

Category: BOARD POLICY – BOARD PROCESS	
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INTRODUCTION

The terms of reference for the Board of Directors (the “Board”) define the role of the Authority Board. The following points outline the key guidelines governing how the Board operates to carry out its duties of stewardship and accountability.

1. **Best Interests of the Authority**

The Board of directors (the “Board”) is responsible to manage or supervise the management of the affairs and business of the Authority. The Board oversees the conduct of business of the Authority and supervises management, which is responsible for the day-to-day conduct of business. Although directors are appointed to the Board to bring special expertise or a point of view to Board deliberations, the best interests of the Authority are paramount at all times.

2. **Principal Stakeholders**

The Board's primary accountability is to the Government of British Columbia through the Ministry of Health. It is recognized that there are other key stakeholders whose interests must be considered. These stakeholders include:

- i) patients
- ii) the medical staff;
- iii) employees; and
- iv) the public.

3. **The Government Letter of Expectations**

The most important document outlining the relationship between the Ministry of Health and the Authority is the Government Letter of Expectations (GLE)

- i) This is an agreement between the Authority and the Ministry of Health setting out the mutual understanding of the respective expectations and performance deliverables over a three year period.
- ii) The Government Letter of Expectations will be updated and renewed annually for a new three-year period.

4. **The Medical Staff**

- i) Medical staff play a unique role in B.C.'s health systems. As clinical leaders, they exert a major influence on Regional Health Authorities.
- ii) Since the Board has the ultimate responsibility for the provision of medical care, it is important for the Board to ensure that the Authority is receiving appropriate service from these independent practitioners, and that these services provide the highest possible quality of care.
- iii) The Board is committed to maintaining open and clear communication with the medical staff in the interests of optimal patient care and service. The Medical Staff By-Laws (section 5.3) describe the reporting relationship of the medical staff to the Board (and the CEO). Reporting to the Board occurs via the Quality and Access Committee.
- iv) Medical Staff By-Laws identify the organization of the medical staff, and describe the roles and responsibilities of the medical staff, individually and collectively, within the region. Medical Staff Bylaws also prescribe the process for appointing medical staff and granting privileges to practice by the Board, and the process whereby physicians can appeal decisions of the Board. The By-Law also ensures the Chair of the Medical Advisory Committee provides a verbal or written report at each Board meeting. Other members of the medical staff may be invited to meetings as well, at the discretion of the Board.
- v) In general it is the Board's understanding that the medical staff's responsibilities include the following:
 - a) recommend to the Board proposed medical staff bylaws, rules and regulations;
 - b) ensure compliance with these as well as the Authority's policies and codes of ethics;
 - c) conduct peer appraisal and review of performance;
 - d) review physicians' credentials;
 - e) assist with appraising physician utilization and impact analysis;
 - f) organize clinical quality assurance;
 - g) provide for continuing medical education;
 - h) provide advice on ethics, policy and procedural matters, and planning for new programs or service.

5. Terms of Reference

- i) Terms of Reference for the Board of Directors, Board Chair, President and CEO, Directors, and Secretary to the Board and guidelines for Board committees are reviewed annually by the Governance and Human Resources Committee.
- ii) The Governance and Human Resources Committee proposes changes to the Board for approval as required.

6. Strategic and Business Plans

- i) Strategic and Annual plans must be developed within the context of the General Letter of Expectations..
- ii) Management is responsible for the preliminary development of the strategic plan.
- iii) The Board's role is to ensure there is a strategic planning process, and then to participate in the planning process by reviewing, questioning, validating, and ultimately approving the strategic plan for the Authority and monitoring its implementation.

7. Principal Risks

- i) The Board should have a continuing understanding of the principal risks associated with the Authority's objectives. It is management's responsibility to ensure the Board and its committees are kept well informed of changing risks.
- ii) The principal mechanisms through which the Board reviews risks are the strategic planning process, the Audit and other committees and ongoing reports from the CEO.

8. Management Succession Planning and Development

- i) The Board considers succession planning and management development ongoing processes that include annual reports to the Board by the CEO.
- ii) The CEO's views as to a successor in the event of unexpected incapacity and ongoing management development plans should be discussed regularly with the Governance and Human Resources Committee.

9. The Board Chair

The Board Chair's role is to manage and provide leadership to the Board. The separation of the roles of Board Chair and CEO allow the Board to act independently of management when necessary.

10. Communications Plan

- i) The Board ensures there is a communication plan in place directed to the Government and stakeholders.
- ii) Together, and in consultation with one another, the CEO and from time-to-time the Board Chair act as spokespeople for the Authority.
- iii) Individual directors do not act as spokespeople for the Authority unless specifically requested to do so by the CEO or the Board Chair.

- iv) It is expected that, from time to time, stakeholders will communicate their concerns and questions to directors rather than to management. It is important that directors inform management of such communications, so proper action can be taken and the appropriate representative of the Authority can make accurate responses.

11. Guiding Principles for Performance Reporting to the Board

The Board has adopted the following guiding principles regarding performance reporting to the Board. Good performance reporting should:

- i) be reliable - accurate enough to support intended uses, capable of being replicated, and sensitive enough to reflect changes in underlying performance;
- ii) be fair - presenting all relevant information without undue bias;
- iii) be timely - presented in time to be useful and relevant to the Board's decisions;
- iv) be consistent - presenting information consistently from period to period;
- v) focus on the critical aspects of performance;
- vi) identify and explain goals and expectations; and relate results achieved to stated goals and expectations;
- vii) integrate financial and non-financial information to show how resources were allocated and how adopted strategies influenced results;
- viii) compare the Authority's current performance with:
 - a) its past performance; and
 - b) the performance of similar organizations.
- ix) disclose the basis on which it has been prepared and, in particular:
 - a) the basis for selecting the key aspects of performance on which reporting is focused;
 - b) changes in the way performance is measured or presented; and
 - c) the basis on which confidence is held in the reliability of the information being reported.

12. Board Committees

- i) The function of committees is to help a Board with a task that belongs to the Board. It is a mechanism that permits deeper examination to be given to issues than could reasonably be given by the full Board in consideration of the many items with which it must deal at any one point in time. The role of committees is to support, not supplant, Board responsibility.
- ii) The Board has developed a set of guidelines (Committee Guidelines) for Board committees that apply to all committees established by the Board
- iii) Board committees are established on the basis of the answers to the following questions:
 - a) Is the committee focusing on a matter in which the Board has a direct responsibility or principal interest?
 - b) Is the committee focusing on matters that cut into management's territory?
 - c) Is the committee operating in a way that supports and facilitates the deliberations of the Board, or is it *de facto* supplanting the role of the Board?
- iv) Each committee operates according to a Board approved mandate outlining its duties and responsibilities. The current committees are the:
 - a) Audit Committee; and
 - b) Finance Committee; and
 - c) Governance & Human Resources Committee; and
 - d) Quality & Access Committee; and
 - e) Research Committee
- v) This structure is subject to change from time to time as the Board considers which of its responsibilities will best be fulfilled through more detailed review by a committee.
- vi) Each committee's meeting schedule will be determined by its Chair and members based on the committee's work plan and terms of reference.
- vii) The committee Chair will develop the agenda for each committee meeting in consultation with the CEO or delegate.
- viii) Each committee will report in a timely manner to the Board on the results of its meetings.

13. Committee Chairs and Committee Members

- i) The Board Chair is responsible to the Board for annually proposing the leadership and membership of each committee.

- ii) In preparing recommendations the Board Chair will consult with the CEO, and take into account the preferences, skills and experience of each director.
- iii) Committee Chairs and members are appointed by the Board Chair as and when needed. Committee Chairs and members hold office until their successors are appointed.
- iv) The Board Chair reviews committee membership annually, in conjunction with the annual general meeting.

14. Task Forces

- i) Task forces are Board committees, but differ from other committees in that each task force is established for a specific period of time to undertake a specific task, and is then disbanded.
- ii) Each task force operates according to a Board approved mandate outlining its duties and responsibilities.
- iii) Guidelines and any terms of reference for current task forces can be found on the web-based Board Reference Manual..

15. Participation on other Boards, Committees and Agencies

- i) The Board may be called upon to appoint or elect representatives to related Boards and Committees, Committees of Management or other Agencies such as the HEABC and the Aboriginal Health and Wellness Steering Committee. The Chair will make all appointments and the Board will elect representatives where applicable.
- ii) Participation on such other Boards, Committees and Agencies will be considered as part of the responsibilities of the participating director and that director will be permitted to claim compensation and re-imbursement for related expenses in accordance with the Director Compensation and Expenses Guidelines.
- iii) When serving as a member of any external Board, Committee or Agency a director will bring to that group the perspective of the Provincial Health Services Authority. The director does not, however, represent the PHSA position unless expressly authorized by the Board and cannot commit the PHSA to participation in any specific program without prior PHSA Board authorization.

16. Board Meetings and Agendas

- i) The Board meets at least six times within the calendar year.
- ii) The Board may also meet at the call of the Board Chair and/or the CEO.

- iii) The Board Chair and the CEO, in consultation with the Board Secretary, will develop the agenda for each Board meeting.
- iv) Under normal circumstances, the agenda and the material will be distributed to directors not less than two weeks before the meeting.
- v) All directors are free to suggest additions to the agenda.

17. Special Meetings of the Directors

- i) The directors may, on a regular or random basis, choose to meet in a seminar format for educational/indoctrination activities or to deal with issues such as the Board, Committee, Chair Evaluation Process, or the Strategic Planning Process, which would be considered “in-camera” agenda items and involve time commitments that cannot be reasonably met in a scheduled meeting of the Board.
- ii) Any such meeting will fall within the provisions of the Director Compensation and Expense Guidelines.

18. Public Board Meetings

- i) At the discretion of the Board, part or all of any Board meeting may be open to the public.
- ii) The Board may exclude the public from a meeting or a portion of a meeting, if the Board considers that, in order to protect the interest of a person or the public interest, the desirability of avoiding disclosure of information to presented outweighs the desirability of public disclosure of that information.

19. Board Meetings without Management

- i) Practices that provide opportunity to build relationships, confidence and cohesion among directors are essential to allow the board to help develop an understanding of its role. One such practice is a regular meeting of directors without management present.
- ii) Such meetings can be used to provide feedback about Board processes, including the adequacy and timeliness of information being provided to the board. At times, such meetings might also focus on substantive issues that may be more difficult for some board members to discuss with management present. They can also provide opportunities for the Board Chair to discuss areas where the performance of the directors could be strengthened.
- iii) It is important that these opportunities occur regularly, even if the meetings are short, so that they become a recognized and accepted governance practice. Any issues arising in these sessions that bear on the

relationship between the Board and management should be communicated quickly and directly to the CEO by the Board Chair.

20. Information for Board Meetings

- i) Material distributed to directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered.
- ii) Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors.
- iii) Presentations at Board meetings should briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

Non-Directors at Board Meetings

- iv) The Board appreciates the value of having management team members and other advisors attend Board meetings to provide information and opinions to assist the directors in their deliberations.
- v) Other visitors, with the approval of the Board Chair, may be invited to attend Board meetings.

21. Board/Management Relations

- i) Directors may direct questions or concerns on management performance to the Board Chair, to the CEO, or through Board and committee meetings.
- ii) Directors must respect the organizational structure of management. A director has no authority to direct any staff member.

22. Size of the Board

- i) Although the Government determines the size of the Board, the current Board has considered its size relative to its mandate and is satisfied that a Board size of twelve is appropriate for the Authority.
- ii) Board size has been established balancing two important governance effectiveness considerations. On the one hand, there is the need to ensure a proper diversity of perspectives, backgrounds, expertise and experience within a Board. On the other hand, there is the need to keep Board size sufficiently small to facilitate open and effective dialogue and the full participation and contribution of each director.

23. New Director Orientation and Continuing Director Development

- i) The Governance and Human Resources Committee and the CEO share the responsibility to ensure that there is a new director orientation program and that directors receive continuing education/development as required.

- ii) New directors will be provided with an orientation and education program, which will include written information about the duties and obligations of directors and the business and operations of the Authority, documents from recent Board meetings and opportunities for meetings and discussion with the senior management of the Authority
- iii) The orientation program for each new director will be tailored to that director's needs and areas of interest.
- iv) The issue of continuing development or education is important because the health care issues are complex and the operating environment is changing.
- v) Continuing development should be focussed on critical issues and relatively short. Periodic presentations from staff, and outside experts give directors a better sense of how the environment in which the Authority operates is changing.
- vi) Management tries to include an educational component in every Board meeting.

24. Assessing Board Performance

- i) The Governance & Human Resources Committee is responsible for ensuring there is a process for annually assessing the performance of the Board and its committees.
- ii) The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities.
- iii) The review should identify any areas where the directors or management believe that the Board could be working more effectively.
- iv) The Board evaluation process may change from year to year on the recommendation of the Governance and Human Resources Committee. The Board evaluation methodology may also vary from year to year. Some years a questionnaire may be appropriate, other years it may be more effective to undertake interviews with each director.
- v) An individual director evaluation process has been developed, however the Board Chair has the responsibility to deal with individual director issues or problems as they may occur from time to time.

25. Term of Service

- i) Directors are appointed for three year terms.

- ii) Directors will normally be appointed for a maximum of six years. In order to achieve staggering of appointments, terms may be for other than three years.
- iii) Director appointments may be rescinded by the Government, generally on the recommendation of the Board Chair.

26. Evaluation of the CEO

- i) The Governance & Human Resources Committee will conduct an annual Performance Evaluation Process for the CEO, measured against objectives and other relevant criteria established in the previous year by the Board and the CEO.
- ii) An outline of the Performance Evaluation Process for the CEO can be found on the web-based Board Reference Manual..

27. Outside Advisors for Committees and Directors

A Committee or a Director may, from time to time, require the expertise of outside resources (a consultant or an advisor) to assist with matters involving their responsibilities. No outside resources will be retained without the approval of the Board or Board Chair, in consultation with the CEO.

28. Board Guidelines Review

These Board Guidelines are reviewed annually by the Governance and Human Resources Committee and any changes are recommended to the Board for approval.

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