



IWK Health

**IZAACK WALTON KILLAM
HEALTH CENTRE**

BOARD GOVERNANCE POLICY

2024 Revision

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BOARD GOVERNANCE POLICY

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EXECUTIVE SUMMARY

The term governance refers to the framework of rules, systems and processes put in place to oversee and monitor an organization. The Izaak Walton Killam Health Centre (**IWK Health Centre**) governance model involves the following three key parties in its structure:

1. the Government of Nova Scotia, represented by the Minister of Health and Wellness (**Minister**);
2. the directors who are elected or appointed to the Board; and,
3. the President & CEO (**CEO**) who is recruited and appointed by the Board.

The IWK Health Centre is a corporate entity created by statute. Its powers and the foundation of its governance structure are legislated by the *Health Authorities Act* (Act). The Act created a governing Board of Directors (**Board**) to which it has vested the management and control of the affairs of the IWK Health Centre. The Board in turn delegates leadership, management, and the achievement of strategic and business objectives to the CEO, subject to the Act, Regulations and the By-laws of the IWK Health Centre.

All three parties have critical roles and responsibilities in the effective governance of the IWK Health Centre, which cascade into each other. These roles and responsibilities must be clearly defined and respected to ensure all parties function cohesively and that there is not overlap, duplication or usurpation of responsibility impeding the IWK Health Centre's governance and performance.

The Board of Directors has top-level involvement in the leadership of the IWK Health Centre. Accordingly, the deliberations and decisions it undertakes are strategic in nature. The Board's primary responsibilities are to:

1. provide strategic stewardship;
2. approve annual budget and business plan and monitor performance;
3. ensure effective risk management;
4. select and monitor the performance of the CEO;
5. ensure its own effectiveness; and,
6. be an ambassador of the IWK Health Centre.

The IWK Health Centre's Chair is the head of the Board of Directors whose primary responsibilities are to:

1. manage the Board;
2. provide leadership/mentorship to enhance the Board's effectiveness;
3. act as a liaison between the Board and the CEO; and,
4. act as a liaison with the government and other stakeholders.

The CEO, who is the only employee directly accountable to the Board, participates in Board deliberations. It is the CEO's responsibility to implement the Board's decisions. The CEO's primary responsibilities are to:

1. provide strategic and operational leadership to the IWK Health Centre;
2. support the Board in the fulfillment of its responsibilities;
3. manage the IWK Health Centre's operations and relationships; and,

4. ensure corporate performance and measure and report on performance.

The IWK Health Centre is committed to accountability and ensuring the evaluation and measurement of not only its corporate performance and the achievement of its strategic objectives but also its governance performance. This Policy will be reviewed on an annual basis to ensure it is reflective of appropriate and relevant corporate governance practices.

I. POLICY OBJECTIVES

The purpose of this Policy is to outline the roles and responsibilities of the Board of the IWK Health Centre in order to fulfill its fiduciary, legislative and corporate responsibilities. In addition, the Policy includes information on the operation, authority and administration of the Board's activities.

The Board will aim to achieve the purpose of the IWK Health Centre. The purpose of the IWK Health Centre is to passionately pursue a healthy future with women, children, youth, and families in all their diversity through excellence in care; research and innovation; and applied learning. In exercising its' responsibilities the Board will commit to the areas of strategic focus and the priorities of the IWK Health Centre

1. System Leadership, Partnership and Advocacy

Lead the population health agenda for children, youth and women in Atlantic Canada with our partners and communities.

Sustain and grow the IWK's position of excellence as an academic health sciences centre in clinical care, research and teaching.

Create a shared vision of the IWK's role, academic mandate and regional reach.

Commit to creating a welcoming and inclusive environment for patients, families and staff where we strive for diversity to be respected, embraced and valued.

2. Research and Innovation

Drive a culture of creativity, discovery and innovation.

Transform care through fully integrated, internationally recognized research, teaching and care.

3. Achieving as a High Reliability Organization: Safe Care through Continuous Learning, Quality Improvement and Inspired People

Deliver high quality, safe care by focusing on leadership of inspired people, robust continuous improvement while managing and leveraging risk.

Create an inspiring work environment that supports high performing teams and invigorates the passion and compassion of our people.

Deliver an exceptional experience by engaging patients, families and partners to co-create care delivery and models of care.

4. Responsible Stewardship

Create a system of accountability and achieve operational excellence by using our resources wisely and demonstrating value to stakeholders.

II. OVERVIEW OF GOVERNANCE STRUCTURE

Under the accountability framework set out under the *Health Authorities Act*, the IWK Health Centre is accountable to the Minister in relation to achieving the strategic priorities and expected results for the health system.

Pursuant to the Act and Regulations, the Minister has been given the authority to carry out the following responsibilities:

1. Set the strategic direction of the health system by establishing a multi-year provincial health plan;
2. Establish an accountability framework for the purpose of ensuring that the provincial health plan is implemented;
3. Establish policies, standards and guidelines for the administration of the provision of health services;
4. Determine the health services to be provided by the IWK Health Centre;
5. Administer the allocation of available resources for the provision of such health services by the IWK Health Centre;
6. Require the IWK Health Centre to prepare and implement a health services business plan and such other plans the Minister consider appropriate.

The following table lists each of the powers and responsibilities of the Minister, and the source authority from the *Health Authorities Act* (Act):

#	Responsibility Of Minister	Authority, Section
1.	Determine the organization and internal management of the IWK Health Centre	Act, 9(A)
2.	Appoint appropriate advisory groups or committees	Act, 9(B)
3.	Establish requirements for the public engagement plan	Act, 9(C)
4.	Dismiss all of the directors of the IWK Health Centre and appoint an interim administrator	Act, 10
5.	Audit any program, facility, service or action of the IWK Health Centre	Act, 12(1)
6.	Remove or suspend any director, regardless of whether the director's term has expired	Act, 16
7.	Make By-Laws respecting the management of the IWK Health Centre	Act, 20(1)
8.	Make By-Laws respecting the granting, variation, suspension and revocation of privileges in relation to physicians, dentists, etc.	Act, 21

#	Responsibility Of Minister	Authority, Section
9.	Amend, revoke or replace By-Laws respecting medical and dental staff	Act, 23
10.	Approve annual report from the IWK Health Centre	Act, 28
11.	Approve monthly financial reports and audited financial statements	Act, 31
12.	Approve capital expenditures	Act, 32
13.	Approve Plan to make up annual funding deficit	Act, 33(3)
14.	Approve Plan to spend annual funding surplus	Act, 34(2)
15.	Approve extension of appointment of Auditor beyond 3 years to a maximum of 5 years	Act, 36(2)
16.	Approve Health Services Business Plan	Act, 41(1)

From a governance perspective, the Board is the link between the Minister and the organization. The Board is actively involved in long-term strategic planning, defining success, prioritization of objectives, succession planning and risk management. It must assure itself that appropriate systems of governance, leadership and stewardship are in place. To do this, and yet empower the CEO to lead and manage, is one of the most critical success factors of the Board.

The IWK Health Centre's Board is primarily a *governing board*. It has ultimate corporate accountability and is positioned at the head of the organization. Due to the nature and extent of experience of its directors, the Board at times fulfills an advisory role, providing business advice and guidance to the CEO. It is not a working Board as the IWK Health Centre's organizational structure provides for a strong staff component and resources.

The CEO is the head of management. The primary role of management is to manage the operations of the business and be accountable to the Board. The CEO's only accountability is to the Board. Even though there may be interactions between the Chair / directors and the Minister, the CEO is only instructed by the Board as a whole through the directions received from the Chair. The CEO, by definition, is the person through whom all upwardly accumulating accountability flows.

The following table lists the powers and responsibilities of the Board and CEO of the IWK Health Centre, and the source authority from the *Health Authorities Act* (Act):

#	Responsibility of Board and/or CEO	Authority, Section
1.	Determine priorities in the provision of health services by the IWK Health Centre and allocated resources accordingly (as directed by the Minister)	Act, 19(A)
2.	Recommend to the Minister which health services should be made available by the IWK Health Centre	Act, 19(B)
3.	Consult with the Minister and implement the provincial health plan	Act, 19(C)
4.	Prepare and submit a health services business plan to the Minister	Act, 19(D)
5.	Implement the health services business plan for the IWK Health Centre	Act, 19(E); 40(1)
6.	Assist the Minister in the development of and implementation of health policies and standards, health information systems, human resource plans for the health system and other provincial health system initiatives	Act, 19(F)
7.	Meet any standards established by the Minister with respect to the quality of health services provided by the IWK Health Centre	Act, 19(G)
8.	Comply with any directions, policies or guidelines issued or established by the Minister in respect to the health services provided by the IWK Health Centre	Act, 19(H)
9.	Provide to the Minister such information, including personal information, as is required by the Minister for the purposes of monitoring and evaluating the quality, efficiency, accessibility, and comprehensiveness of the health services	Act, 19(I)
10.	Report on health systems performance, as required by the Minister	Act, 19(J)
11.	Develop and implement health system improvement plans as required by the Minister	Act, 19(K)
12.	Operate in accordance with any accountability framework established by the Minister	Act, 19(L)

#	<i>Responsibility of Board and/or CEO</i>	<i>Authority, Section</i>
13.	Assess the health needs of the residents of the Province and create community profiles according to the requirements established by the Minister	Act, 19(M)
14.	Provide to the Minister any other reports as required by the Minister	Act, 19(N)
#	<i>Powers</i>	<i>Authority, Section</i>
15.	Amend (upon Minister approval) the By-Laws respecting the management of the IWK Health Centre	Act, 20(2)
16.	Make or amend (upon Minister approval) By-Laws respecting medical and dental staff	Act, 22(1)
17.	Deliver Annual Report to Minister on date prescribed by Minister	Act, 28(1)
18.	Acquire, hold, lease, sell or convey real or personal property	Act, 29(1)
19.	Execute or carry out any trust respecting real or personal property donated to the IWK Health Centre	Act, 30(A)
20.	Make, accept, draw, execute, issue and endorse bills of exchange, cheques, promissory notes, etc.	Act, 30(B)
21.	Invest money (pursuant to the <i>Trustee Act</i>)	Act, 30(C)
22.	Erect, maintain, improve, repair or alter buildings used in the IWK Health Centre's operations	Act, 30(D)
23.	Borrow money in accordance with the <i>Finance Act</i>	Act, 35
24.	Appoint Auditor of the IWK Health Centre to a term of up to 3 years	Act, 36(1)

III. ROLES AND RESPONSIBILITIES

A. **Board of Directors**

The Board's responsibilities are categorized into the following groups:

1. Fiduciary responsibilities;
2. Oversight responsibilities; and,
3. Operational responsibilities.

The Board's *fiduciary responsibilities* are to:

- act honestly;
- act in good faith;
- give loyalty;
- exercise authority within the parameters of the position;
- disclose conflicts of interest;
- avoid breach of confidence; and,
- hold in strict confidence all transactions and business affairs affecting the IWK Health Centre.

The standard required is that a director uses reasonable care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances. Duties of care, skill and diligence consist of the following characteristics:

- exercise reasonable care;
- prepare for, and attend, meetings;
- keep informed;
- act intelligently;
- avoid imprudent judgment by applying appropriate due diligence in decision making;
- provide adequate supervision, and,
- question things that are not clear or not understandable.

The Board's *oversight responsibilities* consist of the following:

1. **Provide Strategic Stewardship**

- Adopt a strategic planning process and approve a Strategic Plan for the IWK Health Centre developed in collaboration and consultation with the CEO and management.
- Devote sufficient Board time to consideration of strategic issues, including an annual off-site strategy session and a strategy discussion at each Board meeting, and incorporate an environmental scan into the strategic process. An environmental scan identifies and assesses internal and external forces that may affect the IWK Health Centre in the future. The scan incorporates data and trends on external factors such as demographics, economic, social, labour, legal, political and technological as well as internal factors such as human resources, organizational and

management. The objective is to identify emerging issues, situations, opportunities and threats that may affect the IWK Health Centre's future and when identified, determine their impact on the Strategic Plan.

- Ensure strategic goals align with the IWK Health Centre's legislative responsibilities as well as its purpose and are strongly tied to appropriate metrics.
- Remain aware of emerging trends and their implications on the IWK Health Centre's operations and provide strategic advice and direction to the CEO.

2. *Approve Annual Business Plan and Monitor Performance*

- Approve the Business Plan of the IWK Health Centre.
- Confirm the measures and targets that will be used to assess the IWK Health Centre's performance for the year.
- Review performance against these targets at each Board meeting, assessing all variances and determining whether the results warrant modification to the business plan and / or the execution of planned initiatives.
- Approve audited Financial Statements and Annual Report.

3. *Ensure Effective Risk Management*

- Ensure a risk management policy and system is in place to effectively identify, assess and mitigate strategic, operational and emerging risks to the IWK Health Centre.
- Identify strategic risks, in conjunction with the CEO, and provide strategic advice on the effective mitigation of those risks.
- Ensure an annual review of risk management.
- Receive and consider reports on the key risks, be informed of management's course of action on these risks and ensure they are being appropriately managed.

4. *Select and Monitor the Performance of the CEO*

- Establish specific annual performance targets and results to be achieved by the CEO.
- Evaluate the CEO's performance annually against agreed upon performance targets.
- Make recommendations on the CEO's compensation.
- Establish a CEO succession plan.
- Provide advice to the CEO on significant and / or strategic issues.

5. *Ensure Its Own Effectiveness*

- Develop and approve the Board Governance Policy.
- Develop and implement a comprehensive Board Orientation Program for new directors, to be completed within the first year of appointment.
- Develop and implement a Board Education Program on an annual basis in order to ensure directors are knowledgeable about the IWK Health

Centre's business, the environment in which it operates as well as effective board governance.

- Develop and execute a Board recruitment process, including the development of a Board Skills and Competency Matrix.
- Develop an Annual Board Work Plan.
- Assess Board effectiveness annually inclusive of the Board, Board Chair, Vice Chair, Committee Chairs and individual directors.

6. *Be an Ambassador of the IWK Health Centre*

- Attend the IWK Health Centre events, including those held in the director's community.
- Assist in identifying and securing individuals in the community to attend these events.
- Support the activities of the IWK Foundation as it carries out its purpose.
- Apply specific knowledge to support management in its deliberations on transactions and other key decisions facing the organization.
- Bring forward any identified business opportunities to the CEO so that they can be assessed pursuant to the goals and objectives of the IWK Health Centre.
- Speak favourably about the IWK Health Centre with the general community and if requested by the CEO or the Board, disseminate information with identified audiences (this is not referring to responding to media enquiries, which is the Chair's role should a Board response be required).

In addition to the above responsibilities, the Board is required to carry out certain *operational responsibilities*, most of which are defined in legislation, regulations, By-laws or policy. They consist of the following matters:

- Approve corporate policies deemed necessary for the effective operation of the IWK Health Centre.
- Approve material operating expenditures, defined as in excess of **\$1,000,000**, that were not included in the approved budget.

B. Chair of the Board

The Chair is the head of the Board of Directors and as such, has all of the responsibilities that an **individual director** has, as well responsibility to:

1. *Manage the Board*

- Call meetings of the Board, including special meetings if required.
- Work with the Vice-Chair and CEO to prepare agendas for Board Meetings.
- Ensure agendas are forward-looking, concentrating on strategic matters, reflecting current priorities and take into account the issues and concerns of all Board members.

- Ensure Board members receive accurate, timely and clear briefings and information to enable the Board to make sound decisions, monitor performance and provide strategic advice.
- Ensure the Board operates independently of management.
- Ensure sufficient time is allowed on agendas for discussion of complex or contentious issues.
- Encourage full participation, stimulate debate and facilitate consensus.
- Ensure clarity regarding decisions and that decisions are duly recorded.
- Call for votes when appropriate for decision.
- Identify, determine and resolve conflicts of interest.
- Rule on questions of order and maintain order.
- Ensure the Board conducts itself in accordance with the governing law, By-Laws and policies.
- Ensure compliance with the governance and other policies of the Board, including conduct of Board meetings.
- Approve other directors' expense claims.
- Communicate with directors between meetings.
- Ensure procedures are in place to allow the Board to engage outside advisors at the expense of the organization in appropriate circumstances.

2. *Provide Leadership / Mentorship to Enhance Board Effectiveness*

- Participate in the Board Orientation Program.
- Build Board unity, solidarity and trust.
- Demonstrate integrity and ethical leadership.
- Assist fellow Board members in understanding their roles, responsibilities and accountabilities, including their risks and liabilities as individual directors.
- Ensure corporate governance issues receive due consideration and attention by the Board.
- Take the lead in identifying opportunities to meet the development needs of individual directors to enhance individual and overall effectiveness of directors.
- Encourage active, engaged participation by all Board members.
- Ensure the performance of the Board is rigorously assessed and reported on a regular basis.
- Work with individual Board members to assist them in assessing their performance.
- Completes a transition with the incoming Board Chair. The transition process to be guided by a checklist which includes CEO performance. The outgoing Board Chair will certify completion of the transition in writing.

3. *Act as a Liaison Between the Board, the CEO and the Minister*

- Provide support, advice and encouragement to the CEO while respecting the CEO's role and responsibilities.
- Work closely with the CEO to direct the development of the IWK Health Centre's Strategic Plan.
- Act in an advisory capacity to the CEO in matters concerning the significant and / or strategic interests and management of the IWK Health Centre.
- Work in partnership with the CEO to ensure Board resolutions are carried out.
- Approve CEO expense claims.
- Facilitate the establishment of the performance standards and evaluation criteria for the CEO.
- With the Vice-Chair coordinate the CEO's annual performance evaluation.
- Ensure a succession plan is in place for the CEO and is updated and communicated, as required, through to the Board.
- Oversee the search for a new CEO, when required.
- Liaise as needed with the CEO and the Minister, as well as the Governor in Council.

C. Vice-Chair of Board

The Vice-Chair is a member of the Board and an ex officio member of Board committees. In the absence of the Chair, the Vice-Chair will act as Chair assuming the roles and responsibilities as noted above.

D. Board Committees

The IWK Health Centre's Board of Directors may choose to delegate certain aspects of its responsibilities to various committees of the Board, comprised of directors from the Board or other qualified individuals from the community (Community Members). These committees are accountable to and must report regularly on their activities to the Board. The Terms of Reference of any such committee must be approved by the Board. The chairs of the Board's standing committees (described in section IX) as well as the composition of these committees will be approved by the Board. Unless otherwise provided by Board resolution, committee members continue to be a member until the expiration of their term on the IWK Health Centre Board. The chairs and composition of Board committees are reviewed annually.

IV. BOARD / CEO RELATIONSHIP

Ideally and in practice, the working relationship between the Board and the CEO is a collaborative one. The CEO is a member of the Board and is integral to its effective operation, during the Board's deliberation and decision making. The CEO is an attendee at Board meetings (with the exception of the portion of in-camera session held at each meeting to allow the Board to meet without the CEO). Similarly, the collective knowledge and experience of the Board is a valuable resource for the CEO to draw upon.

It is important for the Board and CEO to observe and respect the scope of each other's authority and to delineate how they will work collaboratively in the discharge of their authority and responsibilities.

The protocol in place between the IWK Health Centre's Board and CEO is outlined below:

- Any delegated Board authority is delegated through the CEO, so that the authority and accountability to staff – as far as the Board is concerned – is considered to be the authority and accountability of the CEO.
- The Board directs the CEO to achieve certain results and sets parameters to guide the practices and conduct of the CEO in achieving the agreed results.
- Based upon the relevant Board direction, the CEO is authorized to establish the required business strategies, make decisions, take actions, determine operational practices and develop activities for the IWK Health Centre.
- The Board may shift the boundaries between the Board and CEO domains but by doing so, the Board will be changing the latitude given to the CEO. However, as long as any particular delegation of authority is in place, the Board respects and supports the CEO's choices.
- Only the decisions of the Board acting as a single body are binding upon the CEO. Decisions or instructions of individual Board members are not binding upon the CEO except in circumstances when the Board has authorized such an exercise of authority.
- The Board speaks with one voice, through the Chair, to the CEO. The Chair, at such times as is agreed by the Board, may appoint one or more directors to address specific issues with the CEO. Only the decisions of the Board, as opposed to those of individual members of the Board, are binding on the CEO. Acting alone, the Chair has no authority to direct the CEO.
- In the case of Board members or committees of the Board requesting information or assistance without Board authorization, or not within the scope of the Board's and committees' responsibilities, the CEO will address these with the Chair, or if it relates to the Chair, with the Vice-Chair.
- The CEO must be able to rely on the Board to confront and resolve issues of governance, while respectfully not becoming involved in the management of the organization.

V. CEO PERFORMANCE EVALUATION AND COMPENSATION

The IWK Health Centre Board recognizes that ensuring a regular performance evaluation of the President and CEO is a primary responsibility of the Board and is committed to ensuring such a review takes place annually. The purpose of the evaluation is to ensure high quality administrative and management leadership linked to the strategic goals of the Health Centre and to provide direction for CEO growth and development.

The evaluation of the President and CEO will be guided by the following principles:

- The evaluation of the President and CEO will occur annually;
- The responsibility for overseeing the annual performance evaluation and compensation process of the President and CEO will undertaken by the Executive Committee. Following the completion of the performance evaluation process, the Executive Committee shall report the results of the review to the Board. It will also make recommendations to the Board regarding compensation adjustments in accordance with the approved Provincial Compensation Framework;
- The Executive Committee will utilize IWK CEO Performance Development Tool to document performance based on both achievement of results and behavioural competencies. In addition, the annual review will be informed by the CEO self-assessment tool and may include multi-source feedback;
- The President and CEO, in consultation with the Board Chair and Vice-Chair, will undertake an annual self-assessment and prepare performance goals and objectives for the forthcoming year. Such goals and objectives will be presented to the Committee for its approval;
- The Board Chair and at least one other member of the Executive Committee (the Vice-Chair, when one is in place) will meet with the President and CEO to review the final report and will confirm the results of this meeting in writing to the President and CEO;

Documentation of the performance evaluation will be maintained by the Board chair.

VI. BOARD COMPOSITION AND TERMS

The IWK Health Centre is governed by a Board consisting of directors elected or appointed in accordance with the By-laws. The Chair is a member of the Board and is elected by the members of the Board. The Board may appoint a Vice-Chair from one of its members, through a nomination process as established by the Governance, Nominating and Human Resources Committee and outlined in section VIII.

As a Board setting strategic direction for health care services offered throughout the Maritimes, it is essential the Board be comprised of individuals that reflect the population

served and have the requisite experience and skills to provide the necessary oversight to the organization.

In order to be eligible to be a director, a person must be at least nineteen years of age, of sound mind, be deemed to be an individual and not in a state of bankruptcy. A director ceases to hold office if they die, resign, are removed from office, or become disqualified from being a director under the Act or By-Laws. As a best practice and to align with requirements for all IWK volunteers, before an individual can stand for appointment to the Board, they must complete a Criminal Records Check. The results of such Criminal Records Check will be shared with and must be acceptable to the Governance, Nominating and Human Resource Committee.

A director may resign and is required to provide such resignation in writing. The resignation comes into effect when the written resignation is received or on the resignation date that is provided in the written communications.

The length of a director's term is determined by the Board and the By-laws. A director's service on the Board cannot exceed two consecutive three year terms, pursuant to the Corporate By-Laws, unless that person is moving to or is serving in as the Board Chair, Vice-Chair, Past Chair and/or Committee Chair). No director shall serve a term exceeding nine consecutive years. Following a three-year absence from the Board, an individual can be reappointed as a director.

The Board of Directors can appoint members of the community to serve as Community Members on Board Committees. After identification of a need for a Community Member at a committee level, a request is made to the Governance, Nominating and Human Resource Committee to recruit through the established processes. Community Members are appointed annually for a one-year term, renewable annually for up to three years. No individual shall serve more than three consecutive one-year terms as a Community Member, except as otherwise permitted from time to time by resolution of the Board Community Members who have fiduciary responsibilities to the IWK (described in section III) and the obligation to exercise reasonable care, diligence and skill in their role as members of Board Committees.

VII. BOARD REMUNERATION

The IWK Health Centre Board is a committed group of directors who invest considerable time and effort into the organization. The directors serve without remuneration.

Eligible expenses are submitted for reimbursement by the director using the prescribed form and are approved by the Chair. Any submitted expenses by the Chair are approved by the Vice Chair.

VIII. BOARD RECRUITMENT, APPOINTMENT AND PROCESSES

The Governance, Nominating and Human Resources Committee leads the director recruitment, appointment and orientation processes on behalf of the Board. For those vacancies that are known given the end dates of directors' or officers terms, the Board endeavours to initiate the process at least four months before the date of the completion of term with the recommendations submitted to the Board two months prior to the completion date.

Directors:

The Director appointments identified in the Corporate Bylaws as Ministerial appointments cannot be made by the Board.

For all other Director appointments, the Board elects the members of the Board for defined terms. Vacancies on the Board will occur from time to time due to the normal expiration of terms as well as an unexpected resignation of a director from the Board. When these vacancies occur, to enable the Board election process, the Governance, Nominating and Human Resources Committee submits possible nominees to the Board for consideration. The Board will advise approval of the nominee(s) or will advise that none of the nominees are approved. Should the latter occur, the Governance, Nominating and Human Resources Committee proceeds to conduct a new identification / search process.

The Governance, Nominating and Human Resources Committee, identifies candidates through a public call for directors and applies its Board Skills and Competency Matrix tool in order to determine whether targeted recruitment is also necessary. The purpose of the model is to ensure Board effectiveness through the identification of the necessary skills, experience and diversity to optimize its performance. As required by the Corporate By-Laws, the Board will consider geography and consult with the provincial Ministries of Health when identifying possible candidates. Second, the skills, experience and diversity of the existing directors are categorized in order to create an existing profile. Third, the desired and existing profiles are compared and any gaps identified. These gaps are used to inform the identification of director candidates.

Board Vice-Chair:

The Vice-Chair is a member of the Board, is elected by the members of the Board and normally serves a term of two years. In the normal course, the Vice-Chair will assume the Chair role upon the completion of the two-year term of the Chair, however circumstances may exist where a new Chair must be selected outside the "normal course" and appropriate variation to the process may be required.

The Governance, Nomination and Human Resources committee will consider the particular desired or required attributes at the present time including board and career experience, diversity, leadership style, understanding of the organization, etc. and also seek input from a number of sources regarding potential candidates:

1. During annual one-on-one sessions with individual directors the Chair will inquire about director interest in serving in leadership roles on the Board, including the Vice Chair role
2. As part of the annual review of Board performance the Executive Committee may identify candidates for consideration
3. Any Director may express and interest in being considered for the role.
4. Any other person or organization who may help inform the process

If a suitable and willing internal candidate is identified, the Governance, Nominating and Human Resources Committee submits the nominee to the Board for consideration. The Board will advise approval of the nominee or will advise that the nominee is not approved.

If no suitable and willing internal candidate is identified, the Board will develop a process by which an external candidate will be sought.

Board Chair:

The Chair is a member of the Board, is elected by the members of the Board and normally serves a term of two years. In the normal course, the Vice-Chair will assume the Chair role upon the completion of previous Chair, however circumstances may exist where a new Chair must be selected outside the “normal course” and appropriate variation to the process may be required. If the Vice-Chair does not assume the Chair position the process to identify and elect the new Chair is that outlined above for the Vice-Chair.

Committee Chair(s) & Membership:

All Board members are required to serve on at least one committee. In practice, the chairs of the respective committees speak with the Board Chair to determine interest in being / continuing in their respective roles as well as discuss the composition of their respective committees. Dialogue also occurs with individual directors. Based upon these discussions, a recommended committee membership is brought forward to the Board for approval.

The participation of Community Members on certain committees is beneficial to obtain a broad range of perspectives and provided specific skills, knowledge and expertise. While Community Members are not Board Directors, they provide advice, recommendations and expertise to the applicable Board committee as a voting member of the committee.

Community Members:

The participation of Community Members on certain Board Committees is beneficial to obtain a broad range of perspectives and provided specific skills, knowledge and expertise. While Community Members are not Board Directors, they provide advice, recommendations and expertise to the applicable Board committee as a voting member of the committee.

The Governance, Nominating and Human Resources Committee, identifies candidates for Community Members through a public call and assesses applicants using a skills matrix, geographic considerations and committee needs. In consultation with the committee Chair, the Governance, Nominating and Human Resources Committee brings forward a recommendation of appointment of Community Members to the Board.

IX. BOARD ORIENTATION AND EDUCATION

All new Board members are required to complete the Board Orientation Program which will be offered in conjunction with the first Board meeting after the Annual General Meeting. Orientation to Board committee responsibilities will be included in the general orientation and supplemented by an additional session facilitated by the Committee Chair.

Ongoing education of directors on governance and issues related to health and health care delivery is incorporated into regular Board meetings and the annual Strategy Session.

X. BOARD AND COMMITTEE MEETINGS AND QUORUM REQUIREMENTS

Prior to the beginning of each fiscal year, an annual Board Meeting Schedule will be prepared and approved by the Board for the upcoming fiscal year. The schedule lists dates, times and incorporates the Board's Annual Work Plan by noting the planned key agenda items to be covered at each meeting. Each Committee will also establish an annual meeting schedule and Annual Work Plan.

In addition to the regular meetings, the Board holds a Strategy Session each year in order to solely focus on its strategic stewardship responsibility. Directors are expected to attend all Board meetings, committee meetings and Strategy sessions. In the event a director is unable to attend, advance notice to the Board chair and or committee chair is required. The Board coordinator will maintain a record of attendance.

Material for Board and Committee meetings is to be provided seven days in advance of each meeting. The agenda follows the prescribed Board Meeting agenda. The majority of voting directors of the Board constitutes a quorum for Board and Committee meetings, as articulated in the Corporate By-Laws and as a common practice among boards.

An in-camera session will be held among the directors of the Board and the CEO, as well as among the voting directors of the Board only at each Board meeting. In-camera sessions at the outset and conclusion of each Board meeting provides directors with the opportunity to discuss safety incidents, legal matters, performance and human resource issues and meet with external auditors confidentially. Committees must also conduct confidential business matters, personnel and/or discussion of legal issues in-camera. Any key discussion items as well as any action or decision items which are not confidential, will be documented into the meeting minutes. Confidential in-camera discussion topics and resulting actions will be documented by the Board Chair/Committee Chair at the meeting. The Board Chair will inform the CEO of any actions or issues arising from in-camera discussions at the Board meeting which require follow-up by the CEO. Guidance on conducting in-camera sessions is provided at Schedule A.

Special meetings of the Board may be called by the Chair at any time. Special meetings can also be convened by the Chair upon the written request of one half of the voting members of the Board. Special meetings will be preceded by written notice of at least 48 hours and will include a statement of purpose. Efforts will be made to contact each Board member to confirm their attendance. These meetings may be held if all directors agree, in written form, to waive notice or that the meeting can be held without formal notice. Attendance of a director at this meeting is deemed to be a waiver of notice unless the director's attendance is for the express purpose of objecting to the transaction of any business on the basis that the meeting is not lawfully called.

In circumstances where Board approval of a committee recommendation or document is required on a time sensitive basis, the Board Chair shall assess whether the approval sought requires Board discussion prior to advancing a motion. If the Board Chair assesses that the information supporting the recommendation/document is sufficient and no discussion required, the Chair can authorize the recommendation/document and supporting motion be circulated to the full Board for information and approval by the voting directors by email. The approval by email of the majority of voting directors is required to approve the motion. All emails indicating approval of the motion shall be retained by the Board Coordinator. Should any director request additional information or discussion of the motion, the Chair will call a special meeting.

At the next regular meeting of the Board, any motions approved by email will be included in the consent agenda and recorded in the minutes of the regular Board meeting. To facilitate decision-making, the Board and Committees will use consent agendas. Guidance on what topics and support documentation are appropriate for consent agendas is provided at Schedule B.

XI. COMMITTEE STRUCTURE AND MANDATES

There are six standing committees that carry out specific responsibilities and make recommendations to the Board with respect to matters:

Finance, Audit and Risk Management Committee (required pursuant to the Act);

Quality Committee (required pursuant to the Act);

Governance, Nominating and Human Resources Committee;
Building and Infrastructure Committee;
Research Committee; and
Executive Committee.

The mandate of the **Finance, Audit and Risk Management Committee** is to provide oversight of the IWK Health Centre's financial, audit and risk operations. Key responsibilities include the review of financial reports, recommend approval of the annual audited financial statements to the Board, review of enterprise risk management activities and oversight over the financial reporting system and the financial affairs of the IWK Health Centre.

The mandate of the **Quality Committee** is to assist the Board and the executive leadership team to maintain and evaluate an organization-wide quality improvement and safety program in relation to quality planning control, quality improvement, risk management, utilization review and such other activities set out in the *Health Authorities Act*.

The mandate of the **Governance, Nominating and Human Resources Committee** is to lead the director nomination process, ensure there is a comprehensive orientation and education program for directors and provide oversight to corporate governance practices, including an effective Board Governance Policy. In addition, the committee provides oversight for issues relating to the human resources and People Strategy of the organization.

The mandate of the **Building and Infrastructure Committee** is to review and make recommendations to the Board with respect to the management and development of the real property and physical infrastructure of the IWK Health Centre.

The mandate of the **Research Committee** is to ensure that policies and systemic processes are in place and working to assess and improve the scientific excellence at the IWK. The committee will provide advice on research strategy, help to establish and monitor key performance indicators, provide feedback on the strengths and areas for development for IWK Research and receive and approve external reviews of the research programs/centres housed at IWK.

The mandate of the **Executive Committee** is to provide support to the overall proceedings of the Board as well as to the CEO, including guidance on emerging, time sensitive issues which arise between Board meetings and CEO performance and succession planning.

Terms of Reference are in place for each committee and are reviewed by the respective committee every three years. When a Committee is proposing changes to its Terms of Reference they are forwarded to the Governance, Nominating and Human Resources Committee for approval and if obtained, that Committee will forward for approval by the Board. Any proposed revisions to the Governance, Nominating and Human Resources Committee's Terms of Reference proceed directly to the Board for approval.

In addition, ad-hoc committees will be established as deemed appropriate by the Board.

XII. CODE OF CONDUCT AND CONFLICT OF INTEREST

Business conduct and ethics policies have become a corporate governance best practice and create a framework for influencing and monitoring the responsible and ethical discharge of individual and corporate responsibilities.

The IWK Health Centre is committed to maintaining a high standard of ethical business conduct and the Board has adopted a Code of Conduct. In addition and pursuant to the Act, the Corporate By-Laws and the *Conflict of Interest Act* applies to the members of the Board. Further, the IWK Health Centre has adopted a Disclosure of Wrongdoing Policy, which articulates the definition and disclosure requirements of real and/or perceived wrongdoing in the organization. The By-laws also provide for a number of procedures to be carried out in support of identifying and disclosing perceived or real conflicts of interest.

As part of its responsibility, directors and community members annually complete an Acknowledgement Form, indicating they have reviewed, understand and complied with the Code of Conduct and disclose whether there are any perceived or real conflicts of interest as defined by the Code of Conduct or in the *Conflict of Interests Act*.

XIII. DIRECTOR DILIGENCE, RELIANCE AND LIABILITY

The Board of Directors and Board Committee community members are volunteers, investing their time and skill to the organization. Volunteers acting diligently, in the scope of duties and in good faith are protected against personal liability for acts and omissions through legislation and insurance. In the exercise of their duties, directors and community members rely in good faith on the representations of management and/or professionals with expertise in particular areas (ie, finance, health care, law, information technology).

On an annual basis, the Finance, Audit and Risk Management Committee of the Board will confirm the status and adequacy of indemnification and insurance to ensure the Board and other volunteers are adequately protected.

XIV. PERFORMANCE MANAGEMENT AND EVALUATION

The Board and Committees conduct regular evaluations to assess and improve oversight functions. These evaluations include:

1. Board Meeting Evaluations;
2. Board Governance Functioning Tool;
3. Board Chair and Individual Self Evaluation; and
4. Committee and Chair Evaluations.

Conducting regular evaluations of Board performance is recognized and accepted corporate governance best practice. It is also a recognized best practice to engage in annual individual director evaluations. The Board supports the assessment of the collective and individual performance of directors in discharging their general and specific responsibilities. The Chair, through the Governance, Nominating and Human Resource Committee, is responsible to lead the evaluation process on an annual basis through the completion of the evaluations above and 1:1 meetings with each director.

The Governance, Nominating and Human Resource Committee is responsible for to tabulating and disseminating the results of the questionnaires/evaluations and to review them with the Board. The Governance, Nominating and Human Resource Committee further ensures that, where appropriate, action plans are developed and implemented to address identified concerns or areas where effectiveness could be enhanced. In addition, the Chair meets with individual directors as part of the Board evaluation process in order to gain any further perspectives.

The Chair is responsible to lead the annual evaluation of *individual directors'* performance using the Individual Director Self-Assessment Questionnaire through which individual directors self-evaluate their own effectiveness and performance in discharging their general responsibilities as directors. The Chair will ensure a process is in place to review results with individual directors. The Chair will ensure that, where appropriate and agreed to, action plans are developed and implemented to address areas on which individual directors wish to focus arising from their evaluations.

XV. PUBLIC ACCOUNTABILITY, TRANSPARENCY AND COMMUNICATIONS

As a publicly accountable enterprise, the IWK Health Centre adheres to the principle of transparent, complete and timely communications to its stakeholders and Nova Scotians. In order to support the Board's oversight role, the CEO will implement a process to ensure directors are apprised of public matters or emerging issues, to the greatest extent possible, in a proactive, timely and relevant manner.

Board meeting dates, agenda and minutes will be posted to the public on the IWK Health Centre's website. All regularly scheduled Board meetings will normally be open to the public. The Board will conduct confidential business in-camera and these closed sessions will be noted on the meeting agenda. In order to facilitate attendance, individuals seeking to attend a Board meeting will be requested to inform IWK Communications at least two (2) days in advance of the meeting and sign into the meeting so records of attendance may be maintained. The IWK website will set out how the public is to inform IWK Communications of their planned attendance. The public will not be able to record or take photographs of any portion of the meeting, without the advance agreement of IWK Communications and the Board Chair.

The Board Chair is the only position that speaks publicly on behalf of the Board, unless delegated by the Board Chair. Any public or media enquiries to any director are forwarded to the Chair, who in turn will address the matter with the CEO.

XVI. POLICY REVIEW

The **Governance, Nominating and Human Resources Committee** has the responsibility of facilitating the annual review and updating of this Policy to ensure it is reflective of appropriate corporate governance practices and continues to be relevant for the IWK Health Centre. Any changes to the Policy are to be brought forward to the Board of Directors for review, discussion and approval.

SCHEDULE A – IN-CAMERA GUIDELINES

Purpose

The IWK Health Centre strives to ensure best and current governance practices which include the regular use of in-camera discussions by governing board and committees. The Health Centre Board and Committees have adopted the practice of holding in-camera sessions at the end and/or beginning of Board and committee meetings.

In-camera sessions are only attended by directors but may include others (e.g. CEO, external advisors, etc.) by invitation. This practice provides an opportunity for directors to raise and discuss with each other critical issues that meet specific criteria deemed appropriate for this smaller, confidential forum. Through discussion, any concerns may be alleviated or validated; in the latter case, the Board will formulate specific follow-up requests of management.

Confidential in-camera sessions promote Board independence and serve as a helpful “early warning system” for the Board Chair and the CEO. This practice is reconcilable with accountability as stakeholders can question the processes and the outcomes. In-camera fosters and requires trust but does not unduly strain provided there is trust in the process and its use which is rationale for an explicit policy.

The IWK Health Centre’s in-camera policy should achieve the following five elements.

- 1) to ensure that the best interests of the Health Centre are being served to help the Board work through contentious yet necessary issues which may not be fully considered otherwise
- 2) to anticipate, identify and resolve conflicts proactively, rather than reactively
- 3) to provide a forum for board members who would otherwise be reluctant to speak to do so and seek advice on the appropriate way to handle issues as they arise –
- 4) to discuss sensitive or contentious issues best discussed among independent board members only including:
 - To discuss particularly sensitive matters within the jurisdiction of the Board/committee (such as litigation, stakeholder relations, organizational transitions, collective bargaining, safety incidents or management performance).
 - To discuss sensitive internal Board governance matter relating to the Board’s own functioning.
 - To provide an opportunity for the Board to review the performance and compensation of the CEO and to discuss succession plans.
 - Discuss the quality and timeliness of information provided to the Board
 - In the case of external auditors, to safeguard the independence of those auditors by providing direct access to the Board

5) to exercise restraint and discretion by observing that in-camera discussions are not intended to achieve the following:

- To deal with issues that the Board should have the courage and capacity to deal with in regular Board meetings.
- To serve as a forum to raise personal agendas or special interests.
- To alter or second guess a decision that has been presented by management and approved.
- To enable micromanagement - talking too much about operational issues that fall within management's purview.
- To draw conclusions without providing management with the opportunity to respond to any questions or concerns.

Procedure

Scheduling of In-Camera Sessions

As a matter of routine, in-camera discussions are explicitly noted in the meeting agenda typically at the beginning and/or end of each regular meeting of the Board/Committee. While this is a standing agenda item, an in-camera session can be called at any time during meetings if it is the will of the Board/Committee. In the event, after the staff have withdrawn, there is no in-camera business to discuss, the in-camera segment will be adjourned.

Attendance

As a general practice, Board/Committee meetings incorporate two in-camera opportunities. The first includes CEO/executive in attendance and anyone who is not a board member/community member is required to leave. The second in-camera opportunity transpires with voting directors/community members only. Ex officio directors, external advisors such as auditors, legal counsel may be invited by the Chair to attend one or both in-camera sessions.

In-Camera Minutes

The in-camera segment will be documented within the meeting minutes which clarify the place, date, persons attending, and chair. The confidential in-camera discussion will contain only the following information:

- The start time of the in-camera session
- CEO/Executive attending and time when CEO/Executive withdraw
- Time of adjournment of in-camera segment

Should there be a requirement for additional documentation, such as a decision requiring a vote, the in-camera session will be adjourned. Regular meeting procedures (e.g. text of the resolution, results of votes, any formal objections of directors, decisions made) will be resumed.

Role of Chair

Care must be applied by the Chair to ensure in-camera sessions remain focused on appropriate items and do not digress into areas that should be discussed in the presence of management and/or be in the minutes. The Board/Committee Chair must exercise authority to ensure appropriateness and relevance of issues raised in-camera, and to provide opportunities for all board members to contribute meaningfully to the discussion. The Chair will allow a sufficiently full discussion of topics to either dispel the concerns or develop the Board's next steps in dealing with them which would typically involve seeking more information and analysis from management.

Communication between CEO and Chair

Within 24 hours of the in-camera session, the Board/Committee Chair meets with the CEO/Executive to share on a non-attribution basis, a summary of all matters discussed during the in-camera session and any specific requests for information, further discussion or formal follow-up flowing from the in-camera discussion. In-camera sessions are not "secret" sessions; rather, they are simply an opportunity for thoughtful Board-only discussion of matters relating to the Board's work. The Chair's ability to facilitate and manage these sessions is an important factor.

SCHEDULE B – CONSENT AGENDAS

Consent Agendas are best practice for Boards. A Consent Agenda streamlines meetings and allows the focus to be on substantive issues and engaging discussion. Consent Agenda items are routine, informational and procedural matters that are most likely to be non-controversial that can be approved together without discussion or individual motions. Items requiring strategic input, decision-making or action are incorporated into new business or standing agenda items and the Board has more time to weigh in on these strategic items when a Consent Agenda process is established.

Example of Consent Agenda Items:

- Approval of Minutes and Agendas
- Committee and staff reports
- Correspondence and reports requiring no action or for information purposes
- Staff appointments requiring Board or Committee confirmation
- Routine matters such as appointments to committees
- Final approval of proposals on reports that the Board has been dealing with and members are familiar with implications.

Consent Agenda Process:

- While a Consent Agenda can improve the efficiency and effectiveness of meetings, this can only be achieved if appropriate meeting materials are identified in advance and distributed with the Board/Committee package in sufficient time for Board/Committee members to read and prepare.
1. The Consent Agenda is circulated prior to the meeting with supporting reports and back up materials.
 2. As an item of business at the meeting, the Chair asks if any Director wishes to remove an item from the consent portion of the agenda. If any Director wishes to discuss an item it is removed from the Consent Agenda.
 3. When there are no more items to remove, the Chair asks for a motion to adopt the Consent Agenda.
- When preparing the minutes, the Board Coordinator includes the full text of motions or recommendations adopted as part of the Consent Agenda.