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| Category: BOARD POLICY – BOARD PROCESS | |
| Title: TERMS OF REFERENCE: Governance & Human Resources Committee | Reference Number: AB 340 |
| Approved by: PHSA Board of Directors | Last Approved: June 18, 2015 Last Reviewed: June 18, 2015 |

I. PURPOSE

The purpose of the Governance and Human Resources Committee (“the Committee”) is to:

- A. provide a focus on governance that will enhance the Provincial Health Services Authority’s performance. The Committee assesses and makes recommendations regarding Board effectiveness, provides direction regarding ongoing director development and leads the process for recommending director criteria to the Government for consideration when appointing directors.
- B. assist the Board in fulfilling its obligations relating to human resource and compensation matters and to establish a plan of continuity and development of senior management.

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three directors.
- B. The Committee shall operate in a manner that is consistent with the Committee Guidelines. The Committee Guidelines can be found on the Board of Directors Team Site under Board Reference Manual/Policies/Committee Guidelines.
- C. The Committee shall meet at least two times each year.

III. DUTIES AND RESPONSIBILITIES

The Committee has the responsibility to:

- A. Review annually, for Board approval, a Board Manual outlining the policies and procedures by which the Board will operate and the terms of reference for the Board, the Board Chair, the President and Chief Executive Officer (the “CEO”), a Director, the Board Officers, and the Committee.

- B. Recommend to the Board, and regularly implement, an appropriate evaluation process for the Board, the Board Chair, and committees and assume responsibility for recommending an individual director evaluation at the appropriate time.
- C. Develop recommendations regarding the essential and desired experiences and skills for potential directors, taking into consideration the Board's short-term needs and long-term succession plans.
- D. In consultation with the CEO and Chair, recommend, through the Chair, to the Government the criteria and potential candidates the Minister should consider when appointing directors to the Board.
- E. Review, monitor and make recommendations regarding director orientation and ongoing development.
- F. Ensure there is a system that enables a committee or director to engage separate independent counsel in appropriate circumstances, at the Authority's expense, and be responsible for the ongoing administration of such a system. (See Board Operating Guidelines posted on the Board of Directors Team Site in the Board Reference Manual/Policies)
- G. Recommend to the Board any reports on governance that may be required or considered advisable.
- H. At the request of the Board Chair or the Board, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Authority.
- I. Recommend a performance evaluation process for the President and CEO and when approved, lead the implementation of the evaluation process (See CEO Evaluation Process posted on the Board of Directors Team Site in the Board Reference Manual/Policies).
- J. Review and recommend the CEO's compensation.
- K. Review and recommend the Authority's compensation philosophy and guidelines.
- L. Review with the CEO existing management resources and plans, including recruitment and training programs, to ensure that qualified personnel will be available for succession to executive positions at the Authority and key officer positions in its reporting organizations, and report on this matter to the Board at least once each year.
- M. Review and endorse major changes in the organizational structure of management as proposed by the CEO.
- N. Review the Authority's human resource policies from time to time.
- O. Review with the CEO any significant outside commitments the CEO is considering before the commitment is made. This includes commitments to act as a director or trustee of for-profit and not-for-profit organizations.

P. Review and recommend the acceptance or rejection of proposed Collective Agreements.

Q. Review and recommend:

- i) the annual compensation policy/program for employees;
- ii) new benefit programs or material changes to existing programs;
- iii) All increases to employee compensation for any group of employees. For greater clarity, this requirement is not meant to capture the individual compensation adjustments deemed appropriate by Human Resources and fully compliant with the PSEC Guidelines and compensation framework administered by HEABC, in the normal course of business given changes to an employee's role for temporary acting positions, additional duties, or other considerations which are determined on a one to one basis.
- iv) All exceptions to the PSEC guidelines and compensation framework.
- v) Receive a signed attestation of compliance from the CEO and CFO specific to the PSEC Guidelines and compensation reference plan.

IV. ACCOUNTABILITY

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

V. COMMITTEE TIMETABLE

The timetable on the following pages outlines the Committee's schedule of activities.

GOVERNANCE AND HUMAN RESOURCES COMMITTEE ACTIVITY PLANNER

| ACTIVITY | DATE | | | | | | NOTES |
|---|------|-----|-----|-----|-----|-----|--|
| | Feb | Apr | Jun | Aug | Oct | Dec | |
| MISSION RELATED | | | | | | | |
| Bylaw Review | | X | | | | | Annual Review of Bylaws |
| BOARD-CEO RELATIONSHIP | | | | | | | |
| <i>Policies</i> | | | | | | | |
| President & CEO Evaluation Policy | X | | | | | | Review of Policies describing the Board's relationship with the CEO |
| Board, Committee & Chair Evaluation Policy | | X | | | | | |
| CEO Selection Process | | X | | | | | |
| <i>Related Processes</i> | | | | | | | |
| Board Evaluation | | | | | X | | Board Processes initiated by the Governance & HR Committee |
| CEO Evaluation | | X | | | | | |
| Review Management resources and plans with CEO | | | | | X | | |
| Review Organizational structure with CEO | | | | | X | | |
| ADMINISTRATIVE PARAMETERS | | | | | | | |
| <i>Human Resource Policies</i> | | | | | | | |
| Code of Ethics | | | | | | X | Review of Policies which provide advice to the Executive to ensure the achievement of ends (mission) in an effective prudent and ethical way |
| Resolution of Respectful Workplace and Human Rights Policy | | | | | | X | |
| Standards of Conduct | | | | | | X | |
| Theft, Fraud, Corruption & Non-compliant activities | | | | | | X | |
| Influenza Control Policy | | | | X | | | |
| <i>Human Resource Related Processes</i> | | | | | | | |
| Compensation Philosophy and Guidelines | X | | | | | | Review of HR Processes with governance implications |
| High Impact Organizational Issues | X | X | X | X | X | X | |
| Summary of (previous years) Significant HR Indicators/Initiatives | | | X | | | | |
| Internal Audit Issue Reports (with HR implications) | | | | | | | Ad hoc – brought forward as identified |
| BOARD GOVERNANCE PROCESSES | | | | | | | |
| <i>Terms of Reference</i> | | | | | | | |
| Board Chair | | | X | | | | Review of policies to ensure the effective operation of the Board of Directors |
| President & CEO | | | X | | | | |
| Board of Directors | | | X | | | | |
| Director | | | X | | | | |
| Officers of the Board | | | X | | | | |
| Governance & HR Committee | | | X | | | | |
| <i>Guidelines & Policies</i> | | | | | | | |
| Board Operating Guidelines | | X | | | | | Review of guidelines to ensure the effective operation of the Board of Directors |
| Board Committee Guidelines | | X | | | | | |
| Board Meeting Guidelines | | X | | | | | |
| Code of Conduct and Conflict of Interest Guidelines | | X | | | | | |
| Board Record Retention Policy | | X | | | | | |
| Long Term Board Renewal Plan | | X | | | | | |
| Orientation & Education for New Directors | | | | X | | | |
| Board Policy Framework Policy | | X | | | | | |
| Taxpayer Accountability Principles | | | | X | | | |
| <i>Related Processes</i> | | | | | | | |
| Appointment of New Directors | | | | | | | |
| Review Board reappointments & vacancies | | | X | | | | Board Processes initiated by Governance & HR Committee |
| Review Board profile & director criteria | | | | | X | | |
| Board Orientation & Education | | | | | | | |
| Initiate Planning for a symposium/Education Session | | X | | | | | Event alternating major symposium with minor education session |
| Symposium/Education Session | | | | | X | | |
| Board Reference Manual | | | | | X | | General review of content & format |

Policy Created on: June 13, 2002

Policy Revision Dates:

- August 18, 2004
- June 20, 2012
- June 26, 2013
- August 22, 2013
- June 18, 2015

Activity Planner Revision Dates

- June 22, 2011
- June 26, 2013
- June 18, 2015