

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 interests and responsibilities typically associated with a governing body – strategic planning, risk management, organizational and management capacity, internal control, 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 is the organizing principle of the Board and 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

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 strategies 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) **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;
 - (ii) deliver high quality care;
 - (iii) ensure sustainable healthcare by improving innovation, productivity and efficiency; and
 - (iv) cultivate an engaged workforce and a healthy workplace.

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(3) 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.

(4) Financial and 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 financial and non-financial risks of the Authority and implements appropriate systems and programs to manage these risks;
- (c) monitor 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 Rolling Project Plan and the Annual Audit Report.

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(5) Policies and Procedures

The Board has the responsibility to:

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

(6) 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 financial performance of the Authority is adequately and promptly reported to the Government and 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.

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- (2) Directors are under a fiduciary duty to the Authority to carry out the duties of their office:
 - (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 law.