

## **BOARD OF DIRECTORS**

## **POLICY NO. 2**

### **ROLES AND RESPONSIBILITIES OF THE BOARD**

#### **PURPOSE**

To ensure that the Board has a shared understanding of its governance role, the Board has adopted this statement of roles and responsibilities of the Board.

#### **APPLICATION**

This policy applies to all Directors, including ex-officio Directors.

#### **RESPONSIBILITY OF THE BOARD**

The Board is responsible for the overall governance of the affairs of the Hospital.

Each Director is responsible to act honestly, in good faith and in the best interests of the Hospital and in so doing, to support the Hospital in fulfilling its mission and discharging its accountabilities.

#### **STRATEGIC PLANNING AND MISSION, VISION AND VALUES**

- The Board participates in the formulation and adoption of the Hospital's mission, vision and values.
- The Board ensures that the Hospital develops and adopts a strategic plan that is consistent with the Hospital's mission and values, which will enable the Hospital to realize its vision. The Board participates in the development of and ultimately approves the strategic plan.
- The Board oversees hospital operations for consistency with the strategic plan and strategic directions.
- The Board receives regular briefings or progress reports on implementation of strategic directions and initiatives.
- The Board ensures that its decisions are consistent with the strategic plan and the Hospital's mission, vision and values.
- The Board annually conducts a review of the strategic plan as part of a regular annual planning cycle.

#### **QUALITY AND PERFORMANCE MEASUREMENT AND MONITORING**

- The Board is responsible for establishing a process and a schedule for monitoring and assessing performance in areas of Board responsibility including:
  - ❑ Fulfilment of the strategic directions in a manner consistent with the mission, vision and values
  - ❑ Oversight of management performance
  - ❑ Quality of patient care and hospital services
  - ❑ Financial conditions
  - ❑ External relations
  - ❑ Board's own effectiveness

- The Board ensures that management has identified appropriate measures of performance.
- The Board monitors Hospital and Board performance against Board approved performance standards and indicators
- The Board ensures that management has plans in place to address variances from performance standards indicators, and the Board oversees implementation of remediation plans.

### **FINANCIAL OVERSIGHT**

- The Board is responsible for stewardship of financial resources including ensuring availability of, and overseeing allocation of, financial resources.
- The Board approves policies for financial planning and approves the annual operating and capital budget.
- The Board monitors financial performance against budget.
- The Board approves investment policies and monitors compliance.
- The Board ensures the accuracy of financial information through oversight of management and approval of annual audited financial statements.
- The Board ensures management has put measures in place to ensure the integrity of internal controls.

### **OVERSIGHT OF MANAGEMENT INCLUDING SELECTION, SUPERVISION AND SUCCESSION PLANNING FOR THE CEO AND CHIEF OF STAFF**

- The Board recruits and supervises the CEO by:
  - Developing and approving the CEO job description
  - Undertaking a CEO recruitment process and selecting the CEO
  - Reviewing and approving the CEO's annual performance goals
  - Reviewing CEO performance and determining CEO compensation
- The Board ensures succession planning is in place for the CEO and senior management.
- The Board exercises oversight of the CEO's supervision of senior management as part of the CEO's annual review.
- The Board develops a process for selection and review of the Chief of Staff and ensures the process is implemented and following.
- The Board reviews Chief of Staff performance and sets Chief of Staff compensation.
- The Board develops, implements and maintains a process for the selection of Medical Directors and other medical leadership positions as required under the hospital's bylaw or the Public Hospitals Act.

### **RISK IDENTIFICATION AND OVERSIGHT**

- The Board is responsible to be knowledgeable about risk inherent in Hospital operations and ensure that appropriate risk analysis is performed as part of Board decision-making.
- The Board oversees management's risk management process.
- The Board ensures that appropriate programs and processes are in place to protect against risk.
- The Board is responsible for identifying unusual risks to the organization for ensuring that there are plans in place to prevent and manage such risks.

**STAKEHOLDER COMMUNICATION AND ACCOUNTABILITY**

- The Board identifies hospital stakeholders and understands stakeholder accountability.
- The Board ensures the organization appropriately communicates with stakeholders in a manner consistent with accountability to stakeholders.
- The Board contributes to the maintenance of strong stakeholder relationships.
- The Board performs advocacy on behalf of the Hospital with stakeholders where required in support of the mission, vision and values and strategic directions of the Hospital.

**GOVERNANCE**

- The Board is responsible for the quality of its own governance
- The Board establishes governance structures to facilitate the performance of the Board's role and enhance individual Director performance.
- The Board is responsible for the recruitment of a skilled, experienced and qualified Board.
- The Board ensures ongoing Director training and education.
- The Board periodically assesses and reviews its governance through periodically evaluating Board structures including Director recruitment processes and Board composition and size, number of committees and the terms of reference, processes for appointment of committee chairs, processes for appointment of Directors and other governance processes and structures.

**LEGAL COMPLIANCE**

The Board ensures that appropriate processes are in place to ensure compliance with legal requirements.

**AMENDMENT**

This policy may be amended by the Board.

**APPROVED BY: BOARD OF DIRECTORS**

**DATE: MAY 25, 2006; REVIEWED MAY 2017; MARCH 2021**