. 2). In the Policy Governance model, the board of directors provides the overall vision and direction to management. Boards should not involve themselves in the minutiae or small details of

the organization. According to the model, board members must take care to distinguish themselves as trustee-owners who are responsible for four types of policies (Carver, 2013, p. 3). The first set of policies in the typology, "ends policies", embody the board's long-range planning and perspectives. Ends policies determine what needs are met, by whom and at what cost to the organization. Executive limitations set out the "boundaries of acceptability" for the staff including the methods and activities they are responsible for implementing (Carver, 2013, p. 3). As well, executive limitations lay the framework for the second set of the topology, the "means policies" that are developed and implemented by the staff. "Board management delegation policies", the third set of the typology, define the way in which authority is delegated to staff and how staff is evaluated on the ends and executive limitations policies. The last set of policies that the board is responsible for are the "governance process policies". The board uses this policy instrument to determine "its philosophy, its accountability, and specifics of its own job" (Carver, 2013, p. 3). The Policy Governance model would appear to be very functional; readily adaptable by corporations that want a model for corporate decision-makers; and, it displays sharp distinction between policy and operation matters thereby avoiding the "science of muddling" through decisions. However, it should be noted that the model was developed in the United States specifically for American corporations. There are many companies, however, around the world that use it, but in a modified version that allows for the inclusion of local government requirements. This modified version would allow for Canadian alterations to the existing Policy Governance model that take into account securities regulators, the *National Policy*, and individual industry requirements. For example, a modified Policy Governance model would allow for the use of audit

committees and oversight of a board's financial policies (Barnes, Johnson, and Yarmus, 2003, 263).

Credit Union: The Uniqueness of a Canadian Financial Institution

Credit unions differentiate themselves from other financial institutions in a number of ways. One of the main differences is that its members are owners. This important distinction means that all credit unions "exist to attain the economic and social goals of the people who comprise their membership and surplus monies generated from business activities belong to the members" (McKillop and Wilson, 2011, p. 80). In other financial institutions, such as chartered banks, there is a separation between the customers, or the depositors and the borrowers, and the owners or stakeholders. This separation creates a potential for financial turmoil in situations where the owners want to maximize profits, while the customers want "competitively priced financial products" (McKillop and Wilson, 2011, p. 80). This dichotomy in the system creates the assumption, and in many cases, rightfully so, that some banks are willing to sacrifice their customers to maximize profits for their shareholders and executives. However, credit unions still have to deal with the dichotomy between members who want to borrow and members who want to invest. The investing member wants investments to yield a higher rate of return, while those who borrow want lower costs on credit matters (McKillop and Wilson, 2011, p. 80).

Credit unions operate on a one-member, one-vote model based on each new member buying a share upon joining the credit union. Each member has the opportunity to vote for a board of directors which determines the strategic direction and the establishment of policies under which the credit union operates. Unlike other financial or

even non-financial corporate organizations, the organizational structure of credit unions means that the board of directors is directly responsible to the members and the owners as they are one in the same.

Growing Strength of the Canadian Credit Union System

In order to understand the importance of implementing a corporate governance model and the challenges that might be faced, a thorough analysis of the current state of credit unions in Canada is important. In Canada, Alponse Desjardin established the first credit union, or caisse populaire in Quebec. To this day, some credit unions in Canada still identify themselves with the nomenclature “caisse populaire”, while the rest prefer to be identified as credit unions. Outside of Quebec, the first credit unions were established in Ottawa in 1908 (Mavenga and Olfert, 2012, p. 2). The Great Depression of the 1930s saw the expansion of credit unions into the prairies to support farmers who were unable to secure funding from existing financial institutions (Mavenga and Olfert, 2012, p. 2). Farmers valued the local or community level interaction and input in the financial services of credit unions because the larger financial institutions did not “serve the needs of the rural communities”, a sentiment that remains today (Mavenga and Olfert, 2012, p. 2). Credit union members in Canada account for one in three Canadians, one of the larger per capita memberships in the world (Mavenga and Olfert, 2012, p. 2). From 1967 to 1980, credit unions had increased 125%, reaching 40% of the population (Chan and Mountain, 1986, p. 207). Canadian credit union market share for 2013 was at 6.6% (Credit Union Central of Canada, Dec. 2013, p. 9). As of mid-2013 there were 387 credit unions and caisses populaires in Canada outside of Quebec (Credit Union Central of Canada, Sept 2013, p. 1). Their combined assets totaled $165 billion, which is a 2.5%

increase from the end of 2012. In mid-2012, the top 100 credit unions, as determined by asset size, excluding Quebec, have combined assets of $141.8 billion, which is a 3.1 increase from 2012. The top 100 credit unions have increased in asset size through amalgamations. They account for 85.9% of the total "system assets" in the country (Credit Union Central of Canada, Sept 2013, p. 1). Furthermore, the top 5 credit unions in Canada, excluding Quebec, account for 35.0% of the total combined Canadian credit union assets with $57.3 billion. The top five credit unions in Canada, in order of assets are Vancity, Coast Capital Savings (Coast Capital), Servus Credit Union (Servus), Meridian Credit Union (Meridian), and First West Credit Union (First West). From this list, Coast Capital has the most members with 504,770 and Servus has the most branch locations with one hundred and one (Credit Union Central of Canada, Sept 2013, p. 1). Servus is the only province-wide credit union in Canada. The other credit unions are limited to specific geographic locations. Vancity, Coast Capital, and First West are located in British Columbia, Servus is located in Alberta, and Meridian is located in Ontario. These statistics substantiate the significant growth of Canadian credit union from what was, for the most part, humble beginnings.

Amalgamation: The Need for Corporate Governance?

Over the years there has been an increase in the amount of combined assets size of credit unions, but a decrease in the number of credit unions (Credit Union Central of Canada, 2013, p. 3). This trend signifies an increase in amalgamations as the smaller credit unions become part of the larger ones. As each credit union grows, their asset size also expands. Small one-branch credit unions are not as prevalent as they used to be a couple of decades ago. Where a credit union would have only a handful of staff, credit

unions are now employing hundreds of staff running entire departments. The smaller credit unions most likely had very simple corporate governance structures, if any at all. While many smaller single-branch credit unions did not need to have an extensive and complex corporate governance structure, the larger the credit unions become, the greater the need arose for them to adopt a corporate governance structure that properly fit and matched the scope of the financial services and benefits provided to their members by each credit union. There is no doubt that each of these larger credit unions has to cope with the growing pains of amalgamation regardless if such a merger was proactive or reactive in nature. Sudden expansion in itself creates new issues such as, for example, if the new larger credit union is 'too big' this may signify management problems. As well, how will the financial and service issues created by amalgamating credit unions be resolved? One of the most pressing and obvious problems posed by amalgamation of credit unions is how will or should a new credit union resulting from the merger of smaller corporate entities control and manage its corporate affairs which have now increased in magnitude and complexity? Combining numerous policies, procedures and banking systems can place a strain on the new organizational structure. Each credit union should, and needs to, have a method to deal with combining these various corporate governing models and procedures of the merging entities and a sustainable corporate governing structure that will allow for further growth and accountability.

Extra-Jurisdictional Legislation: Another Need for Corporate Governance

Beyond the need to analyze and implement a corporate governance system for intra-provincial mergers, a new federal law allowing for Canadian credit unions to

become federal, extra-jurisdictional, credit unions was enacted in late 2013. In Canada, constitutionally federal and provincial governments have a shared jurisdiction regarding the financial service sector. Credit unions and caisses populaires are governed by provincial legislation whereas the federal government governs banks. This means that any given province's credit union legislation can restrict a credit union within its geopolitical boundaries from expanding beyond that province. In addition, the relevant laws of each province are not the same; there are significant differences that have so far eliminated expansion beyond provincial boarders. Credit unions would have to alter their business significantly to be able to expand beyond provincial borders thereby falling under the federal division of powers.

In December 2013, the Government of Canada amended the *Bank Act S.C. 1991, c. 46* (*Bank Act*). The amendments under the *Bank Act* allow credit unions to be able to cross provincial boundaries with no disruption to their business. As a result of the fact that credit unions and other financial institutions that fall under the *Bank Act* have significantly different corporate governance structures, a majority of the amendments pertaining to federal credit unions in the *Bank Act* are corporate governance related provisions (Credit Union Central of Canada, 2010a, p. 1). There are a number of reasons expansion over provincial borders can be considered beneficial, namely, opportunity for financial growth, a potential for improvement in member services, and the ability to serve members in different provinces (Credit Union Central of Canada, 2010b, p. 6). There are, of course, a number of strategic corporate governance considerations that credit unions need to determine before deciding whether they make the move to becoming a federal credit union. Among other considerations, credit unions need to take into account

whether there are any advantages to operating in other provinces and if there are any "key business advantages of operating under a federal lending charter" (Credit Union Central of Canada, 2010b, p. 6). In addition, they need to consider whether any additional capital needs to be raised to extend their resources in this fashion, and if their investment powers will be altered. Given such circumstances, one of the most important, if not the most important, issues that credit unions have to weigh and act upon is the extent to which there needs to be alternations or additions to their corporate governance models when they expand their market area into another province or provinces.

Pursuant to the *Bank Act*, federal credit unions would operate under different corporate governance requirements than those that are prevalent in the provinces. Some of the corporate governance rules in the *Bank Act* are completely new to the current corporate governance structures, while others suggest that changes to the various existing provincial legislation may be necessary. As the current credit unions grow they most likely will implement a corporate governance model. Their models will have to be altered if they become a federal credit union, adding a new challenge to developing a functioning corporate governance model. The areas that will be affected include the number of directors, the terms of directors, residency, employees and officers as directors, directors being members, affiliation rules, board committees, and member registries (Credit Union Central of Canada, 2010b, p. 10). The number of directors as outlined in the *Bank Act* and as determined by the credit union bylaws, would be a minimum of seven. Most provincial legislation requires only a minimum of five directors. There is no maximum under the federal *Bank Act*. According to the *Bank Act*, directors can be elected for an unlimited number of terms, but the terms must be either

one, two, or three years long. *Bank Act* residency rules, while varying from province to province pursuant the laws therein, state that a majority of directors must be residents of Canada. One of the major changes to the corporate governance structures resulting from federal to provincial credit unions expansion concerns the authority and powers of the Chief Executive Officer (CEO) (Credit Union Central of Canada, Dec 2010, p. 14). Under provincial legislation, the CEO cannot be a director of the credit union. In addition, generally, provincial legislation disqualifies employees from acting as directors (Credit Union Central of Canada, 2010b, p. 14). However, under the *Bank Act*, the CEO must also be a director of the federal credit union (Credit Union Central of Canada, 2010b, p. 14). Federal credit unions have to also include a Conduct Review Committee and an Audit Committee as part of their corporate governance structure (Credit Union Central of Canada, 2010b, p. 14). These changes, along with the others mentioned would create a need to analyze the current corporate governance structure of an existing credit union and determine how much it needs to be altered and whether any alterations would be too much of a financial burden. In addition, with the new federal legislated rights and responsibilities of the board of directors a new corporate governance plan will be required to ensure that credit union objectives are directed and managed to meet the objectives and interests of the members.

Currently there are no first movers that have taken advantage of the federal legislation offering credit unions to conduct financial services business extra-jurisdictionally. However, the Government of Canada has, in its 2014 budget, allotted funds to offer assistance to provincial credit unions that want to become federal credit unions by easing the process for amalgamations (Federal Budget Canada 2014). This

allotment is part of their incentive to increase the growth of business in Canada. Government of Canada support could be the impetus needed to start the process for some credit unions.

The option to become a federal credit union brings an equally onerous, or some might say an even more difficult task of having to address the commonly related issue of corporate governance that was created by intra-provincial amalgamations of credit unions. Extra-jurisdictional credit unions will have to incorporate the corporate governance structures of different provincial legislation with the newly enacted federal legislation. Corporate governance systems will need to be implemented for the management and coordination of policies, procedures, objectives, responsibilities, rights, urban and rural community financial interests and markets, rules, banking systems and credit union executive staff and members to avoid conflicts and possible duplication. This change would require a massive and effective effort of coordination for any credit unions involved and would create further challenges to either implementing new or existing corporate governance structures. Furthermore, there are some provincial organizations such as the *British Columbia Financial Commission* that have recently established provincial guidelines for their credit unions. Switching to a federal system would mean altering these established guidelines to fit in with the ones set out in the *Bank Act*.

Conclusion

Generally, a sound corporate governance structure becomes an essential obligation of credit union boards and a right of the members when the board of directors is directly responsible to the entire membership unlike typical corporate structures where

the board of directors is just responsible to a select group of shareholders. While some schools of thought would advance the notion that implementing any corporate governance structure is essential for governing the expansion of credit unions resulting from amalgamation and federal legislative changes, the ever changing and growing credit union market in Canada dictates that more thought needs to be put into the decisions concerning corporate governance. Also, the general lack of consensus on how to define corporate governance, let alone required standardizations, means the task for Canadian credit unions of determining what is a good fit for their members and an effective and sound corporate governance structure will a difficult task.

Some of the major results of amalgamations within provincial borders and extra-jurisdictional expansion of credit unions will be the increased size of membership, assets and staff; and, the wider range of financial services and benefits that will be offered by credit unions. These issues are best managed through a corporate governance model that can react to such impacts. The *Bank Act* has allowed for credit unions to expand federally and, to assist with this jurisdictional transition, it has provided funding to ease the cost of amalgamation and, thereby, implementing sound corporate governance policies. If there is a possibility for a federal credit union to exist and flourish, the most likely avenue will be through amalgamation. But with corporate advancement and expansion comes the concomitant need for a corporate governance model that is consistent and regulated such as those recommended by the *National Policy*. Such a model would ensure that Canadian business and legal standards of practice, management, and accountability would be applied to credit unions.

Credit unions especially the larger ones that have been created through amalgamation and those that will be created by amendments to the *Bank Act* need a corporate governance system in place to ensure the standardization of policies and procedures and general business rules such as accounting practices. As history has shown, a lack of corporate governance can lead to disastrous results for not only a single company, but also the global market. Credit unions are Canada will not be immune to such results. As Canadian credit unions are proving, they are no longer single branch credit unions and require more robust corporate governance systems in place to ensure their survival and the wellbeing of the Canadian economy.

As credit unions grow in size, implementing a new corporate governance structure in an already existing organization creates many challenges. Policies, procedures, and standards that are developed through the corporate governance model, or lack thereof, will be affected. In addition, some policies stem directly from federal law such as the Canadian federal *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184*. Polices that would have been created based on this regulation are legally required to be implemented. Changes in corporate governance and the way policies are developed could cause confusion in the implementation of these types of legally required policies. One of the most well planned out corporate governance model, the Policy Governance model, is a valid option for credit unions, especially for some of the larger ones where the board of directors does not have the skills or time to deal with the minutia of the organization. However, the Policy Governance model was developed in the United States and may not be the best fit for credit unions Canada given the differences in laws from one country to the other. There

is, however, some optimism on the horizon, because through the actions of regulators and government initiatives many Canadian corporations are adopting best practices rules similar, if not identical, to those enshrined in the such as *Sox* and implementing them into their corporate governance models. A modified Policy Governance model, in addition to following the best corporate governance practices, and possibly even those laid out by the *Bank Act*, if that is the course, is the best approach course for credit unions in Canada to follow.

Conducting research for this paper has opened up a number of potential and future research avenues for future professional study on credit union corporate governance, specifically, the following: what were the major business successes of credit union under the rubric of good corporate governance; did corporate governance play a role in alleviating the impacts of the financial crash of the 1980s; and, what impacts will the Government of Canada's economic policy decisions have on the corporate governance of Canada-wide credit unions. While the Credit Union Central of Canada offers a number of good resources on history and current financial and corporate assessments for this paper, academic references would have been helpful. Another challenge to this paper was the lack of a concise well-established definition of corporate governance. With this challenge in mind an additional avenue of professional research is preparation of a compendium of the major corporate governance models with the view of recommending a standardized definition of corporate governance.

References

Anand, A. (2013). *The Value of Governance. Rotman International Journal Of Pension Management, 6(2),* 38-43. doi:10.3138/ripjm.6.2.38

Bank Act S.C. 1991, c. 46

Barnes, J. A., Johnson, L. A., & Yarmus, J. S. (2004). Corporate governance reform in Canada. *International Journal Of Disclosure & Governance*, *1*(3), 260-268.

Bar-Yosef, S., & Prencipe, A. (2013). The Impact of Corporate Governance and Earnings Management on Stock Market Liquidity in a Highly Concentrated Ownership Capital Market. *Journal Of Accounting, Auditing & Finance*, *28*(3), 292-316. doi:10.1177/0148558X13492591

Carver, J. (2013). The Origins and Development of Policy Governance. *Board Leadership*, *2013*(125), 1-5.

Chan, M., & Mountain, D. C. (1986). Measuring Returns to Scale and Technological Change in Co-operative Banks: A Provincial Analysis of Canadian Credit Unions and Caisses Populaires. *Empirical Economics*, *11*(4), 207-222.

Credit Union Central of Canada. (2010, Dec). Federal Credit Unions: Strategic Considerations for Provincial Credit Unions. *System Brief.*

Credit Union Central of Canada. (2013, Dec). Canada’s Credit Unions and The State of the System. *System Brief.*

Credit Union Central of Canada. (2010, Apr). A Federal Charter for Credit Unions. *Policy and Advocacy Report*.

Credit Union Central of Canada. (2013, Sept). Top 100 Credit Unions/Caisses Populaires. *System Results*.

Dey, P. (1994.) Where Were the Directors? (The Dey Report). Toronto, Can: Toronto Stock Exchange.

Gavrea, C., & Stegerean, R. (2011). Comparative Study on Corporate Governance. *Annals Of The University Of Oradea, Economic Science Series*, *20*(2), 674-680.

Hansell, C. (2005). Canada sets new policy on corporate governance. *International Financial Law Review*, *24*(1), 37-38.

Ionescu, L. (2012). Effects of Corporate Governance on Firm Value. *Economics, Management & Financial Markets*, *7*(4), 215-220.

MacAulay, K., Dutta, S., Oxner, M., & Hynes, T. (2009). The Impact of a Change in Corporate Governance Regulations on Firms in Canada. *Quarterly Journal Of Finance & Accounting*, *48*(4), 29-52.

Mavenga, F., & Olfert, M. (2012). The Role of Credit Unions in Rural Communities in Canada. *Journal Of Rural Cooperation*, *40*(1), 1-28.

McKillop, D., & Wilson, J. S. (2011). Credit Unions: A Theoretical and Empirical Overview. *Financial Markets, Institutions & Instruments*, *20*(3), 79-123. doi:10.1111/j.1468-0416.2011.00166.x

Canadian National Policy 58-201 Corporate Governance Principles

O'Callaghan, P. (1999). Corporate Governance Report: Corporate Governance in Canada. *Corporate Governance: An International Review*, *7*(1), 100.

Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184.

The Sarbanes–Oxley Act of 2002 Pub.L. 107–204, 116 Stat. 745, enacted July 30, 2000.

Vagneur, K. (2004). Corporate Governance. *Edinburgh Business School Heriot-Watt University*. Edinburgh, UK: Edinburgh Business School.