

BOARD OF DIRECTORS GUIDELINES

1. INTRODUCTION

- (1) The *Terms of Reference for the Board of Directors* define the role of the Interior Health Authority (the “Authority”) Board of Directors (the “Board”). The *Board of Directors Guidelines* governs how the Board operates to carry out its duties of stewardship and accountability.

2. BEST INTERESTS OF THE AUTHORITY

- (1) The Board oversees the affairs and business of the Authority and supervises management, which is responsible for the day-to-day conduct of business. Although directors may be appointed to the Board to bring special expertise or a particular perspective to Board deliberations, the best interests of the Authority are paramount at all times.

3. PRINCIPAL STAKEHOLDERS

- (1) The Board's primary accountability is to the Government of British Columbia (the “Government”) through the Ministry of Health (the “Ministry”). It is recognized that there are other key stakeholders whose interests must be considered. These stakeholders include:
 - (a) the public, including patients, clients, residents, and their families;
 - (b) the medical staff;
 - (c) healthcare professionals and other staff members; and
 - (d) health foundations and auxiliaries.

4. ANNUAL PERFORMANCE AGREEMENT

- (1) Each year the Government, working through the Ministry, issues an annual performance agreement which sets out the mutual understanding of the key expectations, targets and areas of accountability for the Authority.
- (2) In addition to an annual performance agreement, the Minister may, at the discretion of his or her office, issue additional or supplemental performance requirements.

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5. THE MEDICAL STAFF

- (1) Medical staff play a unique role in the British Columbia health system. As clinical leaders, they exert a major influence on the provision of care within the health authorities. Since, however, the majority work as independent contractors on a fee-for-service basis, and are not employees of the Authority and are professionally accountable to their respective Colleges, they maintain a great deal of autonomy which can affect the Authority's clinical operations and resource utilization.
- (2) Medical staff are defined as the physicians, dentists, midwives and nurse practitioners who have been appointed to the medical staff by the Board upon recommendation of the Health Authority Medical Advisory Committee ("HAMAC"), and who hold a permit to practice medicine, dentistry, midwifery or nurse practitioner practice in the facilities and programs operated by the Authority.
- (3) Since the Board has the ultimate responsibility for the provision of medical care, it is important for the Board to ensure that the Authority receives appropriate, high-quality clinical service from members of the medical staff.
- (4) In the interests of optimal patient care and safety, the Board is committed to maintaining open and clear communication with the medical staff. The *Medical Staff Bylaws* (the "*Bylaws*") describe the reporting relationship of the medical staff with the Board and the President and Chief Executive Officer (the "CEO").
- (5) The Bylaws identify the organization of the medical staff, and describe their roles and responsibilities individually and collectively, within the Authority. They prescribe the process by which the Board appoints medical staff and grants privileges to practice. The *Bylaws* also describe the procedure that members of the medical staff must follow to appeal decisions of the Board. The *Bylaws* also ensure the Chair of HAMAC is provided an opportunity to present a verbal or written report at each Board meeting. Additional members of the medical staff may be invited to attend Board meetings, at the discretion of the Board.
- (6) In general the Board understands that the responsibilities of the HAMAC include the following:
 - (a) recommending to the Board proposed changes to the *Bylaws*, and Rules;

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- (b) monitoring compliance with the *Bylaws* and Rules, the Authority's policies, and the code of ethics of the respective professional colleges;
- (c) reviewing the credentials of medical staff members to ensure they meet the established requirements for practice in the Health Authority;
- (d) recommending practitioners to the Board for appointment and reappointment to the appropriate medical staff category, and recommending appropriate privileges for these practitioners;
- (e) conducting peer appraisal and performance reviews;
- (f) assessing the review of medical staff impact analyses and resource utilization;
- (g) participating in clinical quality assurance;
- (h) providing recommendations for continuing medical education; and
- (i) advising the Board on ethical issues, policy and procedural matters, and new programs or service planning.

6. TERMS OF REFERENCE

- (1) Terms of Reference for the Board, the Board Chair and the President and Chief Executive Officer, together with the Committee Guidelines are reviewed as part of a continuous cycle process by the Governance & Human Resources Committee.
- (2) The Governance & Human Resources Committee proposes changes to the Board for approval as required.

7. STRATEGIC AND OPERATIONAL PLANNING

- (1) Annual service plans must be developed within the context of an annual performance agreement as it may be amended from time to time.
- (2) Management is responsible for the preparation of the draft Service Plan and the subsequent development of the annual capital and operating budgets.
- (3) The Board's role is to ensure that there is a strategic planning process in place and participates in the process through:

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- (a) an annual joint review with management of the Mission, Vision and Values, as well as the underlying assumptions, risks, opportunities, and strategic options;
- (b) reviewing, questioning, and validating the strategic planning, and ultimately approving a final Service Plan for the Authority;
- (c) reviewing and approving the annual operating and capital budgets; and
- (d) an active monitoring of the implementation of the Service Plan and the progress in achieving both strategic and operational goals.

8. PRINCIPAL RISKS

- (1) 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.
- (2) The principal mechanisms through which the Board reviews risks are the annual update on the Enterprise Risk Management program including identified risks and mitigation strategies; the strategic planning process; reports to Board committees; Internal Audit; and ongoing reports from the CEO.

9. MANAGEMENT SUCCESSION PLANNING AND DEVELOPMENT

- (1) The Board considers succession planning and management development ongoing processes that include annual reports to the Board by the CEO.
- (2) 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 & Human Resources Committee.

10. THE BOARD CHAIR

- (1) 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.

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11. COMMUNICATIONS POLICY

- (1) The Board ensures there is a comprehensive communications program in place which recognizes the accountability to the Government and the needs of other stakeholders.
- (2) Together, and in consultation with one another, the CEO and from time-to-time the Board Chair act as spokespeople for the Authority.
- (3) Individual directors do not act as spokespeople for the Authority unless specifically requested to do so by the CEO or the Board Chair.
- (4) 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.

12. GUIDING PRINCIPLES FOR PERFORMANCE REPORTING TO THE BOARD

- (1) The Board has adopted the following guiding principles regarding performance reporting to the Board. Good performance reporting should:
 - (a) be reliable - accurate enough to support intended uses, capable of being replicated, and sensitive enough to reflect changes in underlying performance;
 - (b) be fair - presenting all relevant information without undue bias;
 - (c) be timely - presented in time to be useful and relevant to the Board's decisions;
 - (d) be consistent - presenting information consistently from period to period;
 - (e) focus on the critical aspects of performance;
 - (f) identify and explain goals and expectations, and relate results achieved to stated goals and expectations;
 - (g) integrate financial and non-financial information to show how resources were allocated and how adopted strategies influenced results;
 - (h) compare the Authority's current performance with:

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- (i) its past performance, and
- (ii) the performance of similar organizations; and
- (i) disclose the basis on which it has been prepared and, in particular:
 - (i) the basis for selecting the key aspects of performance on which reporting is focused,
 - (ii) changes in the way performance is measured or presented, and
 - (iii) the basis on which confidence is held in the reliability of the information being reported.

13. BOARD COMMITTEES

- (1) The function of committees is to help the 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.
- (2) The Board has developed a set of *General Guidelines for Committees* that apply to all committees established by the Board.
- (3) 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? If so, perhaps an alternative is to establish a management committee, possibly with some involvement from Board members.
 - (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?
- (4) Each committee operates according to a Board approved mandate outlining its duties and responsibilities. The current committees are the:
 - (a) Audit & Finance Committee;
 - (b) Governance & Human Resources Committee;
 - (c) Quality Committee

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- (d) Strategic Priorities Committee; and
 - (e) Stakeholder Relations Committee.
- (5) Committee 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.
 - (6) Committees will meet a minimum of five times per calendar year, aligned with regularly scheduled Board meetings where practicable. Committees may additionally meet at the call of the Committee Chair, Board Chair, or any two members of the committee.
 - (7) Subject to Section 13(6) above, each committee's meeting schedule will be determined by its Chair and members based on the committee's timetable and terms of reference.
 - (8) The committee Chair will develop the agenda for each committee meeting in consultation with the CEO or designate.
 - (9) Each committee will report in a timely manner to the Board on the results of its meetings.

14. COMMITTEE CHAIRS AND COMMITTEE MEMBERS

- (1) The Board Chair is responsible to the Board for annually proposing the leadership and membership of each committee.
- (2) In preparing recommendations the Board Chair will consult with the CEO, and take into account the preferences, skills and experience of each director.
- (3) Committee Chairs and members are appointed at the first Board meeting of the new fiscal year, or as needed to fill vacancies during the year.
- (4) The Board favours a periodic rotation in committee leadership and membership in a way that recognizes and balances the needs for new ideas, continuity and maintenance of functional expertise.

15. TASK FORCES

- (1) 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.

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- (2) Each task force operates according to a Board approved mandate outlining its duties and responsibilities.

16. PARTICIPATION ON OTHER BOARDS, COMMITTEES AND AGENCIES

- (1) The Board may be called upon to appoint or elect representatives to related Boards and Committees, Committees of Management or other Agencies. The Chair will make all appointments and the Board will elect representatives where applicable.
- (2) 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 allowances, fees and reimbursement for related expenses in accordance with the *Director Retainers, Fees and Expenses Policy*.
- (3) When serving as a member of any external Board, Committee or Agency a director will bring to that group the perspective of the Authority. The director does not, however, represent the Authority position unless expressly authorized by the Board and cannot commit the Authority to participation in any specific program without prior Authority Board authorization.

17. BOARD MEETINGS AND AGENDAS

- (1) The Board will hold at least five scheduled meetings within the calendar year.
- (2) The Board may also meet at the call of the Board Chair and/or the Acting Chair.
- (3) The Board Chair and the CEO will develop a written agenda for each Board meeting which will determine the order of business and need not be approved. There will be a “New Business” item, providing an opportunity for the introduction of issues not listed in the meeting agenda.
- (4) Under normal circumstances, the agenda and the material will be distributed to directors not less than one week before the meeting.

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- (5) All directors are free to suggest additions to the agenda. Whenever possible, adequate notice should be given to the Chair or Secretary to the Board so that management, when appropriate, will have an opportunity to develop background information needed to support the discussion.
- (6) The Board will hold extraordinary meetings to deal with any matters relating to housing services involving Canada Mortgage and Housing Corporation (“CMHC”), as provided for in Section 18 below.

18. HOUSING SERVICE MATTERS

- (1) Any discussions or decisions regarding housing services involving CMHC will be handled at extraordinary meetings of the Board called for this specific purpose.
- (2) Such meetings may be called separate from or in conjunction with other regular scheduled Board activities and the agenda(s) will be limited to the subject matter.
- (3) Directors will receive no remuneration for these meetings but may, where appropriate, claim travel allowances or be reimbursed for any personal expenses related specifically to their attendance at such meetings.

19. SECRETARIAL DUTIES

- (1) The Board delegates the administrative responsibilities of the Secretary to the Board to the Board Resource Officer who will also serve as recording secretary at all meetings of the Board.
- (2) The Board Resource Officer will provide within reason, such other assistance as may be requested by the Chair or the individual directors to facilitate the operation of the Board and its committees.

20. VOTING AT BOARD AND COMMITTEE MEETINGS

- (1) Questions arising at meeting of the directors or a committee of directors shall be decided by a simple majority of votes of those eligible to vote who are present in person or by teleconference or videoconference, except where the Bylaws specifically require a majority of 2/3.

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- (2) When as provided for in (1) above, a majority is to be determined as a proportion of all of those eligible to vote who are present in person or by teleconference or videoconference, an abstention will be treated as a “no” and a vote against a resolution for purpose of determining whether or not a resolution has passed.
- (3) In case of an equality of votes, the Chair does not have a second or casting vote.
- (4) All decisions of the Board will be recorded as unanimous unless there is an abstention or a director specifically requests that the minutes record a contrary vote.
- (5) No resolution proposed at a meeting of a committee of directors need be seconded and the Chair of a meeting may move or propose a resolution.

21. SPECIAL MEETINGS OF THE DIRECTORS

- (1) The directors may, on a regular or random basis, choose to meet in a seminar format for educational 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.
- (2) Any such meeting will fall within the provisions of the *Director Allowances, Fees and Expense Policy*.

22. PUBLIC BOARD MEETINGS

- (1) At the discretion of the Board, part or the entire Board meeting may be open to the public.
- (2) 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 be presented outweighs the desirability of public disclosure of that information.
- (3) The Board will have a clear, written policy in regards to public attendance at its meetings.

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23. BOARD MEETINGS WITHOUT MANAGEMENT

- (1) 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.
- (2) 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.
- (3) 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.

24. INFORMATION FOR BOARD MEETINGS

- (1) 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.
- (2) Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors.
- (3) 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.

25. NON-DIRECTORS AT BOARD MEETINGS

- (1) 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.
- (2) Other visitors, with the approval of the Board Chair, may be invited to attend Board meetings.

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26. BOARD/MANAGEMENT RELATIONS

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

27. SIZE OF THE BOARD

- (1) 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 nine is appropriate for the Authority.
- (2) 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.

28. NEW DIRECTOR ORIENTATION AND CONTINUING DIRECTOR DEVELOPMENT

- (1) The Governance & 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.
- (2) 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.
- (3) The orientation program for each new director will be tailored to that director's needs and areas of interest.
- (4) The issue of continuing development or education is important because the health care issues are complex and the operating environment is changing.

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- (5) Continuing development should be focused 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.
- (6) Management tries to include an educational component in every Board meeting.

29. ASSESSING BOARD PERFORMANCE

- (1) The Governance & Human Resources Committee is responsible for ensuring there is a process for annually assessing the Board, Committee and Chair performance. The Committee will, from time to time, recommend an evaluation of the performance of individual directors.
- (2) The objective of this review process is a continuous improvement in the Board's execution of its responsibilities.

30. TERM OF SERVICE

- (1) Directors are appointed by the Minister in accordance with the *Health Authorities Act*.
- (2) 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.
- (3) Director appointments may be rescinded by the Minister, generally on the recommendation of the Board Chair.

31. EVALUATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

- (1) The Board Chair will conduct an annual evaluation of the CEO's performance, measured against objectives agreed to in the previous year by the Board Chair and the CEO, and other relevant criteria.

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32. OUTSIDE ADVISORS FOR COMMITTEES AND DIRECTORS

- (1) Occasionally, a committee or a director may need the services of a consultant or an advisor to assist with matters involving their responsibilities. A committee or director who wishes to engage an outside advisor at the expense of the Authority must first obtain the authorization of the Board Chair or the Chair of the Governance & Human Resources Committee, in either case in consultation with the CEO.

33. BOARD GUIDELINES REVIEW

- (1) These Board Guidelines are reviewed as part of a continuous cycle process by the Governance & Human Resources Committee and any changes, other than minor housekeeping changes, are recommended to the Board for approval.