

**Review of Governance Practices in Comparison to Recommendations in
"Hospital Governance and Accountability in Ontario" by Maureen Quigley & Graham Scott**

Governance Checklist	To Be Reviewed	Needed	Planned Completion Date	Completed
I. CRITICAL ELEMENTS FOR EFFECTIVE GOVERNANCE: STRUCTURE				
1. Define Principles of Governance and Board Accountabilities				
a. a statement of the Board's fiduciary obligations to act in the best interest of the Hospital				
b. a statement of the Board's accountabilities to its patients, the Ministry of Health and Long-Term Care and the communities served				
c. the model of governance that the Board is using (i.e., policy governance, hybrid policy leadership or other)				
d. provisions concerning transparency and the approach to decision making				
2. Clearly Outline Roles and Responsibilities of the Board of Directors				
A. Define the Role of the Board				
a. Policy Formulation - establish policies to provide guidance to those empowered with the responsibility to manage Hospital operations				
b. Decision Making - choose from alternatives that are consistent with Board policies				
c. Oversight - monitor and assess organizational processes and outcomes				
B. Outline of Board Responsibilities include:				
a. Define Ends - identify key stakeholders; establish the vision, mission and core values; contribute to the development and approval of the strategic plan; ensure that key goals are formulated in annual operating plans; monitor performance against the strategic and operating plan; retain overall accountability for the performance of the Hospital				
b. Provide for Excellent Management - select the CEO and Chief of Staff/Chair of the MAC; establish measurable annual performance expectations; delegate responsibility and authority and require accountability to the Board; appraise/assess performance annually; provide for succession and ensure that the CEO and Chief of Staff/Chair of the MAC establish a succession plan for management, professional staff and allied health workers				
c. Ensure Program Quality and Effectiveness - credential professional staff; ensure quality goals and performance indicators are developed for approval of the Board and monitor indicators of clinical outcomes and quality of service; ensure process are in place for identifying, monitoring and managing risks				

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d. Ensure Financial Viability - ensure that financial objectives and indicators are developed for approval by the Board and monitor performance against these objectives; approve the annual operating plan; ensure optimal utilization of resources and operation of the organization within its resource envelope; ensure organization undertakes financial planning for effective resource allocation				
e. Ensure Board Effectiveness - establish policies re Board structure and processes to maximize the effective functioning of the Board; measure the effectiveness of Board and individual Directors through annual evaluation process; provide for succession planning of Directors and officers				
f. Build Relationships - co-ordinate and integrate health services and strengthen relationships between the Hospital and its communities				
3. Clearly Define the Roles and Responsibilities of Individual Directors				
a. accountability including fiduciary obligations				
b. exercise of individual authority				
c. conflict of interest				
d. team work				
e. Board solidarity and confidentiality in decision making				
f. expectations on the level of attendance and participation at Board and Committee meetings				
g. competencies including generic attributes and specific skills and expertise				
h. participation in Board education				
i. participation in Board and individual Director evaluation				
4. Develop Guidelines for the Selection of Directors				
a. understanding of governance				
b. ability to commit the time to participate effectively at both the Board and Committee levels				
c. ability to work effectively as a team member				
d. effective communication skills				
e. absence of conflict of interest which would impede the Director's participation in the Board's work				
f. develop a Board profile of specific skills and expertise required for the Board				
5. Review of Board Size and Composition				
a. typical range for Board size is 15 - 20 members, including both elected and ex-officio Directors				
b. ex-officio - minimum number is two or three, Chair of MAC, Pres. MSA, V.P. of MSA				
c. balance between elected and ex-officio Directors				

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6. Term of Office of Directors and Officers				
a. Director Term: e.g., maximum of three consecutive three-year terms				
b. Board & Committee Chair term: e.g., recommendation is maximum of three consecutive years in one office; some recommend a maximum of two-year terms with a maximum of two terms				
7. Board Standing and Ad Hoc Committees				
a. In order to ensure Board ownership of the work that is done on its behalf by Standing Committees, it is essential that the Board undertake the following steps:				
i. establish a small number of Standing Committees that are clearly tied to the Board's core responsibilities				
ii. establish clear Standing Committee terms of reference and membership for review and approval annually				
iii. require the Standing Committee to establish an annual work plan and deliverables for Board approval				
iv. monitor the progress of the work of the Standing Committees at defined intervals within the Board's own work plan				
b. Best practices suggest that at a minimum Standing Committees are required to support the Board in fulfilling the following responsibilities: finance, quality, executive management performance and Board's own effectiveness				
i. Finance Committee is required to recommend financial objectives and policies to the Board Best practices suggest Audit is separate from Finance or a sub-committee of Finance which can operate directly with the external auditors in the absence of the CEO, CFO and other management				
ii. Quality Committee is required to recommend policies to the Board related to quality; recommend quality indicators to the Board and monitor performance against these indicators through reports from Management and the MAC on the processes of care, risk management and overall quality of organization performance				
iii. Executive Management Performance - establishment of annual performance goals and performance indicators with the CEO and Chief of Staff/Chair of MAC for approval of the Board, annual evaluation of the performance of the CEO and Chief of Staff/Chair of the MAC and recommendations to the Board with respect to compensation and succession planning for these two positions. Best practices include assignment of these functions to the Executive Committee or establishing a dedicated Standing Committee for this purpose				

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iv. Board's own effectiveness - development and periodic review of governance policies; structures and processes for recommendations to the Board; establishing processes for Board and individual Director evaluation; establishing processes and programs for initial orientation of new Directors and ongoing Board education; succession planning for Directors and Officers, including developing and maintaining the Board profile of current and required skills and expertise; establishing and implementing an annual process for recruitment of new Directors as required				
8. Corporate Membership				
a. determination by the Board of the preferred roles and responsibilities of the membership as a matter of Board policy				
b. identification of explicit criteria for the selection of corporate membership				
c. systematic application processes for membership and a process for annual approval of the membership by the Board				
d. a mechanism for maintaining ongoing communication with the membership to ensure their ability to meet expectations that have been established by the Board				
II. CRITICAL ELEMENTS FOR EFFECTIVE GOVERNANCE: PROCESS				
1. Development of Comprehensive Board Policies Related to Each Area of the Board's Responsibilities				
a. Create a formal Board Policy Manual and review these policies on a regular basis				
2. Development of Annual Board Goals and Work Plan				
a. Development of annual Board goals to focus the work of the Board, clearly articulate the Board's expectations of its own contribution to ensuring the success of the organization and to establish the benchmarks against which the Board can evaluate its performance at the end of the year				
b. Development of annual Board work plan to ensure that Board goals are actually implemented through the work of the Board and its committees and to enable the Board to anticipate matters through the year and track their status at the Board and committee level				
3. Development of Agendas/Supporting Documentation for Board/Committee Meetings, Aligned with Board Roles and Responsibilities				
a. agendas driven by and aligned with the annual Board goals and work plan				
b. agendas that specify the role of the Board concerning the matters to be considered (i.e., policy, decision making, oversight)				
c. specific reference to the relevant Board policy as a context for consideration of the matter				
d. separation between matters which require Board action and information items				
e. assignment of specific time allocation for agenda item				
f. decision-support documents that are succinct, focused and provide a clear statement of the options that were considered as a foundation for the recommendations, which the Board is being asked to approve				

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g. brief summary reports instead of minutes from Board Committees which highlight matters discussed, action agreed upon and recommendations for consideration by the Board				
h. evaluation at the end of the meeting				
4. Appropriate Discussion at Open Board Meetings and Use of In-Camera Sessions				
5. Well-Understood Roles and Responsibilities of Board Officers and Committee Chairs				
a. Establish Board policies that elaborate on the role and qualifications of the Officers and Committee Chairs in addition to what is set out in the By-Laws				
6. Nominations Process for the Selection of Directors that is Systematic, Clear and Transparent				
a. developing the Board profile of current Board members to identify current skills and expertise, gaps and succession planning needs over 2 - 3 years				
b. canvassing Board members annually for their intentions concerning re-election and aspirations with respect to committee assignments and succession to leadership roles within the Board				
c. conducting a search for prospective candidates to fill the identified gaps through a series of mechanisms, including internal canvass of Board members, advertising in the community and possibly use of an executive search firm				
d. providing a package of information on the web site or alternative medium to enable prospective candidates to develop a clear understanding of the organization and expectations of Directors				
e. requiring prospective candidates to complete an application which specifies their reason for seeking a position on the Board and their relevant skills and experience				
f. evaluating prospective candidates against guidelines for selection of Directors				
g. interviewing a short list of candidates				
h. recommending a list of nominees to the Board for approval and recommendation to the annual meeting of the Hospital				
7. Effective Orientation Program for New Directors and Continuing Education Program for the Board as a Whole				
a. Mandatory comprehensive, in-depth orientation programs for new Directors immediately upon election or appointment to the Board. The scope would include an orientation to the Board, to the Hospital and to the broader health system in which the Hospital operates including the role of the Ministry of Health and Long-Term Care and related providers				
b. The orientation should be supported by a written manual including Hospital legislation, the Hospital By-Laws, Board policies, organization chart, financial and operating statistics, the current strategic and operating plan and Board/Committee meeting schedules				
c. Directors should participate in refresher orientation program at least once during their term on the Board, ideally at the time of beginning of second or third term				

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e. Continuing education for Directors should be a combination of on-site education sessions scheduled as part of regular Board meetings and the opportunity for Directors to attend external educational sessions provided by the OHA and other related organizations				
f. On-site sessions should include specific aspects of the Hospital's mandate and programs, broader health policy and system issues that can be expected to impact on Hospital and governance policy matters that can facilitate the effective functioning of the Board				
g. An annual Board retreat should be seen as an integral component of Board education				
8. Process for the Annual Evaluation of the Performance of Individual Directors and the Board as a Whole				
a. Tools for evaluation should be clearly aligned with the roles and responsibilities of the Board and individual Directors				
b. Responsibility for development of the evaluation process and tool and implementation process is clearly assigned by the Board to a Standing Committee (i.e., Governance)				
c. Timing of Board evaluation process should be linked to the annual Board cycle				
9. Process to Establish the Accountabilities and Performance Goals of CEO, Chief of Staff and Chair of MAC for Annual Performance Evaluation				
a. Establishment of clear annual performance goals for the CEO, Chief of Staff and Chair of MAC				
b. Timing for the CEO evaluation should coincide with approval of the annual operating plan				
c. Timing for the Chief of Staff/Chair of MAC should coincide with beginning of the MAC cycle				
d. Performance goals for the CEO should clearly align with the Hospital's strategic and operating plan and include specific, actionable and measurable financial and clinical targets				
e. The performance goals of the Chief of Staff/Chair of MAC should be consistent with his/her responsibilities regarding quality and clinical human resources planning				
10. Processes for Physicians Credentialing and Appointment				
a. Approval of medical staff appointments on recommendation of the MAC				
b. Oversight of the appointment and reappointment criteria and process, ensuring that they are aligned with the Hospital's physician human resource plan, the operating plan and the strategic direction of the Hospital				
11. Clear Processes for Budget and Program Approvals				
a. Set operational objectives, performance and financial targets, critically reviewing and approving the operating plan and budget and requiring management to report on variances against the budget and targets				
b. Reports should include a set of corporate performance (productivity) indicators that present a comparison of the Hospital to its own plans and to benchmark levels of performance of other hospitals				

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12. Establishment of Performance Indicators to Facilitate Effective Oversight and Monitoring of Hospital Operations				
a. establish performance indicators in relation to each of the dimensions of the Board's responsibilities				
b. establish Board policies on the approach to performance monitoring within the Board and its standing committees				
c. establish in co-operation with management, a small number of indicators that are measurable and relevant to the Board's governance responsibilities as distinct from management's operational responsibilities				
d. establish a process whereby the appropriate Board Standing Committee monitors performance against the agreed upon indicators at specified intervals during the course of the year and reports to the Board on both its findings and recommendations respecting any corrective action that may be required				
13. Processes for Strengthening Linkages with Other Provider Organizations				
a. Regional networks of Board Chairs and CEOs of health services organizations which meet periodically to identify opportunities for improved communication and integration of services				
b. Periodic forums for dialogue with Board counterparts of other providers organizations as part of Hospital Board meetings or Board Retreats				
c. Joint Board mechanism for joining policy formulation, decision making and oversight in relation to new collaboration efforts and joint ventures toward health services integration				



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