

TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

1. PURPOSE

- (1) The Interior Health Authority (the “Authority”) Board of Directors (the “Board”) has a primary responsibility to foster the Authority’s short and long-term success consistent with the Board’s responsibility to the Government and the stakeholders the Authority serves.
- (2) The Board is a fully functioning governing body. Its role is fiduciary and includes a wide range of responsibilities typically associated with a governing body – strategic and service planning, performance monitoring, risk management, organizational and management capacity and culture, internal control for financial and clinical service domains, ethics and values, and communications with stakeholders. The pursuit of quality and quality improvement involving all of the Board’s wide range of interests and responsibilities guides its actions.
- (3) The Board has the responsibility to oversee the conduct of the Authority’s business and to supervise management, which is responsible for the day-to-day operation of the Authority. In supervising the conduct of the business, the Board, through the President and Chief Executive Officer (the “CEO”), will set the standards of conduct for the Authority.
- (4) These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

2. COMPOSITION AND BOARD ORGANIZATION

- (1) The Board Chair and directors are appointed by the Government.
- (2) The Board operates by delegating to management certain of its authorities, including spending authorizations, and by reserving certain powers to itself. The current *Limits of Spending Authority* as approved by the Board are set out as part of the Board Manual.
- (3) The Board may delegate certain responsibilities to Board Committees. The responsibilities of those Committees will be as set forth in their terms of reference, as amended from time to time.
- (4) The Board retains the responsibility for managing its own affairs including the responsibility to:

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- (a) annually review, in conjunction with the CEO, the skills and experience represented on the Board in light of the Authority's strategic direction, for the purpose of recommending the criteria and potential candidates who meet the criteria to the Government when appointing directors;
- (b) on the recommendation of the Chair, appoint, determine the composition of, and set the mandate for, Board Committees;
- (c) implement an appropriate process for assessing the effectiveness of the Board, the Chair, Board Committees, and directors in fulfilling their responsibilities;
- (d) assume responsibility for the Authority's governance practices and ensure they meet the needs of Government, the Authority, and the public; and
- (e) appoint the Secretary to the Board.

3. DUTIES AND RESPONSIBILITIES

(1) Human Resources President and CEO

The Board has the responsibility to:

- (a) Undertake the selection and appointment, in collaboration with the Ministry of Health, and succession of the CEO, and monitor the CEO's performance;
- (b) approve terms of reference for the CEO;
- (c) approve the CEO's total compensation package within the parameters set by the Ministry of Health and the Public Sector Employers' Council;
- (d) participate in the Board Chair and Governance & Human Resources Committee Chair led review of the CEO's performance at least annually, against agreed upon annual objectives;
- (e) receive for information certain matters relating to all Executive and Excluded/Non Contract personnel including:
 - (i) any material changes to the annual compensation policy/program; and
 - (ii) new benefit programs or material changes to existing programs;
- (f) receive for information the compensation plan for senior staff reporting directly to the CEO;

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- (g) ensure a close liaison with the Health Employers Association of BC (HEABC);
- (h) ratify HEABC negotiated tentative collective agreements as required;
- (i) ensure management succession planning programs are in place, including supporting training and development programs;
- (j) ensure human resource and medical staff resource plans are in place;
- (k) provide advice and counsel to the CEO in the execution of the CEO's duties; and
- (l) through the CEO, ensure harmony with related policies at the Ministry of Health.

(2) **Human Resources Internal Auditor**

The Board has the responsibility to:

- (a) at least once a year, with the CEO, reviewing the performance of the Corporate Director, Internal Audit; and
- (b) reviewing and concurring with the appointment, replacement, or dismissal of the Corporate Director, Internal Audit.

(3) **Mission, Strategy and Plans**

The Board has the responsibility to:

- (a) participate with management in the development of, and ultimately approve, the Authority's Vision, Mission, Values and Strategic Goals;
- (b) review, question and validate the Authority's strategic planning;
- (c) approve the annual Service Plan, taking into consideration the parameters outlined in the Ministry of Health Mandate Letter;
- (d) approve annual capital and operating budgets that support the Authority's ability to meet its strategic directions;
- (e) review and approve clear benchmarks for performance against which the strategic planning, and operating and capital budgets can be measured; and
- (f) monitor the Authority's performance against the plans with a clear focus on four long terms goals:
 - (i) improve health and wellness;

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- (ii) deliver high quality care;
- (iii) ensure sustainable healthcare by improving innovation, productivity and efficiency;
- (iv) receive advice from the Governance and Human Resources Committee and direct implementation of actions to cultivate an engaged workforce and a healthy workplace.

(4) **The Medical Staff**

The Board has the responsibility to:

- (a) ensure that management, in consultation with the medical staff, develops and implements the necessary by-laws, rules, structures, and policies to manage and monitor the provision of medical, dental, midwifery, diagnostic, treatment and continuing care services within all facilities operated by the Authority;
- (b) ensure that management has systems in place to verify that members of the medical staff are meeting established practice standards whenever they provide care or services in all facilities operated by the Authority;
- (c) approve Medical Staff By-Laws and Rules;
- (d) receive regular reports from the Health Authority Medical Advisory Committee and deliberate all recommendations made by the same to the Board; and
- (e) approve appointment, privileges, and reappointment for all members of the medical staff.
- (f) Review and approve human resource planning for the medical staff
- (g) Review and approve medical staff leadership appointments as recommended by HAMAC

(5) **Financial and Organizational Risk Issues**

The Board has the responsibility to:

- (a) take reasonable steps to ensure the implementation and integrity of the Authority's internal control and management information systems;
- (b) ensure management identifies the principal organizational (financial and non- financial) risks of the Authority and implements appropriate systems and programs to manage these risks;

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- (c) monitor service, operational and financial results;
- (d) approve annual financial statements, and approve release thereof by management;
- (e) approve appointment of external auditors and approve auditors' fees;
- (f) review and approve the Internal Audit Charter; and,
- (g) annually review and approve the Internal Audit Project Plan and the Annual Audit Report.

(6) **Internal Audit Department**

The Internal Audit Department is authorized by the Board and CEO to independently undertake the audits and follow up as defined by the Internal Audit Workplan and Internal Audit Charter.

The Audit and Finance Committee, on behalf of the Board, will oversee the Internal Audit function and the relationship with the auditor and with management through:

- (a) reviewing the organization and independence of Internal Audit and any restrictions or problems.
- (b) review and recommend to the Board any changes to the Internal Audit Charter
- (c) review and recommend to the Board the Annual Internal Rolling Project Plan including goals, staffing and budget.
- (d) monitoring the department's performance relative to its plan.
- (e) receiving status updates on previous recommendations.

(7) **Legislation, Policies and Procedures**

The Board has the responsibility to:

- (a) direct management to ensure the Authority operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (b) approve and monitor compliance with all significant policies and procedures by which the Authority is operated; and
- (c) review significant new policies or material amendments to existing policies.

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- (8) **Government and Stakeholder Communications**
- (a) The Board must pay particular attention to the fact that it operates within a highly public environment. The actions of the Authority have a significant public impact and there is a need to ensure communications with the Government and stakeholders are effective and appropriate.
 - (b) The Board has the responsibility to:
 - (i) ensure the Authority has in place a policy and guidelines to enable management and the Board to communicate effectively with the Government, stakeholders and the public generally;
 - (ii) ensure the service and financial performance of the Authority is adequately and promptly reported to the Government and relevant stakeholders;
 - (iii) ensure financial results are reported fairly and in accordance with generally accepted accounting principles;
 - (iv) ensure timely reporting of any other developments that have a significant and material effect on the Authority; and
 - (v) report annually to the Government on the Board's stewardship for the preceding year.

4. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

- (1) The Board is responsible for directing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained.
- (2) Directors are under a fiduciary duty to the Authority to carry out the duties of their office as defined in the Board Code of Conduct Policy:
 - (a) honestly and in good faith;
 - (b) in the best interests of the Authority; and
 - (c) with the care, diligence, and skill of a reasonably prudent person.
- (3) Directors have specific statutory duties and obligations under employment, environmental, and financial reporting law as well as under the withholding provisions of taxation la

**STRATEGIC PLANNING AND MONITORING
RESPONSIBILITIES OF THE BOARD OF DIRECTORS
APPENDIX A**

1. PURPOSE

Board of Directors (the “Board”) will fulfill its fiduciary responsibilities by:

- (1) providing advice on the Authority’s long-term [strategic direction and priorities](#); the Authority’s [annual Service Plan](#), goals, and initiatives; and alignment with [Ministry of Health strategic direction](#) and [Mandate to the Authority](#);
- (2) advising on the long-term strategic direction for the Authority to meet the current and future needs of residents of the Interior region, including identifying key issues and emerging trends to inform the strategic direction and;
- (3) reviewing Authority performance and results on strategic and service plan priorities as they relate to provincial and Authority performance expectations.

2. DUTIES AND RESPONSIBILITIES

The Board will:

- (1) Provide advice to management on the Authority’s long-term strategic direction and priorities and alignment with provincial strategic direction and mandate of the Ministry of Health;
- (2) Review, provide advice and approve, as required by the Minister of Health, the [Annual Authority Service Plan](#); as well as the [Annual Service Plan Report](#) for submission to the Ministry
- (3) Provide guidance in setting the strategic priorities and directions required to achieve expected outcomes; provide advice on goals and priorities for the three and five-year planning period;
- (4) Discuss and advise on the long-term strategic direction for the Authority to meet population health needs within the context of the provincial strategic direction, including advising on short-term decisions and alignment with the Authority’s long-term strategic direction;
- (5) Review and monitor the Authority’s performance and management’s success in achieving goals and targets as set out in the annual Service Plan, Ministry of Health performance expectations and Interior Health’s key Strategic priorities.

- (6) Provide advice to the Board Chair and President and Chief Executive Officer regarding emerging risks as it relates to the strategic priorities for the Authority;
- (7) Identify key issues arising from the environment in which the Authority operates and consider broad strategies to manage these issues;
- (8) Recommend the timing and direction for the Board's annual strategic planning/review session, in consultation with the Board Chair and the President and Chief Executive Officer;
- (9) As part of the future strategic scanning and advice on strategic priorities for the Authority, review the Information Management and Information Technology ("IMIT") long-term strategic focus and alignment with overall Authority and provincial strategic direction; ensure that an information technology plan is in place that effectively supports the longer-term service needs of the health authority and mitigates related risks;
- (10) As required, receive and review reports by the Ministry of health and Ministry of Mental Health and Addictions, Authority management and Internal Audit;

TERMS OF REFERENCE BOARD OF DIRECTORS APPENDIX B – ANNUAL CALENDAR						
Terms of Reference Section and Activity	Fiscal Year					
	April	Jun	Oct	Dec	Feb	As Required
3 (1) Human Resources President and CEO						
Approve the President & CEO’s total compensation		X				
Participate in the Board Chair and Governance & Human Resources Committee Chair led review of the CEO’s performance at least annually, against agreed upon annual objectives;		X				
Receive for information certain matters relating to all Executive and Excluded/Non-Contract personnel including compensation and material changes to programs		X				
Ensure management succession planning is in place, including supporting training and development programs						X
Ensure human resource and medical staff resource plans are in place	X	X	X	X	X	
Ratify HEABC negotiated tentative collective agreements as required;						X
3 (2) Human Resources Internal Auditor						
Annually with the CEO, review the performance of the Corporate Director, Internal Audit	X					
Review and concur with the appointment, replacement, or dismissal of the Corporate Director, Internal Audit.						X
3 (3) Mission, Strategy and Service Plan						
Participate with management in the development of, and ultimately approve, the Authority’s Vision, Mission, Values and Strategic Goals;						X
Approve the annual Service Plan						
Approve annual capital and operating budgets		X				

Monitor and evaluate the Authority's performance against plans:						
Health System Performance Report (PRISM)		X				X
Interior Health Service Plan Report		X			X	
Interior Health Strategic Priority Report (SPR)		X Year-end			X Current year update	
Quality and Performance Report (QPR)	X	X	X	X	X	X
Receive advice from the Governance and Human Resources Committee and direct implementation of actions to cultivate an engaged workforce and a healthy workplace.	X		X			X
3 (4) The Medical Staff						
Approve Medical Staff By-Laws and Rules						X
Receive regular reports from the Health Authority Medical Advisory Committee and deliberate all recommendations made by the same to the Board; and	X	X	X	X	X	X
Approve appointment, privileges, and reappointment for all members of the medical staff.	X	X	X	X	X	X
Review and approve human resource planning for the medical staff						X
Review and approve medical staff leadership appointments as recommended by HAMAC						X
3 (5) Financial and Organizational Risk Issues						
Ensure the implementation and integrity of the Authority's internal control and management information systems;						X
Approve annual budget management plan		X				
Monitor service, operational and financial results including organizational risk register;	X	X	X	X	X	X
Approve annual financial statements, and approve release thereof by management;		X				
Approve appointment of external auditors and approve auditors' fees;		X				
Review and approve the Internal Audit Charter		X				
Review and approve the Internal Audit Project Plan and the Annual Audit Report.		X				X

Meet in Camera with Internal Auditor	X	X	X	X	X	X
7 Legislation, Policies and Procedures						
Review significant new policies or material amendments to existing policies.						X
Monitor compliance with all significant policies and procedures by which the Authority is operated						X