TABLE OF CONTENTS

Preamble

Part I:  Strategic Direction
I-1  Strategic Planning
I-2  Community Engagement

Part II:  Excellent Management
II-1  CEO Selection and Succession Planning
II-2  CEO Direction
II-3  CEO Position Description
II-4  CEO Performance Management and Evaluation
II-5  CEO Compensation
II-6  CEO Expense Reimbursement and Travel Policy
II-7  Occupational Health and Safety – Accountability Framework
II-8  Chief of Staff Selection and Succession Planning
II-9  Chief of Staff Direction
II-10  Chief of Staff Position Description
II-11  Chief of Staff Performance Management and Evaluation
II-12  Chief of Staff Compensation
II-13  Reporting on Compliance
II-14  Whistleblowing

Part III:  Program Quality and Effectiveness
III-1  Quality Improvement and Safety
III-2  Risk Management
III-3  Ethics Framework
III-4  Respect for Diversity
III-5  Privacy, Security and Confidentiality of Information
III-6  Access to Information
III-7  Complaints (Patient Care and Other)
III-8  Research
III-9  Intellectual Property

**Part IV:**  **Financial and Organizational Viability**

IV-1  Financial Objectives
IV-2  Financial Planning and Performance
IV-3  Asset Protection
IV-4  Delegation of Signing Authority
IV-5  Borrowing
IV-6  Investment Policy

**Part V:**  **Board Effectiveness**

1.  **Governance Policy Framework**

   V-A-1  Principles of Governance and Board Accountability
   V-A-2  Roles and Responsibilities of the Board of Directors
   V-A-3  Responsibilities as an Elected and Ex-Officio Director
   V-A-4  Director’s Declaration
   V-A-5  Guidelines for the Selection of Directors
   V-A-6  Board Size and Composition
   V-A-7  Board Standing Committee Principles
   V-A-8  Position Description for the Chair
   V-A-9  Position Description for the Vice-Chair
   V-A-10  Position Description for the Treasurer
   V-A-11  Position Description for the Secretary
2. Governance Process

V-B-1 Nomination Process for the Board of Directors
V-B-2 Nominations Process for Board Officers
V-B-3 Nominations Process for the Chair, Directors and Non-Director Members of Board Standing and Special Committees
V-B-4 Ongoing Board Education
V-B-5 Board Goals and Board Work Plan
V-B-6 Board Meetings
V-B-7 Board and Individual Director Evaluation
V-B-8 Receipt of Gifts by Individual Directors
V-B-9 Board Member Recognition
V-B-10 Reimbursement of Director Expenses
V-B-11 Resignation and/or Removal of a Director
V-B-12 Review of Board Policies

Part VI: External Relationships

VI-1 Communications
VI-2 Contributions
PREAMBLE

Purpose:

This Board Policy Manual provides the foundation for implementing effective governance of the Corporation. The Board has adopted the “Pointer-Orlikoff” governance model, which includes three roles for the Board: policy-formulation, decision-making and oversight.

“Board policies perform two absolutely essential functions. First, they express Board expectations – of the organization as a whole, of itself, of management and the medical staff. Policies are the means by which Boards specify and convey what they want done (and what they want the organization to refrain from doing) in addition to the range of acceptable (and unacceptable) means for accomplishing specified goals. To lead rather than follow, policies must clarify and articulate Board expectations. Second, policy is the mechanism by which Boards direct and constrain as they delegate authority and tasks to management and the medical staff.”

Scope and Organization of Policies:

Many boards establish policies related only to their own structures and processes (i.e. those matters that are contained in Part V of the Board Policy Manual). However, a critical element of the “Pointer-Orlikoff” governance model is for the Board to establish policies related to each of its defined areas of responsibility. Consequently, the Board policies are organized according to the Board responsibilities as described in Policy V-A-2:

- Strategic Direction
- Excellent Management
- Program Quality and Effectiveness
- Financial and Organizational Viability
- Board Effectiveness
- External Relationships

These policies then provide the context for the Board to fulfill its two other roles: decision-making and oversight in relation to each of its six areas of responsibility.

**Review of Policies:**

It is anticipated that, over time, the Corporation will amend these Board policies and develop new ones to respond to changing circumstances. A policy guiding the process to review these Board policies is included in this Board Policy Manual (Policy V-B-13).

**Definitions:**

In this Board Policy Manual:

“**Board**” means the board of directors of the Corporation;

“**Board Policy Manual**” means the written policies and procedures adopted by the Board concerning Board governance of the Corporation in accordance with Section 16.2 of the Corporate By-law, as amended from time to time;

“**Chair**” means the chair of the Board;

“**Chief Executive Officer**” means, in addition to ‘administrator’ as defined in the *Public Hospitals Act*, the President and Chief Executive Officer of the Corporation;

“**Chief Nursing Executive**” means the senior nurse employed by the Corporation, who reports directly to the Chief Executive Officer and is responsible for nursing services provided in the Hospital;

“**Chief of Staff**” means the Medical Staff member appointed by the Board, in accordance with the Professional Staff By-law, to serve as Chief of Staff in accordance with the regulations under the *Public Hospitals Act*;

“**Corporation**” means The Credit Valley Hospital and Trillium Health Centre;

“**Dental Staff**” means those Dentists and Oral and Maxillofacial Surgeons appointed by the Board to attend or perform dental services or oral and maxillofacial surgery, as applicable, for patients in the Hospital;

“**Dentist**” means a dental practitioner in good standing with the Royal College of Dental Surgeons of Ontario;

“**Director**” means a member of the Board;

“**Ex-officio**” means membership “by virtue of office” and includes all rights, responsibilities and power to vote unless otherwise specified;

“**Extended Class Nursing Staff**” means those Registered Nurses in the Extended Class who are:

(a) employed by the Corporation and who are authorized to diagnose, prescribe for or treat patients in the Hospital; and
(b) not employed by the Corporation and to whom the Board has granted privileges to diagnose, prescribe for or treat patients in the Hospital;

“Hospital” means the public hospital or hospitals operated by the Corporation;

“LHIN” means the Mississauga Halton Local Health Integration Network;

“Medical Advisory Committee” means the committee established by the Board pursuant to the Professional Staff By-law as required by the Public Hospitals Act;

“Medical Staff” means those Physicians who are appointed by the Board and who are granted privileges to practice medicine in the Hospital;

“Members” means members of the Corporation as described in Article 2 of the Corporate By-law;

“Midwife” means a midwife in good standing with the College of Midwives of Ontario;

“Midwifery Staff” means those Midwives who are appointed by the Board and granted privileges to practice midwifery in the Hospital;

“Ministry” means the Ministry of Health and Long-Term Care;

“Oral and Maxillofacial Surgeons” means those dentists in good standing who hold a specialty certificate from the Royal College of Dental Surgeons of Ontario authorizing practice in oral and maxillofacial surgery;

“Physician” means a medical practitioner in good standing with the College of Physicians and Surgeons of Ontario;

“Professional Staff” means the Medical Staff, Dental Staff, Midwifery Staff and members of the Extended Class Nursing Staff who are not employees of the Corporation;

“Public Hospitals Act” means the Public Hospitals Act (Ontario), and, where the context requires, includes the regulations made thereunder;

“Registered Nurse in the Extended Class” means a member in good standing with the College of Nurses of Ontario who is a registered nurse and who holds an extended certificate of registration under the Nursing Act, 1991; and

“Rules” means the rules adopted by the Board in accordance with Section 16.2 of the Corporate By-law
Part I: Strategic Direction
Strategic planning is a systematic process for assessing a changing environment and creating a plan of action that will position the Corporation to be successful in the environment consistent with its vision, mission and core values. As per Policy V-A-2, the Board, in collaboration with the CEO, Chief of Staff and the senior management team, is responsible to establish the Corporation’s strategic directions consistent with the planning cycle, the Strategic Plan and the Corporation’s vision, mission and core values. The vision, mission and core values of the Corporation provide the foundation upon which the strategic directions are developed.

The strategic plan will incorporate specific, focused and measurable strategic directions to be pursued over the course of the plan, as well as longer term directional priorities.

The Board will:

- consider key stakeholders and health care needs and ensure appropriate engagement with the community, the LHIN and other health service providers when developing plans and setting priorities for the delivery of hospital-based health care as required under the *Local Health System Integration Act, 2006*;

- establish and periodically review and update the Corporation’s vision, mission and core values;

- contribute to the development of and approve the Corporation’s strategic plan, ensuring that it is aligned with community needs, Ministry policy and the LHIN integrated health services plan.

- conduct a review of the strategic plan, as part of a regular annual planning cycle, and assess the need to refine the strategic directions as the environment dictates;

- approve the measures and targets related to each strategic direction and direct management to report on a regular basis the progress that is being made consistent with the strategic directions and the overall plan;
in approving the annual hospital operating plan, ensure that the operating plan enables the attainment of the strategic plan and directions over time; and

monitor and measure corporate performance regularly consistent with the Board-approved strategic and operating plans and performance targets and performance metrics.

Strategic Planning Process

1. The CEO is responsible to the Board for establishing the strategic planning process, for Board approval. The Board will engage with the CEO and senior management team in developing the strategic plan and monitoring it on an on-going basis. The Governance Committee will provide guidance to management and support the Board in preparation for the initial development and periodic monitoring of the corporate strategic plan.

2. Once the strategic plan has been developed, everything the Corporation currently does, undertakes as new, or stops doing, will be measured to assess whether or not it advances the achievement of the strategic plan.

3. The Corporation’s annual operating plan will ensure the advancement of the strategic plan by addressing annual corporate goals and objectives. The annual corporate goals and objectives will be set by the CEO with Board approval.

4. Annually, the Board will review the corporate goals and objectives prepared by the CEO.

5. Annually, the Board will establish Board goals consistent with the vision, mission and core values and the strategic plan, and key issues that are a priority for the Board in the coming year.

6. At its annual retreat, the Board will review the strategic plan and the progress being made to advance its achievement. As necessary, the Board will direct the CEO and senior management team to augment/revise/update the strategic plan to ensure it continues to support the achievement of the Corporation’s vision, mission and core values.

7. The CEO and senior management team will provide regular monitoring and progress reports to the Board according to the Board’s work plan.
Section 16(6) of the Local Health System Integration Act, 2006 requires all health service providers to engage the communities served in planning and setting priorities.

The Board will ensure that processes are established as required for engagement with the LHINs, other health service providers and the community when developing plans and setting priorities. It is essential that the Corporation communicate regularly to the broader public about its operations and future directions. The process and scope for community engagement will vary depending on the issue and will be approved by the Board, upon the recommendation of the CEO as required.

It will be essential for the Corporation to maintain strong and positive relationships, which have been established by The Credit Valley Hospital and Trillium Health Centre with Regional Municipality of Peel, the City of Toronto and the City of Mississauga. Mechanisms for nurturing these relationships may include: the Chair and CEO to meet at least annually with regional and municipal councils to present and engage in dialogue on strategic directions, priorities and challenges.

Recognizing the breadth of the community, the Chair and the CEO will ensure that information on the Corporation’s activities is widely communicated to the public through the media throughout the catchment area. The Board will be sensitive to the needs and diversity of the community.

Board mechanisms for community engagement may include but are not limited to:

- initiation of Community Advisory Committees/Panels;
- posting on the Corporation’s website highlights of Board meetings;
- periodic articles in the local media on matters of interest to the community by the Corporation;
• annual meeting of the Chair and CEO with the regional and area municipal councils to present on the Corporation’s strategic plan, priorities, and challenges; and

• program or issue specific processes for community engagement as may be approved by the Board, upon the recommendation of the CEO, from time to time.
Part II: Excellent Management
CATEGORY: EXCELLENT MANAGEMENT

POLICY #: II-1

SUBJECT: CEO SELECTION AND SUCCESSION PLANNING

The Board will ensure that provision is made for continuity of leadership for the Corporation. The Board will have in place a documented process for succession should the CEO position become vacant due to sudden vacancy (e.g. death, resignation or termination) or planned vacancy (e.g. retirement). The succession plan will also specify the process for appointing an interim CEO, should the CEO require an extended leave of absence due to personal, health or other reasons. The CEO will report on the succession plan annually during the CEO evaluation process.

1. Planned Vacancy (e.g. retirement)

The process to fill a planned vacancy will be as follows:

i) The Board will establish a CEO Search Committee consisting of up to four elected Directors, including the Chair, the Chief of Staff and the President of the Professional Staff. Support for the CEO Search Committee will be provided by the Vice President, Human Resources and Organizational Development unless directed differently by the Chair.

ii) The CEO Search Committee will be chaired by the Chair or his/her delegate.

iii) The CEO Search Committee may, at its discretion, select a search firm to assist with the process.

iv) The CEO Search Committee will interview a short list of candidates and recommend to the Board its candidate of choice.

3. Sudden Vacancy (e.g. death, resignation, termination, extended leave)

The CEO will identify to the Human Resources Committee in writing at the beginning of each fiscal year which member(s) of the senior management team are recommended to fill the role of interim CEO, if a sudden vacancy occurs. The appointment of an interim CEO will be subject to Board approval.

An offer will be subject to submission of a declaration that the candidate has no conflict of interest consistent with organizational policy, in a form as required by the Board, and satisfactory results of a criminal reference check as determined in the sole discretion of the Board.
A legally binding employment agreement will be developed by an employment lawyer and will be executed by the Chair and the candidate accepting the position of CEO.
The Board’s sole official connection to the Corporation, its achievements and conduct will be through the CEO. The CEO is appointed by, reports to, and is accountable to the Board.

The Board provides direction to the CEO in accordance with Board policies. The Board delegates responsibility and authority to the CEO for the management and operation of the Corporation and requires accountability to the Board.

The CEO is required to follow directions of the Board as received through the Chair. When Directors or committee members make requests without Board authorization, the CEO can decline such requests when in the CEO’s opinion a material amount of staff time or funds are required to carry out the requests. The CEO may refer the matter through the Chair to the next Board meeting for discussion.

The CEO shall perform the duties described in Policy II-3 (CEO Position Description) as set out in the Board Policy Manual.

The CEO will report, and be responsible, to the Board for implementing the Corporation’s strategic plan, operating and capital plan, and for the day-to-day operation of the facilities of the Corporation in a manner consistent with Board policies.

The CEO will not cause or, with the CEO’s knowledge, allow any practice, activity, decision or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics.
The Board is responsible for appointing the CEO as well as managing and evaluating their performance. Performance evaluation of the CEO is the process of reviewing and evaluating his/her performance based on progress towards achieving mutually agreed objectives. A formal performance appraisal provides for regular review and assessment and an opportunity for the Board to discuss expectations with the CEO. It also allows the opportunity for discussion of core competencies and personal development goals.

Upon the recommendation of the Chair, the Board will establish measurable annual performance objectives in cooperation with the CEO, assess CEO performance annually, and determine CEO compensation.

The performance review process provides an opportunity to recognize the CEO’s level of performance, to collaboratively develop the Corporation’s priorities for the next fiscal year to present to the Board for approval, and to plan strategies to support the CEO and the Corporation’s operations as articulated in its operational plan.

Guiding Principles:

1. Performance management supports, reinforces and integrates the achievement of strategic and business plan results with individual performance goals.

2. Performance objectives, measures and indicators will be established. Performance commitments and measures will be set at a level that reflects the high level of performance expected.

3. Performance management focuses both on improving organizational performance, processes and structure and on enhancing the CEO’s performance.

4. The operational plan should include reference to the CEO’s expectations for senior management team members, thereby promoting a consistent and continuous approach to performance measurement across the senior management team.

Process:

1. The CEO will develop annual performance objectives in consultation with the Chair, for initial discussion with the Human Resources Committee, which will
then recommend the performance objectives to the Board for approval each March/April.

2. The CEO performance review process will be the responsibility of the Chair and the Chair of the Human Resources Committee, in consultation with the CEO. The review process will commence annually in the month of October (mid-year review) and March/April (year-end review).

3. The Chair and Chair, Human Resources Committee will review the CEO's performance against the objectives on a semi-annual basis and will report the outcome of the review to the Board in an in camera session.

4. Feedback will be gathered from all Directors annually on the performance of the CEO and such feedback will be documented in writing. The Chair and Chair, Human Resources Committee will then compile the feedback and develop the performance review documentation.

5. The Chair and Chair, Human Resources Committee will provide a report to the Board, in an in camera session, on the CEO's performance relative to both achievement of the goals and the assessment of core competencies.

6. The Chair will communicate the results of the evaluation to the CEO.
CATEGORY: EXCELLENT MANAGEMENT

POLICY #: II-5

SUBJECT: CEO COMPENSATION

The Board is responsible for establishing an appropriate and competitive compensation package for the position of CEO in order to:

i) attract and retain a highly skilled CEO with the requisite competencies; and

ii) reward meritorious performance.

The compensation package paid to the CEO will be set out in a properly prepared Board-approved employment contract between the Corporation and the CEO.

In establishing the compensation package, consideration will be given to market rates paid for similar positions within the local geographic area and within the Province, particularly as applicable to public sector employment. The total compensation package for the CEO will include the sum of base salary, vacation\(^1\) incentive compensation, benefits, and perquisites allowable according to Broader Public Sector directives and guidelines. In keeping with all applicable legislation CEO compensation will be linked to achieving performance improvement targets set out in the annual quality improvement plan.

Adjustments to the compensation package will be considered on a regular basis, giving consideration to cost of living changes, market rates, and changes in duties or requirements. Changes to the compensation package will only be made upon Board approval, and will generally be made at the time of the annual reviews. Determination and payout of incentive compensation will be made once all the applicable information is available. Upon the recommendation of the Board Chair and Chair of the Human Resources Committee, the Board will approve the incentive compensation calculation.

The Board Chair and Chair of the Human Resources Committee, will annually review the CEO compensation for possible annual adjustments, subject to the CEO meeting performance expectations as determined through the performance review process, and within the limits of the overall salary budget set by the Board.

\(^1\)In keeping with all relevant legislation.
Consistent with applicable legislation, the CEO will be reimbursed for reasonable expenses incurred, in compliance with the expense claim directives issued by the Management Board of Cabinet under the *Broader Public Sector Accountability Act, 2010*, while carrying out duties and traveling for the Corporation. All out of country travel, paid for by the corporation, is to be approved in writing by the Chair prior to any trip taking place.

CEO reimbursement expenses should be consistent with the expense and travel policies and practices for other employees of the Corporation; exception may be permitted at the discretion of the Chair.

The Chair, in consultation with the Vice President, Finance and Risk, Chief Financial Officer, will approve allowable expenses and travel claims.

CEO expenses will be made public in keeping with the requirements under the *Broader Public Sector Accountability Act, 2010*. 
The Corporation, the Board and CEO are committed to the health, safety and wellness of employees, and the prevention of occupational injuries and disease in support of a safe and healthy workplace. The Corporation acknowledges its responsibility to effectively manage and communicate its programs regarding health, safety and wellness and to maintain compliance with the Occupational Health and Safety Act and related regulations. Every employee, including those with privileges, contractors, students and volunteers are responsible for working in a safe and healthy manner and promoting a secure and hazard free environment.

In accordance with the Corporate By-law (Section 15.6), there will be an occupational health and safety program for the Corporation, which includes procedures for:

i) a safe and healthy work environment in the Corporation;

ii) the safe use of substances, equipment and medical devices in the Corporation;

iii) safe and healthy work practices in the Corporation;

iv) the prevention of accidents to persons on the premises of the Corporation; and the elimination of undue risks and the minimizing of hazards inherent in the Corporation environment; and

v) The CEO to designate an individual to be in charge of occupational health and safety in the Corporation. The designate will be responsible to the CEO for the implementation of the Occupational Health and Safety Program.

The CEO will report to the Board as necessary on matters concerning the Occupational Health and Safety Program.

The Board will receive annual reports from the CEO on the Corporation’s Occupational Health and Safety Program to include information about the ability of the Corporation to meet occupational health and safety requirements, identification of risk issues, statistical data on incidents, and program outcomes. All members of the organization are expected to demonstrate their commitment towards a safe and healthy environment by acting in compliance with this Policy.
The Board will ensure that provision is made for continuity of leadership for the Corporation. The Board will have in place a documented process for succession should the Chief of Staff position become vacant due to sudden vacancy (e.g. death, resignation or termination) or planned vacancy (e.g. retirement). The succession plan will also specify the process for appointing an interim Chief of Staff, should the Chief of Staff require an extended leave of absence due to personal, health or other reasons.

The Board will select and appoint the Chief of Staff and will provide for Chief of Staff succession planning.

Based on best practice, the Chief of Staff is expected to identify and develop his/her successor through internal succession planning. The Chief of Staff will report on this matter annually during the Chief of Staff evaluation process.

1. **Sudden Vacancy** (e.g. death, resignation, termination, extended leave)

   The Chief of Staff shall, in consultation with the CEO, designate an alternate to act during the absence of the Chief of Staff. If the Chief of Staff is not able to designate an alternate due to death, termination or other circumstance, the CEO and Chair of the Board of Directors, in consultation with Medical Advisory Committee (MAC) will appoint an alternate for an interim period. The appointment of an interim Chief of Staff will be subject to Board approval.

2. **Planned Vacancy** (e.g. retirement)

   i) In accordance with the Professional Staff By-law (Section 9.2), the Board shall appoint a Physician on the Active Staff to be the Chief of Staff after considering the recommendations of a selection committee composed of members of the Board and the Medical Advisory Committee.

   ii) Membership of the Selection Committee shall include: the Chair who shall be chair; three members of the Medical Advisory Committee, one of whom will be the President of the Professional Staff or his/her delegate from the Professional Staff executive; the Chief Nursing
Executive; the CEO; one other member of the active Professional Staff as the Chair deems advisable; and other Directors as the Chair deems advisable.

iii) The Selection Committee may, at its discretion, select a search firm to assist with the process.

iv) The Selection Committee will interview a short list of candidates and recommend to the Board its candidate of choice.

v) Subject to annual confirmation by the Board, an appointment of the Chief of Staff shall be for a term of five years; however, the Chief of Staff shall hold office until a successor is appointed.

vi) In accordance with Section 9.3(c) of the Professional Staff By-law, the maximum number of years in this office shall be ten provided, however, that following a break in the continuous service of at least one-year, the same person may be reappointed.

vii) The Board at any time may revoke or suspend the appointment of the Chief of Staff.

If a new Chief of Staff has not been appointed before the departure of the current Chief of Staff, the current Chief of Staff may hold office until a successor is appointed or an interim appointment may be made at the discretion of the Board.
The Board provides direction to the Chief of Staff (CoS) in accordance with Board policies. The Board delegates responsibility and authority to the Chief of Staff for the general clinical organization of the Corporation and the supervision and practice of credentialed professional staff in the Corporation.

In accordance with the Professional Staff By-law (Section 9.3), the Chief of Staff shall:

a) be an ex-officio member of the Board and, as a director, fulfill fiduciary duties to the Corporation;

b) chair the Medical Advisory Committee;

c) be an ex-officio member of all Medical Advisory Committee sub-committees;

d) comply with the Professional Staff By-law, the Rules and Regulations and Policies (as defined in the Professional Staff By-law), and the Professional Staff Credentialing Policy and Professional Staff Credentialing Procedure;

e) be accountable to the Board for all the care provided by Professional Staff members to patients of the Hospital;

f) perform the duties described in Policy II-10 (Chief of Staff Position Description) as set out in the Board Policy Manual; and

g) perform such other duties as directed by the Board from time to time.
The Chief of Staff (COS) is responsible directly to the Board of Directors, reporting through the Chair, for ensuring that the medical staff organization functions within the framework of the policies established by the Board of Directors.

The Chief of Staff, in addition to being the Chair of the Medical Advisory Committee, will have overall responsibility for:

- physician accountability, engagement, performance and discipline*
- medical administration**
- medical research**
- academic affairs***

* Reporting to the Chair of the Board and the Board
** Reporting to the CEO
*** Reporting to the CEO and Medical Academy

LIST THE SPECIFIC DUTIES OR RESPONSIBILITIES:

**Administrative Duties of the Chief of Staff:**

(a) report regularly in writing including the minutes of the Medical Advisory Committee to the Board about the activities, recommendations and actions of the Medical Advisory Committee and any other matters about which they should have knowledge;

(b) be an ex-officio member of all committees that report to the Medical Advisory Committee and exercise leadership in the selection of appointments to and the functioning of the committees of the Medical Advisory Committee;

(c) act on other committees as requested by the Board of Governors;

(d) participate in the corporation’s administrative team for the purpose of providing input into formulating and evaluating policies, priorities, allocation of resources and general management strategies;

(e) ensure his/her duties are assumed by a departmental chief when absent from the hospital;
(f) ensure, with the chief executive officer:

i. the promotion, establishment and maintenance of cooperative relations between the employees, patients, visitors, physicians, midwives and administration;

ii. that the standards of the Canadian Council of Health Services Accreditation are reviewed and implemented;

iii. the overall direction and management of medical research and academic affairs;

iv. the co-ordination of future planning and development of the hospital is consistent with the hospital’s strategic plan;

(g) Be a member of the Senior Management Team of the hospital.

_Medical Supervisory Duties of the Chief of Staff:_

a) be responsible to the Board for the credentialed professional staff organization of the hospital and for the supervision of the credentialed professional staff care given to all patients of the hospital in accordance with the policies established by the corporation and provisions of the Act and other relevant legislation;

b) be the chair of the Medical Advisory Committee;

c) advise the Medical Advisory Committee and the Board with respect to the quality of credentialed professional staff diagnosis, care and treatment provided to the patients of the hospital;

d) assign, or delegate the assignment of, a member of the credentialed professional staff to discuss in detail with any member of the medical staff any matter which is of concern to the chief of medical staff and to report the discussion to the chief/co-chief of the appropriate department;

e) assign, or delegate the assignment of, a member of the credentialed professional staff:

i. to supervise the practice of the respective credentialed professional staff as appropriate, for any period of time;
ii. to receive a written report from the chief/co-chief of the appropriate department;

f) when necessary:

i. under emergency conditions, and whenever possible in consultation with the appropriate department chief, restrict or suspend temporarily any or all privileges of any member of the credentialed professional staff until such time as an emergency meeting of the Medical Advisory Committee and/or its executive can be arranged in;

ii. assume, or assign to any other member of the credentialed professional staff, responsibility for the direct care and treatment of any patient in the hospital under the authority of the Public Hospitals Act; and

iii. notify the chief executive officer and, if possible the patient, with respect to such aforementioned assignment.

g) ensure there is a process for participation in continuing medical education and medical research;

h) support an effective process of medical staff self-government through the medical staff association; and

i) support the process of program management by participating in its development and by providing advice regarding program management issues which influence patient care.

**Supervisory Role for Medical Department Chiefs and Programme Physician Directors:**

a) Ensure a process for the regular review of the performance of chiefs of departments and program physician directors;

b) Delegate appropriate responsibility to the chiefs of departments, and

i. receive and review recommendations from chiefs of departments regarding new appointments, reappointments and changes in status including changes in privileges;

ii. ensure chiefs of departments complete annual reviews and make recommendations concerning appointments and reappointments and that all recommendations are forwarded to the credentials committee.
The Board provides direction to the Chief of Staff (CoS) in accordance with Board policies. The Board delegates responsibility and authority to the Chief of Staff for the general clinical organization of the Corporation and the supervision and practice of credentialed professional staff in the Corporation.

Appointment of the Chief of Staff is a key appointment which is the direct responsibility of the Board. Performance evaluation of the Chief of Staff is the process of reviewing and evaluating his/her performance based on progress towards achieving mutually agreed objectives. A formal performance appraisal provides for regular review and assessment and an opportunity for the Board to discuss expectations with the Chief of Staff. It also allows the opportunity for discussion of core competencies and personal development goals.

Guiding Principles:

i) Performance management supports, reinforces and integrates the achievement of strategic and business plan results with individual performance goals.

ii) Performance objectives, measures and indicators will be established. Performance commitments and measures will be set at a level that reflects the high level of performance expected.

iii) Performance management focuses both on improving organizational performance, processes and structure and on enhancing the Chief of Staff’s performance.

Process:

1. The Chief of Staff will develop annual performance objectives in consultation with the MAC, the CEO and Chair, for initial discussion with the Human Resources Committee, which will then recommend the performance objectives to the Board for approval each March/April.

2. The Chief of Staff performance review process will be the responsibility of the Chair and the Chair of the Human Resources Committee, in consultation with the Chief of Staff and the CEO. The review process will commence annually in the month of October (mid-year review) and March/April (year-end review).
3. All Directors will be requested to provide feedback annually in a standard format on the performance of the Chief of Staff. The Chair and Chair, Human Resources Committee will then compile the feedback and develop the performance review documentation.

4. The Chair and Chair, Human Resources Committee will provide a report to the Board in an *in camera* session, on the Chief of Staff’s performance relative to both achievement of the goals and the assessment of core competencies.

5. The Chair will communicate the results of the evaluation to the Chief of Staff.
The Board provides direction to the Chief of Staff (CoS) in accordance with Board policies. The Board delegates responsibility and authority to the Chief of Staff for the general clinical organization of the Corporation and the supervision and practice of credentialed professional staff in the Corporation.

The Board is responsible for establishing an appropriate and competitive compensation package for the position of Chief of Staff in order to:

i) attract and retain a highly skilled Chief of Staff with requisite competencies; and

ii) reward meritorious performance.

The compensation package paid to the Chief of Staff will be set out in a properly prepared Board-approved employment contract between the Corporation and the Chief of Staff.

In establishing the compensation package, consideration will be given to market rates paid for similar positions within the local geographic area and within the Province, particularly as applicable to public sector employment. The total compensation package\(^1\) for the Chief of Staff will include the sum of base salary, vacation, incentive compensation, benefits, and perquisites. In keeping with all applicable legislation, Chief of Staff compensation will be linked to the achievement of agreed upon performance objectives including targets set out in the annual quality improvement plan.

Adjustments to the compensation package will be considered on a regular basis, giving consideration to cost of living changes, market rates, and changes in duties or requirements. Changes to the compensation package will only be made upon Board approval, and will generally be made at the time of the annual reviews. Determination and payout of incentive compensation will be made once all the applicable information is available. The Chair of the Human Resources Committee will approve the incentive compensation calculation.

The Board, through the Human Resources Committee, will annually review the Chief of Staff compensation for possible annual adjustments, subject to the Chief of Staff meeting performance expectations as determined through the performance review process, and within the limits of the overall salary budget set by the Board.

---

\(^1\)In keeping with all relevant legislation
The Directors understand that their fiduciary duties include the duties imposed by statute.

The CEO shall ensure that processes and operating policies are in place to ensure compliance with legislation (federal/provincial/municipal), statutory filings and any associated risks; and will report to the Board on the status of statutory filings, compliance with legislation (federal/provincial/municipal) and any associated risks.

The CEO will report to the Board on a quarterly basis on the Corporation’s compliance with the following items:

- The Corporation has, as required by law, paid all:
  
  i)   salary, wages and vacation pay owing to employees of the Corporation;
  
  ii)  remittances for employee income tax deductions, Canada Pension Plan (CPP) and Employment Insurance (EI) premiums and contributions;
  
  iii) remittances for required deductions for payments to non-residents;
  
  iv)  Workplace Safety and Insurance Board (WSIB) premiums;
  
  v)   Employer Health Tax (EHT); and
  
  vi)  Harmonized Sales Tax (HST).

- The Corporation is in compliance in all material respects with occupational health and safety legislation and all appropriate steps are being taken to maintain a safe working environment, including the following:
  
  i)   a safety committee is in place;
  
  ii)  safety committee meeting minutes are being maintained;
  
  iii) the safety committee’s recommendations and the senior management team’s responses are being recorded;
  
  iv)  actions are taken, where appropriate;
  
  v)   safety manuals are up-to-date;
vi) hazardous materials are identified;
vii) there is proper maintenance of signage;
viii) ongoing training is being performed; and
ix) a proper procedure is in place for monitoring compliance on an ongoing basis.

- Compliance with environmental legislation and regulations.
- Directors’ and officers’ liability insurance is in place and coverage is suitable and in accordance with risk, the indemnity amount is sufficient in light of risk, all premiums have been paid, and the policy is up-to-date.
- In keeping with the Broader Public Sector Accountability Act, 2010, the Corporation will prepare all required CEO attestations on the Corporation’s compliance concerning:
  
i) the completion and accuracy of reports required on the use of consultants;
  
ii) compliance with the prohibition on engaging lobbyist services using public funds;
  
iii) compliance with the expense claim directives consistent with the Broader Public Sector Directives; compliance with the perquisite directives issued by the Broader Public Sector Directives; and
  
iv) compliance with the procurement directives issued by the Broader Public Sector Directives.

The Board will approve all such attestations. The Corporation will post all such Board-approved attestations on its website.
Part III:

Program Quality and Effectiveness
Based on the *Excellent Care For All Act, 2010*, the Board:

- recognizes that a high quality health care system is one that is accessible, appropriate, effective, efficient, equitable, integrated, patient centred, population health focussed, and safe;

- is committed to ensuring that the Corporation is responsive and accountable to the public, and focused on creating a positive patient experience and exceptional outcomes, and

- believes that quality is the goal of everyone involved in delivering health care in Ontario, and that ultimately, this health care organization should hold its executive team accountable for its achievement.

The Corporation is committed to meeting or exceeding established and evolving standards of quality and patient safety. The Corporation is committed to addressing quality issues and identifying and acting upon opportunities to continuously improve patient care and service delivery. The Board recognizes the importance of monitoring, evaluating and continuously improving the quality of patient care and services.

The Board recognizes the importance of the safe delivery of its services, as well as the importance of reducing or preventing the potential for injury or loss to its patients, visitors, employees, professional staff members, students and volunteers. Embedding a culture of patient safety throughout the corporation is an underlying principle in the success of quality improvement. Patient safety has been defined as a patient’s “freedom from accidental injury” when interacting in a healthcare system. Care and management standards are integral to the achievement of this goal. Standards and quality planning will align with the Corporation’s mission, vision, core values and corporate priorities, and will support the goals and objectives of the Corporation’s strategic plan.

The Board is ultimately responsible for oversight and decision making related to quality and safety issues including:

i) reviewing and recommending policies and standards;  

ii) overseeing compliance with quality and safety related issues, including accreditation; and

iii) reviewing and making recommendations following adverse events.
In keeping with the requirements under the *Excellent Care for All Act, 2010,* the Corporation will:

- carry out patient satisfaction surveys and employee satisfaction surveys;
- develop a patient declaration of values, and publicly post it;
- establish a patient relations process that reflects the content of its patient declaration of values, and publicly post it;
- develop an annual quality improvement plan publicly post it, and provide a copy of it to the Ontario Health Quality Council; and
- annually establish performance targets and performance metrics related to quality and patient and staff safety for monitoring by the Quality and Performance Monitoring Committee.

At least quarterly, the Quality and Performance Monitoring Committee will monitor the Corporation’s quality of patient care, and patient and staff safety against the defined performance targets and performance metrics and report to the Board.

The Board will discuss issues related to quality of patient care and patient and staff safety on the agenda at every regularly scheduled Board meeting.
CATEGORY: PROGRAM QUALITY AND EFFECTIVENESS

POLICY #: III-2

SUBJECT: RISK MANAGEMENT

The Board must be knowledgeable about risks inherent in Hospital operations and ensure that appropriate risk analysis is performed as part of its decision-making. In particular, the Board:

i) oversees the CEO’s risk management program;

ii) ensures that appropriate programs and processes are in place to protect against risk;

iii) expects the CEO to identify unusual risks to the Corporation and ensure that there are plans in place to prevent and manage such risks;

iv) expects the CEO to identify and assess the associated organizational risks when reviewing and approving resource allocation decisions;

v) anticipates financial needs and potential risks, and develops contingency plans; and

vi) works with the CEO to reduce organizational risks and promote ongoing quality improvement.

The Board is responsible for ensuring that appropriate risk management practices are in place, and for reviewing and approving the Corporation’s variance and risk tolerance levels.

Each Board Standing Committee will review the risks related to its mandate. The Risk Management Committee will review the enterprise risk management program at least on an annual basis and report thereon to the Board.

The CEO is accountable for: identifying the principal organizational risks of the Corporation; determining the Corporation’s exposure to risk; and developing and implementing a risk management framework.

The Board will annually monitor and assess the Corporation’s quantification of risks, including asset protection, and how those risks are addressed.
The Board has adopted the IDEA: Ethical Decision Making Framework and will support its use to inform decision-making within the Corporation from the point of care to the boardroom.

The framework (see Figure 1) incorporates the following four process steps and five principles underlying the overall framework.

The four process steps are:

I – Identify the facts.
   Ask: What is the ethical issue?

D – Determine the relevant ethical principles.
   Ask: Have perspectives of relevant individuals been sought?

E – Explore the options.
   Ask: What is the most ethically justifiable option?

A – Act.
   Ask: Are we (am I) comfortable with this decision?

The five principles are:

**Empowerment:** Strategies are in place to ensure stakeholder input from those with less power and influence.

**Publicity:** The process, decisions, and rationales are transparent and accessible to stakeholders.

**Relevance:** Stakeholders agree on relevant ethical values, principles, and criteria to guide decision-making.

**Revisions and Appeals:** A mechanism is in place to revisit and revise decisions in light of new facts and/or to address concerns about omissions or errors in the process.

**Compliance (Enforcement):** There is voluntary or public regulation of the process to ensure that the other four conditions are met.
IDEA\textsuperscript{1}: Ethical Decision-Making Framework

1. Identify the Facts.
   - Clinical/Medical Indications
   - Individual Preferences
   - Evidence
   - Contextual Features

   \textbf{Ask:} What is the ethical issue?

2. Determine the Relevant Ethical Principles.
   - Nature & Scope
   - Relative Weights

   \textbf{Ask:} Have perspectives of relevant individuals been sought?

3. Explore the Options.
   - Harms & Benefits
   - Strengths & Limitations
   - Laws & Policies
   - Mission, Vision, Values

   \textbf{Ask:} What is the most ethically justifiable option?

   - Recommend
   - Implement
   - Evaluate

   \textbf{Ask:} Are we (am I) comfortable with this decision?

---

\textsuperscript{1} The IDEA: Ethical Decision-Making Framework builds upon the Toronto Central Community Care Access Centre Community Ethics Toolkit (2008), which was based on the work of Jonsen, Seigler, & Winslade (2002); the work of the Core Curriculum Working Group at the University of Toronto Joint Centre for Bioethics; and incorporates aspects of the accountability for reasonableness framework developed by Daniels and Sabin (2002) and adapted by Gibson, Martin, & Singer (2005).
The Corporation, as represented by the Directors, officers, Professional Staff members, Board committee members, employees, volunteers and students, values and respects the diversity of its patients and their families, the community and each other. The Corporation is committed to being an organization which recognizes the dignity and worth of every person.

In addition to complying with applicable laws, the Corporation will:

• establish the principles, processes and responsibilities essential for creating and maintaining a positive work environment consistent with applicable laws;

• promote a climate of understanding and mutual respect for the dignity and worth of every person;

• be courteous and tactful in all interactions;

• respect the customs and beliefs of individuals consistent with the mission of the Corporation;

• strive towards equity and fairness and work with honesty, integrity, respect and good faith;

• be sensitive to potential barriers to accessibility;

• provide for equal rights and opportunities without discrimination; and

• promote respectful relationships with health care partners and community stakeholders
In accordance with the Corporate By-law (Article 13), every Director, officer, Professional Staff member, committee member, employee, volunteers and students and agent of the Corporation shall respect the confidentiality of matters:

i) brought before the Board;

ii) brought before any committee;

iii) dealt with in the course of the employee’s employment or agent’s activities; or

iv) dealt with in the course of the Professional Staff member’s, volunteer’s or student’s activities in connection with the Corporation.

In compliance with the Public Hospitals Act, the Board recognizes the importance of respecting and ensuring the confidentiality of all patient and employee-related information.

Every Director, officer, Professional Staff member, Board committee member, employee, volunteer and student of the Corporation will respect the confidentiality of matters brought before the Board or before any Board committee, or dealt with in the course of the individual’s employment or other activities in connection with the Corporation.

All Directors must adhere to the by-laws and policies and procedures on privacy, security and confidentiality of information including, without limitation, confidential information, release of patient information, facsimile of patient information, release of information to the media and personnel records.

The CEO is responsible for ensuring the protection of the personal information of patients and their families, Professional Staff members, employees, volunteers and students, and all corporate and business information.

The CEO will take reasonable steps to ensure that such organizational policies are implemented consistent with legal requirements and enable the Corporation to handle such information in a secure and confidential manner.
Consistent with the Board’s commitment to good governance practices, timely access to information, appropriate protection of personal privacy, and appropriate protection of other information that is exempted or excluded from disclosure under the Freedom of Information and Protection of Privacy Act, the Board will make available to the public:

- the statement of Board and Director roles, responsibilities and accountabilities;
- a list of elected and ex-officio Directors and their attendance records;
- policies governing the Board and Board standing committees;
- a report on the Corporation’s performance as part of its Annual Report;
- the Corporation’s Quality Improvement Plan, in compliance with the Excellent Care for All Act, 2010;
- information about expense claims in compliance with any directives made under the Broader Public Sector Accountability Act, 2010; and
- upon request, information that is subject to disclosure under the Freedom of Information and Protection of Privacy Act.

- minutes of Board of Director meetings
It is important to patients, their families, and the community at large that all complaints are dealt with in a timely, impartial and confidential manner. Consistent with the Excellent Care for All Act (ECFAA), it is the policy of the Board to support and monitor the Corporation’s patient relations process to ensure facilitation, mediation and resolution of complaints.

The Board is accountable for ensuring that there is a complaints management process in place. Trends are reported to the Board through the Board Quality and Performance Monitoring Committee.

If a written or verbal complaint is received by a member of the Board, the member of the Board shall forward the complaint to the appropriate Patient Relations Officer.
The Corporation is committed to:

• seeking solutions to health issues by fostering learning, discovery, and innovation;

• advancing scientific knowledge and its dissemination into practice;

• achieving excellence in basic and applied sciences research;

• maintaining and developing research partnerships and collaborations; and

• providing a supportive environment, infrastructure, resources, and facilities to achieve each of the above.

The Corporation may permit its facilities and resources to be used for research-related activities in health and related fields. The Corporation, within the limits of its available resources, and having due regard for the intended purpose of patient care funding, may support research initiatives that meet the following criteria:

i) The research is consistent with the Corporation’s vision, mission, core values, strategic plan and operating plan.

ii) The research conforms to corporate policies and guidelines on research, research ethics and research standards, professional conduct, and the protection of human research subjects.

iii) The deliverables of the research and the ownership of any new apparatus or procedures will be subject to the Corporation’s intellectual property policy and/or the research agreements with research partners, collaborators and supporters.

Each proposed research study (human and non-human) shall be evaluated against current standards to ensure sound ethical and scientific merit and conduct. This will be enabled through standard review processes of the Corporation. The broad principles, rights and obligations that will govern the conduct of research, and the oversight, management and funding of research, will be determined through affiliation agreements, and research agreements with other academic and research partners, collaborators and supporters.

All research studies that involve human subjects shall undergo review by the Research Ethics Board (REB) to ensure compliance with Good Clinical Practice Guidelines, the Tri-Council Policy Statement 2 (TCPS 2), and best practices to protect personal health information and the
safety and welfare of human research subjects. This also applies to research involving human remains, cadavers, tissues, biological fluids, embryos and fetuses. Employees, privileged staff, professional staff, agents, contractors, students, and volunteers of the Corporation that are conducting human subjects research within or under the auspices of the Corporation, are required to adhere to the TCPS.

Under the Research Policy, the Board of Directors is accountable for the following:

- To establish the Research Ethics Board (REB) within the Corporation;
- To require the REB to maintain an active Institutional Review Board (IRB) and Institutional Review Board Organization (IORG) registration with the office of Human Research Protections (OHRP);
- To require the Corporation to maintain and retain an active FederalWide Assurance (FWA) with the OHRP;
- To require the REB to operate as an independent objective review board;
- To require the REB to make independent determinations regarding whether to approve or disapprove human subject research protocols based on whether or not human subjects are adequately protected;
- To require the REB to have protocols in place, warranting an unbiased REB review, objective and free from conflict of interest to prevent compromising the objectivity of the review process;
- To require the Corporation to have a formal appeal mechanism in place to enable researchers to appeal a negative REB determination; and
- To develop the Intellectual property policy for the Corporation and review it on a regular basis.

The mandate of the REB is to approve, reject, propose modifications to, or terminate any proposed or ongoing research involving human subjects that is conducted under the auspices of the Corporation. Specifically, the REB will review all human subjects research conducted that meets any of the following criteria. The research:

- is conducted by any of the Corporation’s employees, privileged staff, professional staff, agents, contractors, students, and volunteers in relation to their role within the Corporation; or
- is conducted at any of the Corporation’s sites; or
- is conducted with any hospital resources; or
- is being performed as part of the Corporation’s training program; or
• the name of the Corporation will be used as part of an individual's credentials for any type of publication, presentation or abstract.

The Corporation retains the authority to reject any REB approved research. A decision made by the REB to reject research may not be overridden by the Corporation.

The Corporation will have in place a policy for granting the use of an external REB for the ethical review of human subject research conducted within or under the auspices of the Corporation. This policy will establish a standard process to determine when an external REB will be used in place of the Corporation’s REB, including authorization to be granted by the Board or Board’s delegate.
Part IV: Financial and Organizational Viability
The Board will ensure the safeguarding of the Corporation’s assets and the prudent use of its resources. The Board will ensure that the Finance and Audit Committee, with the CEO, annually develops key financial objectives for Board approval. The Board will monitor performance against these objectives.

The Board will ensure that the Corporation is operated and managed in an efficient and effective manner according to accepted business and financial practices and approved policies, and that it operates within its known and approved annual funding and the annual plan and Hospital Service Accountability Agreement.

The CEO is accountable to the Board for ensuring that this objective is achieved, that the fiscal position of the Corporation is not placed at risk, and that adequate internal controls and processes are in place, monitored for compliance, and regularly reviewed by the Finance and Audit Committee as appropriate.

A material deviation of actual expenditures from Board approved priorities and plan will not properly occur without prior Board approval; accordingly, the CEO will not:

- direct or approve the expenditure of designated annual revenue for other than its intended purpose;
- direct or approve the expenditure of more funds than have been budgeted, or expend more funds than have been received or reasonably forecast to be received;
- direct or approve the accumulation of debt for operational requirements in an amount greater than provided within the approved working capital plan;
- direct or approve the cash position falling, at any time, below the amount needed to settle payroll and all other obligations in a timely manner, in accordance with generally accepted good business practices or the agreed terms inherent with the obligation; or
- knowingly allow any payments or filings to be overdue or inaccurately filed.
The Board will review and approve the annual operating and capital budget. This budget will become the basis for the Hospital Annual Planning Submission (HAPS) and the Hospital Service Accountability Agreement (HSAA). The Corporation’s Hospital Service Accountability Agreement with the LHIN will be approved by the Board and signed by the Chair and the CEO, or other authorized signing officers on behalf of the Corporation by a date in compliance with its requirements.

The Hospital Annual Planning Submission and operating plan will be aligned with the Board’s established priorities, and will not place the Corporation at financial risk. The Board will require that the annual operating plan and capital budget including working capital will meet the Corporation’s needs as approved by the Board of Directors. The CEO is responsible for preparing a draft Hospital Annual Planning Submission and a draft operating plan and capital plan for each fiscal year. Before the Board grants its approval of these documents, the Finance and Audit Committee will receive input from Fiscal Advisory Committee and review and approve these documents for presentation to the Board.

The Finance and Audit Committee will:

- review and approve the Financial Planning Framework for hospital operations, including establishing the time frame for planning; broad service distribution and service targets, desired operating bottom-line; Ministry revenue assumptions; capital financing direction; and desired cash flow position;

- review and approve the detailed budget assumptions and rationale including performance indicators required by the Ministry of Health and Long Term Care and/or LHIN

- review and recommend for Board consideration, the final operating plan on a timely basis, ensuring broad planning parameters and detailed budget assumptions have been utilized; and

- regularly monitor actual performance against the approved operating plan to ensure management complies with the operating plan and resources are being appropriately reported.
The CEO will ensure that appropriate and effective administrative policies and procedures exist to manage operating expenses within the annual budget, and that these policies and procedures are monitored for compliance and reviewed annually by the Finance and Audit Committee.

Financial stewardship for the Corporation will reflect:

- financial resources are allocated annually according to the strategic priorities of the Corporation;
- the Corporation’s departments and units are responsible for cost-effective operations of their functional areas, and exploring all opportunities for cost-containment, integration opportunities, savings and revenue-generation recognizing that effective financial management is one aspect of the quality outcomes and evaluation framework;
- the Corporation will recognize the efforts of teams to generate innovative ideas and reinvest efficiencies into strategic enhancements and the development of new programs and services that fit within the strategic plan;
- program shifts/enhancements will be supported by metrics analysis and an impact analysis or business case, as appropriate;
- all employees, professional staff members, contractors, students, board members and volunteers act in a fiscally responsible manner, fulfilling their responsibilities for stewardship of the resources entrusted to the Corporation, and appropriately exercising the authority delegated to them; and
- Appropriate analytical support will be provided to assist with development of the impact analyses or business cases and monitoring of the plan.

The annual budget will contain sufficient information to provide:

i) a reasonable projection of revenues and expenses;
ii) a separation of capital and operational items;
iii) a cash flow analysis;
iv) subsequent audit trails;
v) a borrowing requirements analysis;
vii) disclosure of significant changes in financial position;
vii) disclosure of all material planning assumptions; and
viii) material changes to accounting treatment.

A deviation of actual expenditures from Board-approved priorities should not occur without prior Board approval.

**Monitoring of Financial Performance**

At a minimum, on a quarterly basis, the Board, with the assistance of the Finance and Audit Committee, will conduct a thorough assessment of the Corporation’s financial performance employing a range of indicators.
The CEO is responsible to ensure that the Corporation establishes and maintains financial reporting systems in accordance with Canadian generally accepted accounting principles and its accountability agreements and moving to Public Sector Accounting Standards, with the not-for-profit accounting standards (Section 4200), effective April 1, 2012, as directed by the Ministry of Health and Long Term Care.

Subject to the above relevant basis of accounting, financial statements will be prepared in conformance with the appropriate standards and will be presented to the Board and Finance and Audit Committee for review at each meeting. The statements will include performance indicators relevant to:

i) financial position;

ii) operations;

iii) cash flows; and

iv) covenants.

If the Board monitoring and assessment of these indicators identifies problems, the CEO will be directed to devise and implement a plan to correct them. Such plans must be submitted to and approved by the Finance and Audit Committee.

**Capital Projects and Capital Planning**

The CEO or designate will establish guidelines for the definition of capital equipment and will annually review these guidelines and ensure that a process is in place to establish multi-year capital plans for both equipment and facility investments and ensure an annual capital project/plan and budget be developed, which will comprise part of the annual operating plan approved by the Board. Yearly capital equipment budgets will be recommended for Board approval based on prioritized submissions in accordance with this policy. The capital budgeting process will be aligned with the requirements of the Ministry’s Hospital Annual Planning Submission Guidelines. In addition, the Board may consider approval of capital equipment/projects, as may be required outside of these timelines, based on appropriate information. The Finance and Audit Committee will review the capital plan and the Board will approve the plan as part of the Budget Approval process.
CATEGORY: FINANCIAL AND ORGANIZATIONAL VIABILITY

POLICY #: IV-3

SUBJECT: ASSET PROTECTION

The CEO is accountable to the Board to ensure that assets are reasonably protected, adequately maintained and not placed at unnecessary risk. The CEO will ensure that appropriate administrative policies and procedures are in place and that these policies and procedures are monitored for compliance and reviewed annually by the Finance and Audit Committee.

The CEO will ensure that:

i) reasonable insurance against fire, theft and casualty losses, with an appropriate deductible, is maintained;

ii) there is appropriate property, boiler and machinery insurance coverage for all assets owned by the Corporation, which may be subject to replacement or repair as a result of theft or casualty loss;

iii) there is an asset registry;

iv) there is a program to ensure that plant, equipment and systems are well maintained, in compliance with legal requirements, and are not subjected to improper wear and tear, and that there is a proactive strategy in place to replace and renew equipment as it ages, subject to the Board of Directors approval of the working capital plan;

v) adequate liability insurance coverage is maintained for the Corporation, Directors and officers in order that they will be indemnified and saved harmless while engaged in activities on behalf of the Corporation;

vi) the Corporation insures to an appropriate extent against losses due to errors and omissions on the part of Directors, officers or employees;

vii) the Corporation, its Directors, officers and employees are not unnecessarily exposed to liability claims;

viii) there are appropriate and adequate financial internal controls for the receipt, disbursement, and processing of funds and that these controls are reviewed annually; Management will report any issues to the Finance and Audit Committee;
ix) financial reporting is consistent with Canadian Generally Accepted Accounting Principles;

x) unbonded/uninsured personnel do not have access to material amounts of funds;

xi) the Corporation is not knowingly endangered with regard to its public image or credibility; and

xii) only personnel approved within the Signing Authority policy will access funds as appropriate.
The purpose of the Board of Directors Signing Authority is to designate the authority levels for the President and Chief Executive Officer (CEO) and Directors. The CEO is accountable to the Board to ensure that the Corporation has in place policies and rules related to the Corporate Signing Authority.

The Corporate Signing Authority Policy provides the appropriate signing authority levels for purchases of goods, non-consulting services, investments and construction within HAPS and H-SAA, the Board of Directors authorizes the CEO to approve expenditures, purchase orders, invoices, contracts, investment decisions and related instructions, commitments etc. under $5 million. Until such time as one Corporate Signing Authority Policy is adopted by The Credit Valley Hospital and Trillium Health Centre, the current site specific Corporate Signing Authority policies will apply at each site.

In the absence of the President and CEO, the CEO can delegate the signing authority to the Acting CEO who will approve expenditures under $5 million with the exception of sole sourced or non-competitive consulting services.

The Corporate Signing Authority Policy directs the organization in conjunction with:
- Administrative policies.
- Internal budgeting policies that have been developed as part of the hospital’s system of internal control. Those policies provide direction to hospital leaders for developing and managing the hospital’s budgets.

The Governance Committee reviews the policy annually.

The Board identifies the designated Signing Officers of the corporation and their authority.

**Schedule I: Signing Officers**
The following individuals are the designated signing officers of the Corporation:

Chair, Board of Directors
Vice Chair, Board of Directors
Treasurer, Board of Directors
President and CEO
Chief Financial Officer
Senior Executive Staff members so designated by the CEO and set forth in relevant administrative policies.
Any two of the above must sign cheques, bills of exchange or other negotiable instruments and orders for payment required for the day-to-day operation of the corporation, which are specifically included in the budget approved by the Board, or otherwise approved by the Board. This authority may not be delegated. One signatory must be a signing officer listed above who is not an employee of the Corporation, in the case of cheques, bills of exchange or other negotiable instruments in excess of $5,000,000. An electronic signature may be used to automate the cheque signing process, subject to appropriate safeguards.

In addition to the above, the Board may from time to time by resolution direct the manner in which and the person or persons by whom any particular instrument or class of instruments or document may or shall be signed. Any signing officer may affix the seal of the Corporation to any instrument or document and may certify a copy of any instrument, resolution, by-law or other document of the corporation to be a true copy.

The CEO is accountable to the Board for ensuring that adequate internal controls and processes are in place.

**Schedule II: Board Authorization**

Prior Board approval is required for any of the following:

1. Taking or instituting proceedings for the winding-up, reorganization or dissolution of the Corporation;
2. The enactment, ratification or amendment of any by-laws of the Corporation;
3. The sale, lease, exchange or other disposition of all or substantially all of the assets or undertakings of the Corporation;
4. The mortgaging, pledging, charging or otherwise encumbering any of the assets of the Corporation;
5. All real estate purchases and sales; and
6. All related budgets for new construction and building capital renovation costs prior to any spending. After Board approval has been obtained, the CEO has approval to authorize tender requests, contracts, contract amendments, change-directives, change-orders, progress draws, purchase orders and invoices that remain within the budget estimates. The CEO may designate such approval which will be set forth in relevant administrative policies.
In accordance with the Corporate By-law (Section 11.6), designated signing officers of the Corporation may from time to time borrow money from a bank. Approval from the Board, on recommendation from the Finance and Audit Committee, is required for the Corporation to borrow money. Subject to the above, the Corporation may, from time to time:

i) borrow money on the credit of the Corporation;

ii) issue, sell or pledge securities (including bonds, debentures, notes or other similar obligations, secured or unsecured) of the Corporation; or

iii) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, including book debts and unpaid calls, rights and powers, franchises and undertakings, to secure any securities or for any money borrowed, or other debt, or any other obligation or liability of the Corporation.

The Corporation will only borrow money for the following purposes:

i) to secure bridge financing for working capital requirements;

ii) to secure operating financing (line of credit) to fund normal operating requirements arising from timing differences between cash inflows and expenditures;

iii) to secure capital project financing to support a capital project;

iv) to lease or finance capital equipment that is part of the Corporation’s Board-approved capital project plan;

v) to lease or finance land or property consistent with the Corporation’s master plan; or

vi) to support an expenditure justified by a business case with an acceptable financial return.
This statement of Investment Policies and Procedures (hereinafter referred to as the “Statement”) describes the investment objectives of the Hospital with respect to its three categories of investment funds. These categories include the Committed Projects Fund, The Superbuild Fund, and The Future Development Fund (hereinafter referred to as the “Funds”). The basic goal of this Statement is to assist The Finance and Audit Committee of the Board of Directors, in ensuring that the assets of the Hospital, together with any subsequent contributions and income, shall be invested in a prudent and effective manner.
Section 1 - Purpose of the Statement

The primary purpose of the Funds is to provide resources for the pursuit of the goals and objectives of the Hospital. The prudent and effective management of the Funds has a direct impact on the achievement of these goals and objectives and the Finance and Audit Committee is responsible for ensuring that the Funds are managed in a prudent and effective manner.

This Statement provides a set of written guidelines for managing the investments of the Hospital. The Statement will be reviewed annually by the Finance and Audit committee to ensure that it continues to reflect the Hospital’s requirements.

The general objectives of the Statement are to:

- establish the investment objectives, policies, and guidelines relating to any investment owned or controlled by the Hospital;
- establish the different investment groups (currently: Committed Projects Fund, Superbuild Fund and Future Development Fund) (the “Funds”);
- identify the criteria against which the investment performance of the Funds will be measured;
- serve as a review document to guide the ongoing investment management and oversight of the Funds.

Section 2 - Scope

In accordance with the Corporate By-law (Section 11.7), the board is authorized to make or receive any investments, which the Board in its discretion considers advisable.

The Board may invest:

1. All monies given in trust to the Corporation for the use of the Corporation; and
2. All monies not required for operating expenses.

Section 3 – Allocation of Responsibilities

The Finance and Audit Committee oversees investment management of the Fund and is responsible to report back to the Board. The Committee shall:

- Establish the Statement of Investment Policies and Procedures;
• Ensure that members of the Finance and Audit Committee are in compliance with all Conflict of Interest Provisions where it relates to investments of the Hospital;
• Select one or more Investment Manager(s) to manage the investment of the Fund’s assets; and if required, one or more Custodian(s) to hold the Fund’s assets. Management of any other assets may be carried out internally by management, and unless specifically requested by the Board is not governed by this Statement;
• At least annually:
  o Review, amend where necessary, and approve this Statement and record such proceeding and decisions in the minutes of the Finance and Audit Committee. This review will be done having regard to the following:
    ▪ General economic conditions.
    ▪ The possible effect of inflation or deflation.
    ▪ The role that each asset class plays within the Funds and their respective objectives;
    ▪ The expected total return from income and the appreciation of capital;
    ▪ Needs for liquidity, regularity of income and preservation or appreciation of capital;
    ▪ An assets special relationship or special value, if any, to the purpose of the Funds.
  o confirm the applicability of the underlying investment categories, The Committed Projects Fund, The Superbuild Fund and The Future Development Fund and review their individual performance objectives in conjunction with the short and long term cash/capital requirements of the Hospital by fiscal year;
  o confirm the applicability of any pooled fund investments to ensure suitability to the Funds;
  o oversee the performance relative to the performance objectives and make recommendations to the Board as to the selection, engagement or dismissal of an investment manager (the “Investment Manager”) to manage the Funds;
  o meet with a representative of the Investment Manager to discuss investment performance and the Statement.
• At least semi-annually:
  o review the performance of the Investment Manager, and the Funds relative to the performance objectives;
• At least quarterly:
  o review the financial performance of the Funds and compliance with the Statement.
• Maintain an understanding of any legal and regulatory requirements, and constraints that may apply to the Hospital’s investments.
• Be responsible for delegation of any responsibilities not specifically mentioned in this Statement;

• Enter into contracts with the Investment Manager(s) and, if required, Custodian(s) mentioned above on a basis that may be terminable within 30 days;

• It is expected that the Hospital will have some pooled fund investments, which offer lower costs and sufficient diversification but are governed by the general investment policies of each fund as set by the Investment Manager. Any such policies need to be accepted by the Finance & Audit Committee prior to investment (dated, signed and kept on file at the Hospital).

• The Hospital will regularly monitor all transactions performed by the Custodian and shall have access to direct electronic interchange to perform the monitoring.

The Investment Manager(s) shall be required to:

• Invest the assets of the Funds in accordance with this Statement;
• Notify the Hospital in writing of any significant changes in the investment manager’s philosophies and policies, personnel or organization and procedures;
• Meet with the Hospital representatives as required and provide required reporting;
• For pooled and mutual funds, the investment manager will ensure custodial services are performed by a reputable third party provider; Manage the Funds with the care, diligence and skill that a prudent person skilled as a professional investment manager would use in dealing with Institutional assets.

The Custodian(s) shall be required to:

• Fulfill the regular duties required by law of the Custodian in accordance with the Funds;
• Provide management of the Hospital with periodic portfolio reconciliations and performance reports as required of all Fund assets and transactions during the period; and
• Provide other services from time to time as may be mutually agreed with management of the Hospital and/or the Board.

Section 4 - Investment Objectives

The assets of the Funds are to be managed with the primary objective of providing resources for the pursuit of the goals and objectives of the Hospital.
The investment objectives of the Hospital are:

1. The preservation and enhancement of capital through adequate diversification of high quality investments;
2. The achievement of the highest investment return that can be obtained with assumption of an acceptable degree of risk;
3. The exercise of the care, skill, diligence and judgment of a prudent investor;
4. Compliance with the Trustee Act; and
5. The Hospital will not invest in securities of corporations involved in the production, manufacture or sale of tobacco products.

Investment activities are to be undertaken in a manner designed primarily to preserve and enhance capital, and secondarily to optimize investment yield having regard to permissible investments. In all respects; maturity dates of investments will recognize the forecasted cash flow requirements of the Corporation.

Section 5 – Investment Groups that Make-up the Fund & Return Expectations

There are three categories of accounts that make up the Funds. Each category has distinct needs managed for the Hospital.

Committed Projects Fund: This fund was established to hold investments where the proceeds were designated for use in approved capital projects that were pending and in development.

Superbuild Fund: This fund was established to hold monies held in trust for projects approved by Superbuild, now known as Infrastructure Ontario.

Future Development Fund: This fund was established to group many smaller individually designated funds which have specific purposes. Generally, all the individual funds within this portfolio are endowments where income generated is directed towards specific purposes.
<table>
<thead>
<tr>
<th></th>
<th>Committed Projects Fund</th>
<th>Superbuild Fund</th>
<th>Future Development Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Spending Policy</strong></td>
<td>As needed for the payment of approved capital projects.</td>
<td>As requested to be applied against future Superbuild/IO projects or refunded to Ministry.</td>
<td>Income from endowment funds used to offset ongoing operating expenditures.</td>
</tr>
<tr>
<td><strong>Time Horizon</strong></td>
<td>Short term &lt;5 years on a rolling basis</td>
<td>Short term (&lt;1 year)</td>
<td>Long term (&gt;15 years)</td>
</tr>
<tr>
<td><strong>Liquidity</strong></td>
<td>Less than 5 years on a rolling basis</td>
<td>Mostly liquid</td>
<td>Very low liquidity requirements on principle amounts of the endowment</td>
</tr>
<tr>
<td><strong>Risk Tolerance</strong></td>
<td>Low 0% tolerance to risk</td>
<td>Low 0% tolerance to risk</td>
<td>Low Minimal risk</td>
</tr>
<tr>
<td><strong>Return Requirement</strong></td>
<td>Net long term return goal is to achieve a minimum return of the rate of inflation (CPI) over 4-year rolling periods to maintain the real value of the capital.</td>
<td>Commensurate with 91 Day T-Bill</td>
<td>Net long term return goal is to achieve a minimum return of the rate of inflation (CPI) over 4-year rolling periods to maintain the real value of the capital.</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>Not applicable as the Hospital is a registered charity</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Legal</strong></td>
<td>The Hospital is a registered charity</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Investments should be structured and managed to provide for the generation of the targeted rate of investment return while assuming only the minimum, necessary amount of risk. Risk will be measured in terms of the downside risk (or risk of loss) of the investment. As appropriate, investments will maintain minimum levels of diversification in order to reduce overall risk which may include diversification by asset class, industry sector and geography.
Section 6 – Asset Mix

Asset allocation or mix refers to the allocation of funds among the major asset classes, including but not limited to, cash, domestic bonds, and domestic and international equities. Since the asset mix of a fund tends to determine its risk and return characteristics, control of the fund’s asset mix is the Hospital’s principal means of defining the Fund’s risk and return parameters. Asset classes, allocation targets and permissible ranges are detailed in the attached Instructions to Investment Manager(s).

Section 7 - Performance Evaluation Benchmarks

The benchmark can be thought of as representing a theoretical passive alternative to active management. The various asset classes and benchmarks are as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Comparable Benchmark Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>DEX 91-day T-Bill index</td>
</tr>
<tr>
<td>Canadian Short-term Bonds</td>
<td>DEX Short-term Bond index</td>
</tr>
<tr>
<td>Canadian Mid-term Bonds</td>
<td>DEX Mid-term Bond index</td>
</tr>
<tr>
<td>Canadian Bonds</td>
<td>DEX Universe Bond index</td>
</tr>
<tr>
<td>Canadian Equities</td>
<td>S&amp;P/TSX index</td>
</tr>
<tr>
<td>Foreign Equities</td>
<td>MSCI World index (Cdn$)</td>
</tr>
</tbody>
</table>

A portfolio benchmark return can be calculated using the neutral weighting of the above noted indices and should be included with the Investment Manager’s quarterly reporting. This equation will be used as a basis for comparison to the total return of the entire portfolio. Portfolio return should be calculated on a Time Weighted basis and should include realized and unrealized gains as well as income from all sources. Measurement against performance objectives will normally be assessed over rolling four-year period.

Investment Manager Review Process

While the importance of due diligence implemented during the manager selection process cannot be understated, the ongoing review and analysis of money managers is just as important. Accordingly, a thorough review and analysis of the investment manager and performance will be conducted, specifically if:

- Overall compliance with the Investment Policy Statement guidelines is in question;
- A manager performs significantly below the agreed upon benchmark return gross
of fees over a four year rolling average;

• Significant short-term loss;
• Perceived negligence.

Major organizational changes also warrant immediate review of the manager, including:

• Change in professionals (research, analysis and partners);
• Account losses in excess of the stipulated risk tolerance constraints;
• Significant growth of new business;
• Change in ownership;
• Perceived negligence.

Servicing Requirements

• Monthly statements from the Investment Managers;
• Quarterly review meeting with the Finance and Audit committee and perhaps the Board;
• Monthly holdings and transaction report;
• Quarterly reporting including compliance report.
Part V-A: Governance Policy Framework
**CATEGORY:** BOARD EFFECTIVENESS  

**Part A: Governance Policy Framework**

**POLICY #:** V-A-1  

**SUBJECT:** PRINCIPLES OF GOVERNANCE AND BOARD ACCOUNTABILITY

1. The Corporation is one hospital corporation operating three interdependent sites.

2. The Board governs the Corporation through the direction and supervision of the business and affairs of the Corporation in accordance with its Articles of Amalgamation, its by-laws, vision, mission and core values, governance policies and applicable laws and regulations.

3. The Board adheres to a model of governance through which it provides strategic leadership and direction to the Corporation by establishing policies, making governance decisions, monitoring performance related to the key dimensions of the Corporation’s mission, as well as evaluating its own effectiveness and by building system relationships.

4. The Board acts at all times in the best interests of the Corporation, having regard for its accountabilities to its patients and the community served, to the Government of Ontario (Government) and the Mississauga Halton Local Health Integration Network (LHIN) and its relationship with other service providers.

5. The Board maintains a culture based on the values as approved by the Board and strives for a collaborative approach to decision-making, based on evidence, best practice, open debate and a forthright examination of all issues while respecting and valuing dissenting views.

6. The Board maintains at all times a clear distinction between the governance and operation of the Corporation, while recognizing the interdependencies between them.

7. The Board is accountable to:
   - the Corporation’s patients and its communities served for:
     - the quality of the care, treatment and safety of patients;
     - engaging the communities served when developing plans and setting priorities for the delivery of health care;
operating in a fiscally sustainable manner within its resource envelope and utilizing its resources efficiently and effectively across the spectrum of care to fulfill the Corporation’s mission and mandate;

- advocating for and seeking resources to provide appropriate health care;
- the appropriate use of community contributions and resources;
- considering the diversity of needs and interests in its policy formulation and decision-making;

- the Government for:
- compliance with applicable laws and regulations, policies and directions and implementation of approved capital projects;

- the LHIN for:
- ensuring that the Corporation operates in a manner that is consistent with:
  - the LHIN’s integrated health service plan;
  - the Hospital Service Accountability Agreement with the LHIN.

8. Consistent with the Board’s commitment to good governance practices, timely access to information, appropriate protection of personal privacy, and appropriate protection of other information that is exempt or excluded from disclosure under the Freedom of Information and Protection of Privacy Act, the Board will make available to the public:

- the statement of Board and Director roles, responsibilities and accountabilities;
- a list of elected and ex-officio Directors and their attendance records;
- policies governing the Board and Board standing committees;
- a report on the Corporation’s performance as part of the Corporation’s Annual Report;
- the Corporation’s Quality Improvement Plan, in compliance with the Excellent Care for All Act, 2010;
- information about expense claims in compliance with any directives made under the Broader Public Sector Accountability Act, 2010; and
- upon request, information that is subject to disclosure under the Freedom of Information and Protection of Privacy Act.
The Board governs by fulfilling the following roles:

**Policy Formulation**

Establish policies to provide *guidance* to those empowered with the responsibility to lead and manage operations.

**Decision-Making**

On matters that specifically require Board approval, choose from alternatives that are consistent with Board policies and that are in the best interest of the Corporation.

**Oversight**

Monitor and assess organizational processes and outcomes.

**Responsibilities of the Board**

**Strategic Direction**

- Consider key stakeholders and health care needs and engage with the community served, the LHIN and other health service providers when developing plans and setting priorities for the delivery of health care as required under the *Local Health System Integration Act*;

- Establish and periodically review the Corporation’s mission, vision and core values;

- Contribute to the development of and approve the strategic plan of the Corporation, ensuring that it is aligned with community need, Ministry policy, the LHIN integrated health services plan and promotes where appropriate integration with other health service providers;

- Conduct a review of the strategic plan as part of a regular annual planning cycle;
• Ensure that the Board’s decisions are consistent with government policy, the LHIN’s integrated health service plan, and the Corporation’s mission, vision, core values and strategic plan; and

• Monitor and measure-corporate performance regularly against the approved strategic plan and Board approved performance indicators.

**Excellent Management**

• Select and appoint the CEO;

• Establish measurable annual performance expectations in co-operation with the CEO; assess CEO performance annually and determine compensation;

• Delegate responsibility and authority to the CEO for the management and operation of the Corporation and require accountability to the Board;

• Select and appoint the Chief of Staff;

• Establish measurable annual performance expectations in co-operation with the Chief of Staff; assess Chief of Staff performance annually and determine compensation;

• Delegate responsibility and authority to the Chief of Staff for the supervision of the practice of medicine, dentistry, midwifery and extended class nursing in the Corporation and require accountability to the Board;

• Approve the plans for CEO and Chief of Staff succession;

• Review and approve the CEO’s and Chief of Staff’s succession plans for the senior management team and clinical chiefs, including executive development;

• Appoint department chiefs and other medical leadership positions, on the recommendation of the Chief of Staff, as required under the Corporation’s Professional Staff By-law and the *Public Hospitals Act*; and

• Establish and monitor implementation of policies to provide the framework for the management and operation of the Corporation in compliance with applicable laws and regulations.

**Program Quality and Effectiveness**

• Review and approve the Chief of Staff’s human resources plan for the Professional Staff annually;

• Review the credentialing process for the Professional Staff annually and be assured by the Chief of Staff as to the effectiveness and fairness of this process;
• Approve appointments, reappointment and privileges for Professional Staff based on the human resources plan and review of recommendations by the Medical Advisory Committee;

• Provide oversight of the credentialed Professional Staff through the Chief of Staff, and the Medical Advisory Committee and if necessary or advisable, effect the restriction, suspension or revocation of privileges of any credentialed Professional Staff member as provided under the *Public Hospitals Act* and the Professional Staff By-law;

• Review and approve the Quality Improvement Plan and approve a process and schedule for monitoring Board-approved performance metrics related to quality of care, patient safety and organizational risk;

• Ensure that policies are in place to provide a framework for addressing ethical issues arising from care, education and research in the Corporation; and

• Receive timely reports from the CEO and Chief of Staff on plans to address variances from performance standards, and oversee implementation of the remediation plans.

**Financial and Organizational Viability**

• Review and approve the Hospital Annual Planning Submission including the capital and operating budget; approve the Hospital Services Accountability Agreement and monitor financial performance against the budget and performance indicators;

• Review and approve the multi-year financial plans and operate within the Hospital Services Accountability Agreement;

• Review financial and organizational risks and risk mitigation plans regularly;

• Approve an investment policy and monitor compliance;

• Review the financial reporting process, management information systems, internal controls and business continuity plans annually;

• Ensure policies are in place on asset protection, purchases, contracts, leases, borrowing and signing authority; and

• Review quarterly financial reports and approve the annual audited financial statement.

**Board Effectiveness**

• Recruit Directors and where appropriate Non-Director members of committees, who are skilled, experienced, reflective of the communities we serve and committed to the Corporation and plan for the succession of Directors and Board Officers;

• Establish a comprehensive Board orientation program and ongoing Board education;
• Establish Board goals and an annual work plan for the Board and its committees and ensure that the Board receives timely appropriate information to support informed policy formulation, decision-making and monitoring;

• Establish and periodically review policies concerning governance structures and processes to maximize the effective functioning of the Board;

• Establish a policy and process for evaluating the performance of the Board as a whole and of individual Directors that fosters continuous improvement.

External Relationships

• Ensure that the Corporation builds and maintains good relationships with the Ministry of Health and Long Term Care and other government Ministries in fulfilling its obligations under provincial policies and with the LHIN in fulfilling the Corporation’s Hospital Services Accountability Agreement;

• Ensure that the Corporation is filling its role as a regional resource and referral centre within the LHIN region by fostering effective coordination of patient care and positive working relationships with other hospitals and community health care providers;

• Ensure that the Corporation builds and maintains good relationships with the University of Toronto Mississauga and other educational institutions in fulfilling its mission as a community affiliate of the University of Toronto Faculty of Medicine;

• Ensure that mechanisms are in place for effective two-way communication within the Corporation with Professional Staff, staff, volunteers, foundations and with its members, community stakeholders, including elected officials and political leaders, the media, donors, and the broader public.

Support and Relationships with the Foundations

Strong and positive relationships between the Corporation and the foundations are essential at several levels:

• The Board will support the foundations in their endeavours.

• Individual Directors are expected to support the foundations, and are encouraged to contribute financially to the foundations in their fundraising efforts.

• Regular communications will be essential and achieved through a number of mechanisms, such as:
  o a semi-annual meeting between designated representatives of the Board and the foundations’ boards of directors to review strategic priorities, fundraising needs and areas for collaboration and alignment of fundraising initiatives;
o the foundation chairs will be asked to present brief annual reports at the annual meeting; and

o regular meetings between the CEO and the CEOs of the foundations will be scheduled related to capital equipment priorities and operational matters related to allocation of the foundations’ donations to the Corporation.
The following is a statement of responsibilities for both elected and ex-officio Directors, which should also be understood as the Board of Directors Code of Conduct. The legal expectations of ex-officio Directors are the same as those expected of elected Directors. Exceptions to Board process requirements for ex-officio Directors are noted. All Directors will complete a Director’s Declaration of commitment to and compliance with these responsibilities annually.

**Fiduciary Duty and Duty of Care**

As a fiduciary of the Corporation, a Director acts ethically, honestly, and in good faith with a view to the best interests of the Corporation and in so doing, supports the Corporation in fulfilling its mission and discharging its accountabilities. A Director exercises the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Directors with special skill and knowledge are expected to apply that skill and knowledge to matters that come before the Board.

A Director does not represent the specific interests of any constituency or group. A Director acts and makes decisions that are in the best interest of the Corporation as a whole. A Director commits to the vision, mission and core values of the Corporation and complies with the Public Hospitals Act, the Corporations Act, other applicable laws and regulations, the Corporation’s Articles of Amalgamation and by-laws, and Board policies.

**Exercise of Authority**

A Director carries out the powers of office only when acting as a member during a duly constituted meeting of the Board or one of its committees. A Director respects the responsibilities delegated by the Board to the CEO and Chief of Staff, avoiding interference with their duties but insisting upon accountability to the Board and reporting mechanisms for assessing organizational performance.

**Conflict of Interest**

A Director does not place him/herself in a position where his/her personal interests conflict with those of the Corporation. A Director complies with the Conflict of Interest provisions in Section 6.1 of the Corporate By-law and the Board Policy Manual.
Team Work

A Director maintains effective relationships with Directors, management and stakeholders by working positively, cooperatively and respectfully with others in the performance of his/her duties while exercising independence in decision making.

Participation

A Director expects to receive relevant information in advance of the meetings and reviews pre-circulated material and comes prepared to Board and committee meetings and educational events, asks informed questions, and makes a constructive contribution to discussions. A Director considers the need for independent advice to the Board on major corporate actions.

Formal Dissent

A Director reviews the minutes of the previous meeting on receipt and insists that they record any Director’s disclosure, abstinence or dissent. A Director who is absent from a Board meeting is deemed to have supported the decisions and policies of the Board taken in his/her absence unless he or she formally records a dissenting view with the Board secretary. While an absent Director may formally record a dissenting view at the next meeting at which the Director is in attendance, this does not change the decision reached by the Board.

Board Solidarity

The official spokesperson for the Board is the Chair or the Chair’s designate. A Director supports the decisions and policies of the Board in discussions with outsiders, even if the Director holds another view or voiced another view during a Board discussion or was absent from the Board meeting. A Director refers requests for statements on behalf of the Board to the Chair.

Confidentiality

Every Director shall respect the confidentiality of the information of the Corporation, including matters brought before the Board and all committees, keeping in mind that unauthorized disclosure of information could adversely affect the interests of the Corporation.

Time and Commitment

A Director is generally expected to commit the necessary time required to fulfill Board and committee responsibilities including preparation for and attendance at Board meetings, assigned committee meetings and events.

A Director is expected to attend a minimum of 80% of the meetings of the Board and 80% of committee meetings of which he/she is a member in person or by electronic means. Directors who fail to meet the attendance requirements are subject to review by the Chair and may be asked to step down from the Board. All Directors are expected to
serve on at least one Board committee and to represent the Board and the Corporation in the community when requested by the Chair.

**Skills, Expertise and Essential Competencies**

A Director actively contributes specific skills and expertise and possesses the following essential competencies and qualities which are necessary for all Directors to fulfill their responsibilities:

- personal and professional integrity, wisdom and judgment;
- a commitment to ethical standards and behaviour;
- experience in and understanding of governance including the roles and responsibilities of the Board and individual Directors and the difference between governance and management;
- ability to participate assertively and communicate effectively as a member of the team with other members of the Board and senior management;
- ability to think critically and ask relevant questions at a strategic level.

**Education**

A Director seeks opportunities to be educated and informed about the Board and the key issues in the Corporation and broader health care system through review of the Board Orientation Manual, participation in Board orientation and ongoing Board education.

**Evaluation and Continuous Improvement**

A Director is committed to a process of continuous self-improvement as a Director. All Directors participate in evaluation of the Board and elected Directors participate in individual-Director peer assessment and act upon results in a positive and constructive manner.

**Fundraising Activity**

A Director supports the fundraising activities of the foundations.
Article A: Governance Policy Framework

POLICY #: V-A-4

SUBJECT: DIRECTOR’S DECLARATION

A Director of the Corporation acknowledges and accepts that the Board of Directors is accountable to:

- its patients and communities served for:
  - the quality of the care, treatment and safety of patients;
  - engaging the communities served when developing plans and setting priorities for the delivery of health care;
  - operating in a fiscally sustainable manner within its resource envelope and utilizing its resources efficiently and effectively across the spectrum of care to fulfill the Corporation’s mission and mandate;
  - advocating for and seeking resources to provide appropriate health care;
  - the appropriate use of community contributions and resources;
  - considering the diversity of needs and interests in its policy formulation and decision-making;
- the Government of Ontario for:
  - compliance with applicable laws and regulations, policies and directions and implementation of approved capital projects;
- the Mississauga-Halton LHIN for:
  - ensuring that the Corporation operates in a manner that is consistent with:
    - the LHIN’s integrated health service plan; and
    - the Hospital Service Accountability Agreement with the LHIN.

I have complied in the past and agree to comply in the future with the performance expectations as stated in the appended document Responsibilities as an Elected and Ex-Officio Director.

As a Director, I confirm that I do not have a conflict of interest which would prevent me from serving as a Director pursuant to the Conflict of Interest provisions in Section 6.1 of the Corporate By-law and in the Board Policy Manual.
I hereby consent to act as a Director of the Corporation. I also hereby consent pursuant to the provisions of Section 5.3 of the Corporate By-law to the holding of meetings of the Board of Directors or of any committee of the Board of Directors by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. These consents will continue in effect from year to year so long as I am a Director. I agree to abide by the confidentiality provisions in the Corporate By-law, Board Policy Manual and in the Corporation’s privacy policies.

I undertake to advise the Corporation in writing of any change of address as soon as possible after such change.

Dated: ________________________________

Signature: ______________________________________

Print Name: ______________________________________

Address: ______________________________________

____________________________________
Balance within the Board

- The Board as a whole should be seen by the community it serves, government and the broader community as capable, experienced and well able to govern the organization; and
- The membership of the Board and its committees should be drawn widely to achieve a balance of skills and expertise needed for the Board to fulfill its governance roles and responsibilities and to genuinely reflect the breadth, depth and diversity of the community it serves so it can maintain the confidence of all it serves.

Board Skills and Expertise

While the Board will give priority to recruitment of different skills, expertise and experience over time, the Directors should collectively possess a range of specific skills, expertise and experience (as described in Appendix 1) from among the following:

- audit, accounting and finance;
- senior level business leadership in a complex corporate environment
- governance;
- strategic planning;
- community leadership;
- construction, project management (may be a time-limited requirement);
- information systems management/technology;
- marketing, communications and media/public relations;
- quality, risk management and performance measurement;
- law;
- government relations
- public policy and research;
- knowledge of health care systems;
- human resource management; and
• health education.

Director Qualities and Competencies

Beyond the range of skills and expertise identified above, the essential competencies and qualities that are necessary for all Directors to fulfill their responsibilities include:

• experience in and understanding of governance including the roles and responsibilities of the Board and individual Directors and the difference between governance and management;
• personal and professional integrity, wisdom and judgment;
• a commitment to ethical standards and behaviour;
• an ability to work and communicate effectively as a member of the team with other Directors and senior management; and
• ability to think critically and ask relevant questions at a strategic level.

As defined in the Corporate By-law (Article 4 Section 4.4), no person shall be qualified for election or appointment as a Director if he or she:

a) is less than 18 years of age;

b) has the status of a bankrupt;

c) except as required by the Public Hospitals Act, is a current employee of the Corporation or Professional Staff member.
## Appendix 1
### Descriptions of Skill, Expertise and Experience

<table>
<thead>
<tr>
<th>Area of Skill, Expertise and Experience</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit, Accounting and Finance</td>
<td>Experienced in applying generally accepted accounting principles and preparing, auditing and/or analyzing financial statements. Additionally, understanding of appropriate financial controls and management practices required to achieve key financial metrics. A minimum of one Board member who is a Professional Accountant in good standing is required.</td>
</tr>
<tr>
<td>Community Leadership</td>
<td>Experienced in inspiring change and influencing others within the community through a visible civic leadership role in one or more organizations that may include a governing body, a community service organization, a religious institution, or a philanthropic endeavor.</td>
</tr>
<tr>
<td>Construction/Project Management</td>
<td>Experienced in providing leadership in large-scale planning, development, and/or project design and implementation.</td>
</tr>
<tr>
<td>Governance</td>
<td>Experienced in best practice principles associated with organizational structure, processes, accountabilities and decision making, current governance issues and trends, and direct prior governance experience in a community based or a not-for-profit organization.</td>
</tr>
<tr>
<td>Government Relations</td>
<td>Experienced in dealing with or working alongside regional, provincial and/or federal government or regulatory bodies. Skilled at understanding the complex nature of government decision making and forging effective relationships in order to influence decision making.</td>
</tr>
<tr>
<td>Health Care</td>
<td>Experienced in senior health care leadership or a practitioner with deep experience and/or understanding of health care operations, funding and systems.</td>
</tr>
<tr>
<td>Health Education</td>
<td>Experienced health educator. Understands oversight role operating a facility that provides interprofessional education, including medical teaching and applied research.</td>
</tr>
<tr>
<td>Human Resource Management</td>
<td>Experienced in and strong understanding of organizational structure and development, human resources oversight, compensation, performance</td>
</tr>
<tr>
<td>Area of Skill, Expertise and Experience</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>management, change management, talent management, and succession planning.</td>
<td></td>
</tr>
<tr>
<td>Information Systems Management/Technology</td>
<td>Experienced in leading the implementation and/or management of complex information technology systems and processes. High degree of sophistication in information technology risk management.</td>
</tr>
<tr>
<td>Law</td>
<td>Experienced lawyer in good standing with the Law Society of Upper Canada with a sophisticated practice in corporate, commercial, regulatory or governance-related fields.</td>
</tr>
<tr>
<td>Marketing, Communications and Media/Public Relations</td>
<td>Experienced in private or public sector corporate communications, marketing and media, public and stakeholder relations.</td>
</tr>
<tr>
<td>Public Policy and Research</td>
<td>Experienced in influencing and shaping public policy and/or leading operations and change within an environment heavily influenced by public policy, including public and broader public sector organizations. Published researcher with experience in research operations, funding and management within large organizations.</td>
</tr>
<tr>
<td>Quality, Risk Management and Performance Measurement</td>
<td>Experienced in identifying, planning for and implementing strategies to drive continuous quality improvement and to mitigate organizational risks. Skilled in understanding the effective use of performance measurement to achieve this. Includes the ability to understand and ensure the effective oversight of a comprehensive enterprise risk management system, including the prioritization of relevant risks and ensuring appropriate risk levels.</td>
</tr>
<tr>
<td>Senior Business Leadership</td>
<td>Experienced in leading others in a large, complex organization. Know what it is to lead, articulate a vision, monitor risks and measure performance to achieve positive results. Skilled in complex change management and communications.</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>Experienced in oversight and development of a strategic planning process and plan. Understanding and evaluating strategic plans including updates provided on developments affecting the strategy.</td>
</tr>
</tbody>
</table>
In accordance with the Corporate By-law (Article 4 Section 4.1), the Board will consist of:

a) the following elected Directors:
   
   i) until the annual Members’ meeting in 2013, 14 elected Directors;
   ii) from the annual Members’ meeting in 2013 until the annual Members’ meeting in 2014, 13 elected Directors; and
   iii) from the annual Members’ meeting on 2014 until the annual Members’ meeting in 2015 (and thereafter, unless otherwise specifically provided by the Corporation By-law), 12 Directors,

who satisfy the criteria set out in Section 4.3 of the Corporate By-law and who are elected by the Members in accordance with Section 4.8 of the Corporate By-law or appointed in accordance with Section 4.10 of the Corporate By-law; and

b) the following six ex-officio non-voting Directors:

   i) the CEO;
   ii) the Chief of Staff;
   iii) the President of the Professional Staff;
   iv) the Vice President of the Professional Staff;
   v) the Chief Nursing Executive; and
   vi) the Dean of Medicine of the University of Toronto or a designate.

In accordance with the Corporate By-law (Article 4 Section 4.9), each Director shall be eligible for re-election provided that such Director shall not be elected or appointed for a term that will result in the Director serving more than nine consecutive years. In determining a Director’s length of service as a Director, service prior to the coming into force of the Corporate By-law at The Credit Valley Hospital or at Trillium Health Centre shall be excluded. Despite the foregoing a Director may, by Board resolution, have his/her maximum term as a Director extended for the sole purpose of that Director.
succeeding to the office of Chair or serving as Chair. Despite the foregoing, where a Director was appointed to fill an unexpired term of a Director, the partial term shall be excluded from the calculation of the maximum years of service.

The Directors of the Corporation will be entitled to serve a maximum of nine years, normally based on three, three-year terms. However, to achieve the staggering of terms required by the Corporations Act and the Public Hospitals Act, each of the 14 initial elected Directors will be assigned an initial term of one, two or three years reflecting Director preference where possible.
As per the Corporate By-law (Article 8), the Board may establish committees from time to time. The Board shall determine the duties of such committees. The Board committees shall be:

- Board Standing Committees, being those committees whose duties are normally continuous; and
- Special Committees, being those committees appointed for specific duties whose mandate shall expire with the completion of the tasks assigned.

This Policy is intended to supplement the By-law provisions.

**Board Standing Committees**

The following Board Standing Committees will be established:

- Finance and Audit Committee;
- Governance Committee;
- Quality and Performance Monitoring Committee;
- Human Resources Committee;
- Risk Management Committee; and
- Medical Advisory Committee.

**Board Standing Committee Principles**

**a) Relationship between the Board and Board Standing Committees**

i) The Board will determine the duties of each committee. The Board will approve terms of reference and membership of the Board committees annually on the recommendation of the Governance Committee as soon as possible following the annual meeting. Terms of Reference for the Board Standing Committees listed above (except the Medical Advisory Committee) are included in the Governance Framework; terms of reference for the Medical Advisory Committee are set out in the Professional Staff By-law.
ii) The Board will monitor the performance of its Board committees at each regular Board meeting through minutes or a summary written report and a verbal report by the committee chair related to specific recommendations of the Board committee for approval by the Board.

iii) The terms of reference for Board committees will be reviewed annually by the respective committee, which will make recommendations to the Governance Committee and thereafter to the Board for approval as appropriate.

iv) Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such delegation will be framed so as to not conflict with the authority delegated to the CEO.

v) Unless otherwise specified, Board committees may not commit or bind the Corporation to any course of action and no decision of a committee is binding on the Board until approved or ratified by the Board.

vi) Unless otherwise authorized to do so, a Board committee may not engage independent legal counsel or consulting advice without prior Board approval.

vii) The Chair, a Vice-Chair, or the CEO may, at any time, call a special meeting of a Board Standing Committee.

b) Mandate of Board Standing Committees

i) The number and type of committees should support the Board in fulfilling its defined responsibilities and maximizing the participation of individual Directors;

ii) The Board as a whole is responsible and accountable for the work that is done on its behalf by committees, task groups, etc.

iii) With the exception of the Risk Management Committee, terms of reference for Board Standing Committees including membership are defined in the Board Policy Manual, rather than the Corporate By-law. However, the Corporate By-law provides for the establishment of Board Standing Committees and refers to the Board Policy Manual;

iv) Board Standing Committees should establish annual goals, work plans and work products for Board approval;
v) The Board, through the Governance Committee should conduct a periodic review of Board Standing and Special Committees to ensure the continuing relevance of their mandate and membership.

c) Membership

i) The responsibility for Board Standing Committee participation should be balanced among all Directors;

ii) All Directors (including ex-officio Directors) should be expected to serve on at least one Board Standing Committee;

iii) Subject to specific exceptions by the Board, or in accordance with law, the majority of Board Standing Committee members should be elected Directors;

iv) Subject to the approval by the Board, non-Directors (community members) may be appointed to serve on designated Board Standing Committees;

v) Board Standing Committee Terms of Reference should specify a defined number of members including both elected and ex-officio Directors and additional non-Director (community) members as appropriate;

vi) The Chair, Vice-Chair and members of Board Standing Committees are appointed annually by the Board on the recommendation of the Governance Committee, following a canvass of Directors for their interests and preferences;

vii) With the exception of the Quality and Performance Monitoring Committee, whose members including hospital staff are defined by legislation, hospital management and staff (with the exception of ex-officio Directors who are specifically identified as committee members), are resources to the Board Standing Committees;

viii) All members of Board Standing Committees will be considered voting members, unless otherwise designated;

ix) Each Board Standing Committee will be supported by appropriate professional and administrative staff resources.
Role Statement

• The Chair, working collaboratively with the CEO, provides leadership to the Board, ensures the integrity and effectiveness of the Board’s governance process and represents the Board to outside parties, including the LHIN, the boards of health system partners and the media.

• The Chair co-ordinates the activities of the Board in fulfilling its governance responsibilities and facilitates co-operative relationships among Directors and between the Board and CEO and the Board and Chief of Staff.

• The Chair ensures that all matters relating to the Board’s mandate are brought to the attention of, and discussed by, the Board.

• The Chair is an ex-officio member of all Board committees but may elect to share this responsibility with a Vice-Chair.

Responsibilities

Board Meetings

• Establish agendas in collaboration with the CEO that are aligned with the annual Board goals, work plan and current issues and preside over meetings of the Board;

• Facilitate and advance the business of the Board, ensuring that meetings are effective and efficient for the performance of governance work;

• Utilize a practice of referencing Board policies in guiding discussions in order to support the decision-making processes of the Board;

• Ensure that the Board hears all sides of a debate or discussion and that meetings are conducted according to applicable legislation, by-laws, governance policies and Rules of Order;

• Ensure that a schedule of Board meetings is prepared annually and is reflective of current Board issues and/or interests.
Direction

• Serve as the Board’s central point of official communication with the CEO and the Chief of Staff with respect to both Board policy direction and decisions and matters of interest/concern to individual Directors;

• Guide and counsel the CEO and the Chief of Staff regarding the Board’s expectations and concerns;

• In collaboration with the CEO, develop the standards and format for reporting by Board committees and the management team which will ensure that the Board has appropriate information to make informed decisions.

Performance Appraisal

• Participate as a member of the Human Resources Committee in monitoring and evaluating the performance of the CEO and Chief of Staff through an annual process as outlined in Board policies on “CEO Performance Evaluation” and “Chief of Staff Performance Evaluation”, respectively.

Work Plan

• With the assistance of the Governance Committee, ensure that a work plan is developed and implemented for the Board that includes annual goals for the Board and embraces continuous improvement.

Representation

• Ensure that the Board is appropriately represented at the Corporation’s functions, other official functions and to the public at-large;

• Serve as the Board’s exclusive contact with the media, unless otherwise delegated;

• Serving as the Board’s representative, the Chair will cultivate a collegial working relationship with the LHIN, peer hospital board chairs and CEOs and other internal and external stakeholders.

Reporting

• Report regularly and promptly to the Board regarding issues that are relevant to its governance responsibilities;

• Report to the annual meeting of the members of the Corporation concerning the operations of the Corporation.

Board Conduct

• Set a high standard for Board conduct and enforce policies and by-laws regarding Director conduct.
Mentorship

• Serve as a mentor to other Directors;
• Ensure that all Directors contribute fully;
• Address issues associated with underperformance of individual Directors.

Succession Planning

• Ensure succession planning occurs within the Human Resources Committee for the CEO, Chief of Staff and within the Governance Committee for the Board.

Other Duties

The Chair performs such other duties as the Board determines from time to time.

Skills, Attributes and Experience

The Chair will demonstrate the following personal qualities, skills and experience:

• all of the personal attributes required of a Director;
• leadership;
• strategic and facilitation skills;
• tact, diplomacy and impartiality;
• political acuity;
• ability to effectively influence and build collaborative relationships within the Board;
• ability to build strong relationships between the Corporation and stakeholders;
• ability to establish trusted advisor relationship with the CEO, Chief of Staff and other Directors;
• ability to make the necessary time commitment and required flexibility in work schedule to meet the requirements of this leadership role;
• ability to communicate effectively with the Board, senior management, Government Ministries and agencies including LHIN and the community; and
• record of achievement in one or several areas of skills and expertise required within the Board.

Term

The Chair shall be elected by the Board on the recommendation of the Governance Committee to serve a two-year non-renewable term. If a Director assumes the position
of Chair in the eighth year of his/her term, the Director’s term may be extended by one year to accommodate the tenure of Chair, which is two years.
Position Description for a Vice-Chair

Role Statement

A Vice-Chair works collaboratively with the Chair. He or she supports the Chair in fulfilling his/her responsibilities. A Vice-Chair shall have all the powers and perform all the duties of the Chair in his/her absence.

Responsibilities

Board Chair Substitute

• Assume the duties of the Chair in the Chair's absence or disability, or as requested by the Chair, including representing the Board and the Corporation at official functions and to the public at-large.

Board Conduct

• Maintain a high standard for Board conduct and uphold policies and by-laws regarding Director conduct.

Mentorship

• Serve as a mentor to other Directors.

Committee Membership

• Serve as a member of the Risk Management Committee; may also serve as a Board Standing Committee chair and/or share the responsibility with the Chair for serving as ex-officio member of designated Board Standing Committees.

Skills, Attributes and Experience

A Vice-Chair will demonstrate the following personal qualities, skills and experience:

• all of the personal attributes required of a Director;
• leadership;
• strategic and facilitation skills;
• tact, diplomacy and impartiality;
• political acuity;
• ability to effectively influence and build collaborative relationships within the Board;
• ability to build strong relationships between the Corporation and stakeholders;
• ability to establish trusted advisor relationship with the CEO, Chief of Staff and other Directors;
• ability to make the necessary time commitment and required flexibility in work schedule to meet the requirements of this leadership role;
• ability to communicate effectively with the Board, senior management, Government Ministries and agencies including the LHIN and the community; and
• record of achievement in one or several areas of skills and expertise required within the Board.

Term

Under normal circumstances, a Vice-Chair shall be elected by the Board on the recommendation of the Governance Committee for two one-year terms. At the completion of the first year, a Vice-Chair and the Board will be asked to confirm the appointment of a Vice-Chair for the second year. The Director who is serving as Vice-Chair in the second year of the Chair’s term will be designated Chair-elect.
Role Statement

The Treasurer is a Director and works collaboratively with the Chair, CEO and Chief Financial Officer to support the Board in fulfilling their fiduciary responsibilities.

Responsibilities

Reporting Requirements

• Keep up to date on audit, financial and compliance reporting requirements.

Mentorship

• Serve as a mentor to other Directors.

Committee Membership

• Serve as Chair of the Finance and Audit Committee and a member of the Risk Management Committee.

Committee Chair

• Establish agendas in collaboration with the staff support and preside over meetings of the Finance and Audit Committee and fulfill the other responsibilities of a Committee chair as per the Position Description of a Committee Chair.

Audited Financial Statement

• Present to the Members of the Corporation at the annual meeting as part of the annual report, an audited financial statement of the Corporation and the report thereon of the independent auditors.

Skills and Expertise

The Treasurer will demonstrate the following personal qualities, skills and experience:

• all of the personal attributes required of a Director;
• financial expertise and literacy. An accounting designation would be an asset;

• ability to chair a meeting such that decisions are made in a manner that is respectful and efficient;

• willingness and ability to commit time to the Board and committee responsibilities of Treasurer;

• a record of achievement; and

• the ability to communicate efficiently and effectively.

**Term**

The Treasurer shall be elected annually by the Board on the recommendation of the Governance Committee for a maximum of three one-year terms. In exceptional circumstances and with Board approval, the term may be extended.
Role Statement

The Secretary, who is the CEO, works collaboratively with the Chair to support the Board in fulfilling its fiduciary responsibilities.

Responsibilities

Board Conduct

• Support the Chair in maintaining a high standard for Board conduct and uphold policies and by-laws regarding Director conduct, with particular emphasis on fiduciary responsibilities.

Document Management

• Keep a roll of the names and addresses of the Members. Ensure the proper recording and maintenance of minutes of all meetings of the Corporation, the Board and Board committees;

• Attend to correspondence on behalf of the Board;

• Have control of all minute books, documents, registers and the seal of the Corporation and ensure that the same are maintained as required by law;

• Ensure that all reports are prepared and filed as required by law or requested by the Board.

Trust Instruments and Funds

• Maintain copies of all testamentary documents and trust instruments by which benefits are conferred upon the Corporation and provide information respecting these to the Office of the Public Guardian and Trustee as required by the Charities Accounting Act;

• At least semi-annually, provide an accounting to the Board concerning all funds held in trust by the Corporation.
Meetings

• Give such notice as required by the Corporate By-law or by-law of all meetings of the Corporation, the Board and Board committees;

• Attend all meetings of the Corporation, the Board and Board committees.

Other

• Perform such other duties as may be required of the Secretary by the Board.

Delegation

As Secretary, the CEO may delegate the performance of a duty or duties assigned to the Secretary to the Board Liaison Officer or any other person(s) as approved by the Board but retain responsibility for ensuring the proper performance of such duties. However, such delegation is understood to be mandatory when the Board is considering matters relating to the CEO.

Skills, Attributes and Experience

The Secretary will demonstrate the following personal qualities, skills and experience:

• all of the personal attributes required of a Director;

• knowledge of law, regulation and policy concerning the Corporation, including legal compliance and reporting requirements;

• demonstrate the utmost corporate integrity; and

• the ability to communicate effectively.

Term

The Secretary shall be appointed by the Board for the duration of his/her appointment as CEO.
ROLE STATEMENT

A committee chair, working collaboratively with the Chair to support the Board in fulfilling its fiduciary responsibilities and with assigned staff support, provides leadership to the committee. He or she ensures that the terms of reference of the committee are followed. He or she effectively manages issues to promote effective dialogue. He or she respects that the committee has no direct management role with staff.

RESPONSIBILITIES

Agendas

• Establish agendas in collaboration with staff support and preside over meetings of the committee.

Work Plan

• With the assistance of staff support, develop a work plan for the committee.

Leadership

• Effectively lead each committee meeting in a manner that encourages thoughtful participation and promotes understanding of complex issues;
• Ensure a fair discussion, especially when differences and conflicting opinions arise.

Expertise

• Serve as a leader on the matters addressed in the committee’s terms of reference.

Advise Board Chair

• Advise the Chair on the key issues addressed by the committee.

Reports

• After each committee meeting, with the assistance of staff support, prepare a decision support summary for submission to the Board.
Mentorship

• Serve as a mentor to committee members and develop a succession plan for the committee chair.

Skills, Attributes and Experience

A committee chair will demonstrate the following personal qualities, skills and experience:

• all of the personal attributes required of a Director;

• interest and experience related to the work of the committee;

• ability to chair a meeting such that decisions are made in a manner that is respectful; and

• willingness and ability to commit time to the responsibilities of the committee chair.

Term

Committee chairs shall be elected annually by the Board on the recommendation of the Governance Committee for a maximum of three one-year terms. In exceptional circumstances and with Board approval, the term may be extended.
CATEGORY: BOARD EFFECTIVENESS
Article A: Governance Policy Framework

POLICY #: V-A-13

SUBJECT: CONFLICT OF INTEREST

Refer to the Corporate By-law Article 6 for specific direction regarding conflict of interest related to contracts.

Preamble

This conflict of interest policy is intended to ensure the highest business and ethical standards and the protection of the integrity of the Board.

This policy guides Directors, with a real, potential or perceived conflict of interest, on how to declare their conflict and the process for dealing with conflict situations.

Directors owe a fiduciary duty to the Corporation. Included in that duty is the requirement to avoid conflicts of interest. The term “conflict of interest” refers to a situation where financial, professional or other personal considerations may compromise, or have the appearance of compromising, a Director’s judgment in carrying out his/her fiduciary duties as a Director.

All Directors must understand their duties when a conflict of interest arises. The principles set out in this policy are to be regarded as illustrative. Directors are required to meet both the letter and spirit of this policy.

Examples of Conflict of Interest

Situations where a conflict of interest might arise cannot be set out exhaustively.

Conflicts of interest generally arise in the following circumstances:

1. When a Director is directly or indirectly interested in a contract or proposed contract with the Corporation. For example: Directors are bidding on or doing contract work for the Corporation.

2. When a Director acts in self-interest or for a collateral purpose. When a Director diverts to his/her own personal benefit an opportunity in which the Corporation has an interest.
3. When a Director has a conflict of “duty and duty”. This might arise when:

   i) the Director serves as a board member or officer of another corporation that is related to; has contractual relationship with; has the ability to influence the Corporation policy; or has any dealings whatsoever with the Corporation; or

   ii) the Director is also a director or officer of another corporation, related or otherwise, and possesses confidential information received in one boardroom that is of importance to a decision being made in the other boardroom. The Director cannot discharge the duty to maintain such information in confidence as a director of one corporation while at the same time discharging the duty to make disclosure as a director of the other corporation.

4. When a Director uses for personal gain information (for example related to human resources financial aspects of the Corporation, or related to patient care) received in confidence only for the Corporation’s purposes.

5. When a Director and his/her family will gain or be affected by the decision of the Board. For example, a Director or member of the Director’s family may benefit from a specific health care service or program that the Corporation is considering.

**Special Considerations for the Corporation**

The Corporation’s unique governance structure creates automatic potential conflicts. These structural conflicts need not be a bar to participation in most aspects of the Board’s deliberations. In these circumstances, the Directors are aware of the potential for conflict of interest and as a practical matter it should not be necessary to make note of the potential conflict in regular Board proceedings. Where the potential for conflict might not be obvious, the potential conflict of interest should be declared and recorded in the minutes so that all Directors are aware of the situation. This places an extra burden on Directors to be acutely aware of when their actions and/or other responsibilities might create a conflict and follow the procedures in this policy to protect themselves and the best interests of the Corporation.

**Conflict of Interest Process**

**Application**

All Directors, including *ex-officio* Directors, and all non-Director members of Board committees must follow the conflict of interest process.
By-laws

The Corporate By-law contains provisions concerning conflict of interest that must be strictly adhered to in the matters described in the by-laws. The Corporate By-law reflects the requirements of the Corporations Act. The process set out in the Corporate By-law applies to direct and/or indirect interest in a contract or proposed contract. There are, however, other conflict situations beyond those specifically covered in the by-laws and this policy also addresses those conflicts and sets out the process to be followed when a conflict or potential conflict arises.

Process

By-laws: All Directors must comply with the conflict of interest requirements of the Corporate By-law.

Conflicts and Potential Conflicts outside the By-laws: Not all conflicts or potential conflicts may be satisfactorily resolved by strict compliance with the Corporate By-law. There might be cases where a conflict or perceived conflict of interest might be harmful to the Corporation notwithstanding compliance with the Corporate By-law.

Self-Identified: In these circumstances, if the Director has a real, potential or perceived conflict, the Director will disclose the conflict at the earliest opportunity and will describe its nature and extent. If a Director is uncertain whether a conflict exists, the Director will err on the side of disclosure. The Director and the Board will then follow the Process for Resolution outlined below.

Potential Conflict Identified by Another Director: If any Director believes that another Director:

i) has breached his/her duties to the Corporation;

ii) is in a position where there is potential breach of duty to the Corporation;

iii) has an actual or potential conflict of interest; or

iv) has behaved or is likely to behave in a manner that is not consistent with the highest standards of public trust and integrity and such behaviour may have an adverse impact on the Corporation;

then the Director will refer the other Director to the Process for Resolution.
Process for Resolution

The actual, potential or perceived conflict will be referred to the following process for resolution:

1. The Director must declare to the Board or committee the nature and extent of the interest as soon as possible and not later than the meeting at which the matter is to be considered. If a declaration is made at a committee meeting, it must be repeated at the next Board meeting to assure disclosure to the full Board.

2. The Director may remain present for the purpose of answering questions prior to the discussion and the vote.

3. The Director shall not be present during discussion of the matter in which he or she has a conflict or a potential conflict of interest (real or perceived), shall not attempt in any way to influence the voting and shall not vote.

4. In the event that a Director or a Board committee member discloses a conflict or potential conflict of interest (real or perceived) and refrains from and is not present during the vote, the meeting quorum shall not be affected.

6. Where the matter of the conflict is unclear, the Director shall refer the matter to the chair of the Governance Committee or where the issue may involve the chair of the Governance Committee, to a member of the Governance Committee who is not in conflict, with notice to the CEO.

7. The chair of the Governance Committee (or member of the Governance Committee who is not in conflict as the case may be) will either: (1) resolve the matter informally or (2) refer the matter to the Governance Committee for resolution.

8. If the matter cannot be resolved in accordance with (7) above to the satisfaction of the chair of the Governance Committee (or member of the Governance Committee who is not in conflict as the case may be), the matter will be referred to the full Board for review.

9. If the matter cannot be resolved to the satisfaction of the Board, the chair of the Governance Committee (or member of the Governance Committee who is not in conflict as the case may be) shall forward it to dispute resolution.
**Dispute Resolution Mechanism**

If the matter cannot be resolved following the **Process for Resolution**, the Board may appoint an acceptable non-Director to independently review (and call on such resources as necessary to review) the matter in question and make a recommendation to the Board.

**Minutes**

At the beginning of every Board and every Board Committee Meeting, members will be reminded of the Governance conflict of interest policy and requested to declare any potential conflicts of interest.

If there are no disclosures, the minutes will reflect this accordingly.

The Board will record every disclosure of a real, potential and perceived conflict of interest and its general nature in the minutes.

**No Accountability for Profits**

If a Director has disclosed a conflict of interest in compliance with this policy, the Director is not accountable to the Corporation for any profits the Director may realize from the decision.

**Failure to Disclose**

If a Director knowingly fails to disclose a conflict of interest as required by this policy, the Director may be asked to resign or may be subject to removal from office pursuant to the Corporate By-law and the **Corporations Act**.

A Director’s failure to comply with this policy does not, in or of itself, invalidate any decision made by the Board.

**Public Disclosure**

The Corporation will make this policy, as amended from time to time by the Board, available to the general public.
Part V-B: Governance Process
The nominations process sets out a systematic, transparent, accountable and fair process by which the Board, with the advice and assistance of the Governance Committee, will recommend a slate of candidates for approval by the Board and subsequent election by the Members at the annual meeting.

1. Each year, at least four months before the annual meeting, the Governance Committee will:

   a) determine the number of vacancies in the office of Directors and will include in this number incumbent Directors who are eligible for re-election.

   b) using the Guidelines for the Selection of Directors, review the Board profile of skills and expertise of incumbent Directors and identify the specific skills and expertise that are required to fill vacancies. Where an incumbent Director is seeking re-election, in addition to the foregoing criteria, the Governance Committee will take into consideration that individual’s self-evaluation of his/her own performance as a Director, his/her history as a Director and the contribution that he/she has made to the Corporation;

   c) publicly advertise actual vacancies on the Board in a manner to be determined by the Governance Committee and may include regional daily and weekly papers, the Corporation’s website etc, including a summary of the responsibilities as a Director and the Guidelines for Selection of Directors. It is not the intent to advertise vacancies where an incumbent Director is seeking re-election and following evaluation as outlined in (b) above is viewed as suitable for reappointment,

   d) invite formal applications by interested individuals on a standard form to be provided by the Corporation, which will be submitted to the Secretary and forwarded to the chair of the Governance Committee for review.

   e) identify a short-list of candidates for interview by the Governance Committee and interview and evaluate the short-listed candidates against the criteria set out in the Guidelines for the Selection of Directors;
f) obtain personal references and criminal reference checks for the candidates selected for nomination as Directors; and

g) recommend to the Board a slate of candidates for Directors equal to the number of vacancies for approval by the Board and for subsequent election by the Members at the annual meeting.

h) In the event of a mid term vacancy of an elected Board Member, the Board may request that the Governance Committee initiate a process to select a replacement Board Member.

As per the Corporate By-law (Article 4 Section 4.8), nominations made for the election of Directors at a Members’ meeting may be made only by the Board in accordance with the Corporate By-law and the Guidelines for the Selection of Directors. For greater certainty, no nominations shall be accepted by the Members that are not submitted and approved by the Board in accordance with the Board-approved process. The decision of the Board as to whether or not a candidate is qualified to stand for election shall be final.

Consistent with best practice, the Governance Committee will maintain a roster of candidates eligible for election to the Board Members and look for opportunities to keep these candidates engaged.
The selection process for Board officers will be a systematic, transparent, accountable and fair process.

The Governance Committee is responsible for ongoing succession planning for leadership on the Board and the recommendation of a slate of officers including the Chair, Vice-Chair, Treasurer and Secretary.

The Treasurer shall be selected in accordance with the process for the selection of the chair of the Finance and Audit Committee.

Under normal circumstances, the CEO will act as the Secretary and work with the Board Liaison to execute their responsibilities.

Under normal circumstances, it is assumed that there will be succession from the position of Vice-Chair to Chair. Therefore, under normal circumstances, the Governance Committee process for selection of Board officers is focused on the position of Vice-Chair.

Selection Process:

The following process will be followed by the Governance Committee:

1. No later than four months before the completion of the second one-year term of an incumbent Vice-Chair, the Governance Committee will canvass the Directors for expressions of interest in being considered for the position of Vice-Chair or nomination of another Director, based on the position description and qualifications for Vice-Chair and Chair.

2. Based on the information received from Directors, the Governance Committee will develop an inventory of candidates for Vice-Chair.

3. The Governance Committee and/or a subcommittee of the Governance Committee will interview potential candidates, having regard for the position description and qualifications for Chair and Vice-Chair and the results of their Director evaluations.
4. If members of the Governance Committee are also seeking election as Vice-Chair, the Governance Committee will exclude potential candidates from committee deliberations in relation to this position.

5. Where there are multiple candidates for the position of Vice-Chair, the Governance Committee will:
   
   i) canvass the Board on the perceived strengths and weaknesses of the potential candidates and agree on a nominee to recommend for appointment by the Board at the first Board meeting following the annual meeting.

   ii) provide a list of the candidates to the Board for a vote by secret ballot at the first Board meeting following each annual meeting; or

6. No later than four months before the completion of the initial one-year term of a Vice-Chair, the Governance Committee will confirm with a Vice-Chair that he/she wishes to be elected for a second one-year term and canvass the Directors to confirm their support for a Vice-Chair to be elected for a second one-year term on the understanding that he/she would subsequently be elected by the Board to the position of Chair.

7. If a Vice-Chair does not wish to have the support of the Board to be elected for a second one-year term, the Governance Committee will initiate the process for selection of a Vice-Chair outlined above. In this event, a new Vice-Chair would serve a one-year term, before standing for election as Chair.

8. In the event of a mid-term vacancy in the office of Chair, the Board, after reviewing the recommendation of the Governance Committee, may appoint a Vice-Chair as Chair or appoint another elected director as Chair.

9. In the event of a mid-term vacancy in the office of Vice-Chair, the Board, after reviewing the recommendation of the Governance Committee, may appoint another elected director as Vice-Chair.
CATEGORY: BOARD EFFECTIVENESS

Article B: Governance Process

POLICY #: V-B-3

SUBJECT: NOMINATIONS PROCESS FOR THE CHAIR, DIRECTORS AND NON-DIRECTOR MEMBERS OF BOARD STANDING AND SPECIAL COMMITTEES

The nominations process for the Director and non-Director members of Board Standing and Special Committees will be a systematic, transparent, accountable and fair process.

The Board, on the recommendation of the Governance Committee, will appoint the Director and non-Director members of the Board Standing and Special Committees.

Guidelines for the Appointment of Directors to Board Standing and Special Committees

1. Annually, as part of the nominations process for Directors, the Governance Committee will canvass each Director to obtain expressions of interest in serving on specific Board Standing and Special Committees for the coming year, including interest in assuming responsibilities as committee chairs.

2. In nominating specific Directors for assignment to Board Standing and Special Committees the Governance Committee, in consultation with the incumbent Board Chair and Vice-Chair, will have regard for:
   i) preferences of Directors;
   ii) balance of skills and expertise;
   iii) prior experience in relation to matters before the committee;
   iv) the expectation that, over the course of his/her service as a Director, each Director will serve on at least three Board Standing or Special Committees including the Quality and Performance Monitoring Committee; and
   v) other criteria as determined by the Board.

3. Unless otherwise provided, the Chair or a Vice-Chair, as designated by the Chair, and the CEO will be ex officio members of all Board Standing and Special Committees.

4. Each Board Standing and Special Committee will be composed of at least four elected Directors.
5. The Board, on the recommendation of the Governance Committee, will appoint the chair and, if desired, the vice-chair, of each Board Standing and Special Committee. Each chair and vice-chair of a Board Standing or Special Committee will be a Director.

6. The vice-chair will normally chair the Board Standing or Special Committee in the absence of the chair. However, there is no automatic succession from vice-chair to chair of the Board Standing or Special Committee.

**Guidelines for the Appointment of Non-Directors to Board Standing and Special Committees**

1. The Finance and Audit Committee and the Quality and Performance Monitoring Committee may include two non-Director members. The non-Director members of Board Standing and Special Committees will be appointed annually by the Board for a maximum of four one year terms.

2. Annually as part of the nominations process, the Governance Committee may:
   a) determine the number of vacant positions for non-Director community members of Board Standing and Special Committees;
   b) identify the specific skills and expertise that are required to fill these vacancies;
   c) publicly advertise vacancies on the Board in a manner to be determined by the Governance Committee and may include regional daily and weekly papers, the Corporation’s website etc., including a summary of the responsibilities as a member of a Board Standing or Special Committee;
   d) invite formal applications by interested individuals on a standard form to be provided by the Corporation, which will be submitted to the Secretary and forwarded to the chair of the Governance Committee for review.
   e) identify a short-list of candidates for interview by the Governance Committee and interview and evaluate the short-listed candidates against the criteria set established by the Governance Committee;
   f) obtain personal references and criminal reference checks for the candidates selected for appointment by the Board; and
   g) recommend the required number of candidates to the Board for appointment as non-Director community members of Board Standing and Special Committees at the first Board meeting following the annual meeting.

3. Notwithstanding the foregoing, the chair, vice-chair, if any, and members of the Medical Advisory Committee will be appointed in accordance with the Professional Staff By-law.
The Board recognizes that the continuing education of the Directors is an important requirement of effective governance and that it is essential that Directors be fully informed on the background and context of the issues they are called upon to address. A firm commitment to continuing education is the responsibility of each Director and a factor to be considered in the election or re-election of a Director.

An ongoing Board education program will be established each year that is consistent with the goals and objectives of the Board for that year. It is expected that each Director will participate in the ongoing education process.

Directors will be canvassed annually for expressions of interest to attend external meetings and conferences. The potential interest will be discussed with the Governance Committee within the context of the overall allocation for external Board education. The number of Directors attending will be based on the value of the conference or meeting, as assessed by the Governance Committee, and the estimated cost. The Chair may from time to time determine that a limit be placed on attendance at any one session.

The annual operating budget will include an estimate of Board expenses for conferences. Directors attending conferences and meetings will be reimbursed for all permissible expenses. All Directors who attend these meetings are encouraged to provide a report to the Board.

Components of the ongoing education process may include:

i) **Internal and External Resources**: Additional resources and expertise may be made available to support the orientation program e.g. staff to present and provide an introduction to issues in their area; external speakers; attendance at sponsored events etc.

ii) **New or Returning Director Orientation** will take place in a timely manner as soon as possible after the election or appointment of a Director. An orientation session will be scheduled, and will include:
➢ an introduction to and tour of the Corporation, including a meeting with the CEO, the Chief of Staff, Chair, and other members of the senior management team;

➢ overview of Governance Roles and Responsibilities and Staff/Board Relationships;

➢ performance status and future challenges with regard to funding, quality and utilization, benchmarking and performance indicators, accreditation; and

➢ the Corporation’s relationships with health system partners.

Other components of the orientation may include:

➢ **Reference Manual:** Content will include: legal documents; information on the Corporation including its Board policies; and Ministry information.

➢ **Mentoring:** Each new Director may be paired with a mentor on the Board who is an experienced Director assigned by the Chair to assist the new Director in understanding how the Board functions. The mentor will attend orientation sessions with his/her initiates, sit with them at Board meetings, ask if the information presented was clear, and answer any questions about the meeting.

ii) **Assessment of Development Needs:** Directors will be asked annually to identify their development needs. Mechanisms to identify those needs may include: survey of Directors; feedback on previous education sessions; diagnostic questionnaires; feedback from Directors’ self-evaluations.

iii) **Presentations at Board Meeting:** The Governance Committee, in consultation with the CEO, will develop an annual program of information/education presentations, which may be included as part of the Board’s regular meetings or presented at scheduled times as the Board may direct.

iv) **Ontario Hospital Association sponsored Education Sessions and Programs:** Directors are encouraged to participate in educational opportunities offered by the Ontario Hospital Association. Reasonable expenses of attending and/or participating in such events will be reimbursed according to established policy.
v) **Other Relevant Education Programs:** Directors may attend relevant educational programs sponsored by organizations other than the Corporation. Reasonable expenses of attending and/or participating in such programs will be reimbursed according to the established policy with the prior written approval of the Chair.

vi) **Annual Board Retreat:** The annual Board retreat will be scheduled. At each retreat, the strategic plan will be reviewed to ensure that progress is being made toward its achievement. Additionally, the retreat should focus on other relevant areas within the *Roles and Responsibilities of the Board*, reflecting the Board’s annual work plan. The retreat should be conducted at a reasonable cost, with clear objectives and expected outcomes.

*To enhance both the hands-on practical experience and hospital orientation, all Directors are encouraged to take the Ontario Hospital Association trustee introductory orientation at some point during their first term as a Director. All costs associated with their attendance will be borne by the Corporation.*

*As Directors assume the office of Chair, Vice-Chair or Treasurer they are required to attend an Ontario Hospital Association conference offered to assist them in transitioning to this new position within the Board. All costs associated with their attendance would be borne by the Corporation.*
CATEGORt: BOARD EFFECTIVENESS

Article B: Governance Process

POLICY #: V-B-5

SUBJECT: BOARD GOALS AND BOARD WORK PLAN

On an annual basis, the Board will establish Board goals consistent with the Corporation’s vision, mission and core values, the strategic plan and key issues that are a priority for the Board in the coming year. The Board goals will be reflected in the direction for the Board Standing and Special Committees and the Board work plan. The Board will review its progress toward the achievement of the annual Board goals on a quarterly basis.

The Board will also establish an annual work plan for the Board that addresses the following key areas of Roles and Responsibilities of the Board:

- Strategic Direction
- Excellent Management
- Program Quality and Effectiveness
- Financial and Organizational Viability
- Board Effectiveness
- External Relationships

The Board will evaluate its success in the achievement of its work plan annually and report at the Board meeting before the annual meeting.
The Chair, in consultation with the CEO, is responsible for developing an agenda for each Board meeting that is aligned with the Board’s roles and responsibilities, the Board work plan and the annual goals and objectives. The Chair has discretion to table items to the next regularly scheduled Board meeting, if time considerations unduly limit any discussion.

The Chair, in collaboration with the CEO, will develop standards for Board meeting packages that include timelines for distribution, formats for reporting to the Board and the level of detail that is to be provided. Requests for additional information will be assessed by the CEO and reviewed regularly by the Chair to ensure optimal Board functioning.

Where necessary, Kerr and King “Procedures for Meetings and Organizations” will guide the Board and Chair in dealing with procedural matters.

Guests

Guests may attend Board meetings with the consent of the meeting on the invitation of the Chair or CEO.

Regular Board Meetings (Corporate By-law (Sections 5.1 and 5.2))

The Board will meet at such times and in such places as may be determined by the Board, the Chair, a Vice-Chair or the CEO.

The Board may appoint one or more days for regular Board meetings at a place and time named. A copy of any Board resolution fixing the place and time of regular Board meetings will be given to each Director forthwith after being passed and no other notice will be required for any such regular meeting.

Special Board Meetings (Corporate By-law (Section 5.1))

Special Board meetings may be called by the Chair, a Vice-Chair or the CEO and will be called by the Secretary upon receipt of the written request of three Directors.
Voting (Corporate By-law (Section 5.8))

Each voting Director present at a Board meeting shall be entitled to one vote on each matter. A Director shall not be entitled to vote by proxy. Every question arising at a Board meeting or Board committee meeting shall be decided by a majority of votes.

A Director may abstain from voting. An abstention will not be considered a vote cast.

If there is a tie vote, the chair of the meeting will not have a second vote to break the tie; instead, the motion will be considered not to have passed.

Agendas and Information Packages

The Board package will normally be sent to Directors one week in advance of the meeting to allow for review and preparation. All reports to the Board will be in writing.

Corporate reports and recommendations to the Board from the CEO, Chief of Staff and Board Standing Committees will use consistent templates as appropriate to support the respective Board roles concerning the agenda items, i.e. policy formulation, decision-making and monitoring.

Items circulated after the package has gone out or handed out at the Board meeting will only be discussed if, in the opinion of the Chair, the item is of an urgent nature or should not be held until the next Board meeting. It is expected that the Board Chair will only allow such items to be brought forward and considered under exceptional circumstances.

Communication to the Public arising from Board Meetings

Meetings of the Board and Board Standing and Special Committees are not open to the public or the media. However, the Board values the importance of ensuring that the community is properly informed in a timely way of Board decisions and has access to information related to corporate planning and priority setting.

Consistent with the Board’s commitment to good governance practices, timely access to information, appropriate protection of personal privacy, and appropriate protection of other information that is exempt or excluded from disclosure under the Freedom of Information and Protection of Privacy Act, the Board will make available to the public the following arising from Board meetings:

- a list of elected and ex-officio Directors’ attendance records at Board and Committee meetings;
- a report on the Corporation’s performance as part of the Corporation’s Annual Report;
- the Corporation’s Quality Improvement Plan, in compliance with the Excellent Care for All Act, 2010;
- upon request, information that is subject to disclosure under the Freedom of Information and Protection of Privacy Act.
Additional policies on the Corporation’s communication with the public are found in Board Policy V-A-2, Roles and Responsibilities of the Board of Directors.

In Camera Board Meetings

The Board has the right to move in camera and to restrict attendance to the Directors only for any meeting or part of a meeting if the Board deems an in camera session to be necessary to protect the interests of the corporation, the public or a person.

Matters that may generally be dealt with in an in camera session include, but are not limited to:

- patient specific issues
- matters relating to an individual board member or a prospective board member
- individual employee or professional staff matters
- donor specific issues
- professional staff appointments, re-appointments and changes in privileges
- any other matters where personal information about an individual will or may be revealed
- labour relations and matters pertaining to collective bargaining or terms of employment including negotiations or potential negotiations
- litigation or potential litigation including administrative tribunal matters
- receipt of advice that is subject to solicitor-client privilege including communications necessary for that purpose
- the security of property of the corporation
- contract negotiations or disputes
- the acquisition, disposition, lease, exchange or expropriation of, or improvements to real or personal property, if the board considers that disclosure might reasonably be expected to harm the interest of the corporation
- board self evaluation
- information that is exempt from disclosure under the Freedom of Information and Protection of Privacy Act
- other matters that, in the opinion of the majority of directors, the disclosure of which might be prejudicial to an individual or to the best interests of the corporation
- consideration of whether an item is to be discussed in camera

A Board motion is required to move into, and to rise from, an in camera session.

During an in camera meeting, all persons who are not Directors will be excluded from the meeting; provided, however, guests may be permitted to attend all or a portion of the in camera session with the consent of the meeting on the invitation of Chair or CEO.

During in-camera meeting discussions and consideration of CEO and Chief of Staff performance and compensation the Chief Nursing Executive will be excluded, as outlined in the figure below. Further, the CEO and Chief of Staff will be excluded from in-camera meeting discussions regarding their own performance and compensation.
A separate agenda will be prepared for in camera sessions indicating the items to be considered during the session. The agenda and any supporting materials will be clearly marked confidential and will be handled and secured in a manner that respects the nature of the material.

**Informal Sessions of Elected Directors**

At the conclusion of each Board meeting or at the call of the Chair, an informal session of the elected Directors may be conducted without the presence of the ex officio Directors.

The informal session will be conducted in two parts: initially with the presence of the CEO and subsequently with the presence of the elected Directors only.

The purpose of the informal session is to enable the elected Directors to assess the effectiveness of the meeting; the quality of information to support informed policy formulation, decision-making and monitoring by the Board and the performance of the CEO and senior management team in contributing to the effectiveness of the meeting.

Any matters pertaining to specific meeting agenda items or all other aspects of the Board’s roles and responsibilities should not be discussed in such a meeting. No decisions will be made and no minutes will be prepared. Following the informal session, the Chair will discuss matters arising, as appropriate, with the CEO.
The Board will utilize an annual evaluation protocol to ensure continuous improvement. The evaluation will examine the processes and structure of the Board as a whole, as well as its committees. The Board evaluation process will also ensure continuous improvement of individual Directors.

Each Director will participate in a third party confidential evaluation of the performance of the Board as a whole and of his/her own performance as a Director in alternating years. The scope of the evaluation will include an assessment of the effectiveness of the Board as a whole in fulfilling its roles and responsibilities and of the processes and structure of the Board and its committees. It will also include a 360 and self-assessment of the performance of individual Directors in fulfilling their responsibilities.

The purpose of evaluation is to:

i) ensure continuous improvement of the Board, Board Standing and Special Committees and individual Directors;

ii) obtain input for succession planning for the Board and Board officers and re-elections of Directors;

iii) identify Directors’ education and development needs; and

iv) ensure an opportunity to provide feedback on effectiveness of Board and Board committee meetings.

The Governance Committee will establish the annual process for evaluation of the Board and individual Directors based on the Roles and Responsibilities of the Board and the Roles and Responsibilities of Individual Directors. Respondent anonymity will be respected; survey respondents will not be required to identify themselves. External resources may be used as appropriate to ensure an effective process.

The Governance Committee will provide a summary report of the evaluation of the Board as a whole to the Board including key issues to be addressed to ensure continuous improvement of the Board, as a whole.

The Chair of the Board and/or the Chair of the Governance Committee will provide feedback to individual Directors on their performance.
Directors will not use their authority or position for personal gain and will maintain integrity in all of their dealings with the Corporation.

Individual Directors, in the course of their duties as Directors, may not accept gifts of any kind from sponsors, agencies, consultants, professional advisors or contract providers if acceptance of a gift could create a perception of impropriety. If an impropriety is believed to have occurred, the gift is to be returned or declined.

If a Director is in doubt about the propriety of any situation, the matter may be brought forward to the Board for discussion and decision.
End of Service

At the end of his/her service, a Director will be recognized with a token of appreciation, recognizing his/her years of service provided to the Board. This token of appreciation will be presented to the retiring Director at the last regular Board meeting marking the end of his/her service.

Administration reserves the right to determine the appropriate value of the token of appreciation, which is selected for presentation and to change the nature of the item from year to year.
Directors are encouraged to attend Board meetings, Board committee meetings, annual meetings and other Members' meetings, conferences and educational events as reasonably required to properly discharge their duties and as identified in the annual Board work plan and, accordingly, will be reimbursed for expenses associated therewith in accordance with the Travel, Meal and Hospitality Expenses Directive of the Management Board of Cabinet.

Director expenses will be made public in keeping with the requirements under the *Broader Public Sector Accountability Act, 2010*.

Directors are insured under the Corporation’s Travel Accident Policy for accidental death and dismemberment in the principal sum of $250,000 while travelling on the Corporation’s business. The cost of any additional trip insurance is not reimbursable.

Travel expense claims are to be submitted using the travel expense report. Claims for travel expenses should be submitted through the office of the CEO. Other travel expenses are to be submitted using the expense report. Receipts for all expenses except mileage and reasonable tips for porter, hotel room services and taxis must be submitted (attached to expense report). The Finance Department may query expense submissions directly with the Director.
Resignation of a Director

A Director may resign his/her office by delivering a written resignation to the Secretary. The resignation will be effective at the time it is received by the Secretary or at the time specified in the resignation, whichever is later.

Vacation of Office of a Director

In accordance with the Corporate By-law (Section 4.5), the office of a Director will automatically be vacated:

i) if a Director resigns the office by delivering a written resignation to the Secretary of the Corporation;

ii) if the Director becomes bankrupt; or

iii) if he or she becomes a person referred to in the Corporate By-law Section 4.4 (c) except by Board resolution.

Removal of a Director

Under extreme circumstances and in highly unusual situations it may become necessary to remove a Director from the Board. In accordance with the Corporate By-law (Section 4.6), the office of a Director may be vacated by a simple majority Board resolution passed in accordance with this policy. Reasons for removing a Director may relate to any of the following:

i) failure to comply with the confidentiality provisions of the Corporate By-law (Section 13.1);

ii) failure to comply with the conflict of interest requirements;

iii) failure to fulfill the fiduciary duties of a Director;

iv) failure to comply with the attendance policy for Board meetings;
v) inappropriate or lack of participation and contribution to effective discussion and Board decision making; and

vi) illegal, unethical or inappropriate activities, which may damage the Corporation’s reputation.

The Governance Committee is responsible for recommending the removal of a Director, to the Board based on the foregoing reasons. Before making a recommendation to the Board, the Governance Committee will follow the following procedures:

i) The Director in question will be treated fairly and with respect.

ii) The Director will be given notice of applicable reason for removal.

iii) The Director will be given the opportunity to respond (for example, attendance can improve, conflict of interest can be examined and questions of conduct can be reviewed).

iv) The Director will be notified of the final consideration and action of the Board.

Post-Service

Upon retirement, resignation, vacation or removal from the Board, a Director must:

i) securely destroy or return all confidential material relating to the Corporation;

ii) return any manuals or other material (e.g. letterhead, business cards, access cards etc.) that may be re-used by another Director; and

iii) return any equipment owned by the Corporation in the possession of the Director.

The Secretary will be responsible for ensuring that all such equipment and materials are returned or securely destroyed.
In keeping with best practices in governance, the Governance Committee will complete an overall annual review of the Board policies to ensure compliance with the by-laws and applicable laws, and will make recommendations to the Board for revisions as required.

Each Board Standing Committee will review its policies for appropriateness, detail and whether it should be a Board policy. Each Board Standing Committee will develop a review schedule and report to the Governance Committee. All policies should be reviewed every five years or sooner, if necessary. All new policies will be reviewed by the Governance Committee.

The Secretary will be responsible for ensuring that all Board policies are reviewed and revised consistent with Board approval.
Part VI: External Relationships
The Board will comply with its obligations on consultation and communications with its stakeholders.

The Corporation will respond in a timely manner to public inquiries, complaints and concerns on the activities and operations of the Corporation.

As per the Corporate By-law (Section 13.2), the Chair is responsible for Board communications and may delegate authority to one or more Directors, officers or employees of the Corporation to make statements to the news media or public about matters that the Chair determines appropriate for disclosure. The CEO is the spokesperson for the Corporation for all operational matters. The CEO and Chair will mutually determine their respective roles as may be required from time to time. No Director will be a spokesperson for the Board unless specifically delegated by the Chair. From time to time, the Chief of Staff may be expected to speak on medical and patient care issues.

The Board will ensure that the Corporation develops policies and processes as required to ensure effective ongoing communication and positive relationships between the Corporation and the community. Recognizing the breadth of the community, the Chair and the CEO will ensure that information respecting the Corporation’s activities is widely communicated to the public through the media throughout the catchment area. Mechanisms for broader ongoing communication to the public may include:

- Regular Board updates;
- an annual report to the community on the activities of the Corporation;
- periodic media briefings on the activities of the Corporation;
- periodic articles in the local media on matters of interest to the communities served by the Corporation; and
- periodic open forums to provide an opportunity for broader community engagement.

**Correspondence to the Board**

The Board will receive all correspondence that, in the opinion of either the Chair or CEO or Chief of Staff, is appropriate to the role of the Board. The Board will be made aware of all correspondence to the Board in a Notice of Correspondence.
The Chair or the CEO or Chief of Staff may direct a letter to one of the Board committees for action before receipt of correspondence by the Board.
The Corporation will not make direct contributions to political campaigns or to any elected official.