

**BOARD MANUAL**

<b>SUBJECT: Board Terms of Reference</b>	<b>NO.: 2-A-8</b>
<b>SECTION: Structure, Roles and Responsibilities</b>	
<b>APPROVED BY: Board of Directors</b>	<b>DATE: June 28, 2023</b>

**1. Application**

This terms of reference applies to the Board of Directors of Cambridge Memorial Hospital Corporation. All capitalized terms not defined herein shall have the meaning set out in the Corporation’s Corporate By-Law.

**2. Composition**

The composition of the Board shall be set out in the Corporation’s Corporate By-Law. Each Director shall possess the qualities set out in the board policy for the recruitment, selection, and nomination of directors.

**3. Independent Functioning of Board and Committees**

- (a) The Board is responsible for establishing the appropriate policies and procedures to enable the Board, its committees, and individual Directors to function independently of management to the extent considered necessary or as required by Directors. The Board and each committee, upon the approval of the Board, can retain and terminate independent legal counsel, consultants, or other advisors with respect to fulfilling its responsibilities and each has the sole authority to approve all fees payable to an independent professional by the Hospital. Any Director can retain and terminate an independent professional with the prior approval of the Governance Committee.
- (b) Each committee can conduct all or part of any meeting in the absence of management, and it is each committee’s policy to include such a session on the agenda of each regularly scheduled meeting.

**4. Board Duties and Responsibilities**

The Board has the following specific duties and responsibilities, which except those powers as defined in Article 7.5 of the Corporation’s Corporate By-law, may be delegated to committees of the Board, in whole or in part, with ongoing reporting by the committees to the Board:

(a) Corporate Culture

The Board is responsible for:

- (i) setting the tone for a culture throughout the Corporation that is consistent with the mission, vision and values and supports the Corporation's strategy and, in that regard, expects the highest level of personal and professional integrity from the Chief Executive Officer, the Chief of Staff and leadership at all levels of the Corporation.
- (ii) overseeing the establishment and monitoring of such a culture through appropriate mechanisms, including assessing the Chief Executive Officer, and Chief of Staff of the Corporation against this expectation.
- (iii) overseeing policies in respect of the Corporation's code of conduct.

(b) Strategic Planning

The Board is responsible for:

- (i) ensuring that a strategic planning process is undertaken with Board, employees and Medical/Professional Staff involvement and approved by the Board from time to time.
- (ii) measuring and monitoring the implementation and achievement of the Corporation's strategic plans and performance targets.
- (iii) contributing to the development of and approving the mission, vision, values, and strategic plan of the Corporation
- (iv) ensuring that key corporate priorities are formulated that help the Corporation accomplish its mission and actualize its vision in accordance with the strategic plan. The corporate priorities shall be reflective of the Board's primary accountability to the Ministry of Health ("MOH") and Ontario Health and any applicable accountability agreements with the MOH or Ontario Health.
- (v) approving operating and capital plans.

(c) Corporate Performance

The Board is responsible for ensuring that there are systems in place to:

- i. identify principal risks to the Corporation in line with the Board's Integrated Risk Management policy.
- ii. monitor, mitigate and respond to the principal risks.
- iii. oversee the implementation of internal control and management information systems which will allow the Board and management to oversee the Corporation's achievement of its performance targets.

- iv. contribute to the development and approval of the performance targets including the CEO and Chief of Staff.
- v. ensure processes are in place to monitor and continuously improve upon the performance targets.
- vi. regularly review the functioning of the Corporation in relation to the objects of the Corporation as stated in the Letters Patent, the By-Laws, legislation, and any applicable accountability agreements with the MOH or Ontario Health.
- vii. establish procedures for monitoring compliance with, and take such measures as the Board considers necessary, to ensure that the provisions of the *Public Hospitals Act*, the regulations made under the *Public Hospitals Act*, and the By-Laws of the Corporation and other applicable legislation, are complied with.
- viii. establish specific policies which shall provide the general framework within which the Chief of Staff, the Chief Executive Officer, the Medical Advisory Committee, the Medical/Professional Staff, and the Hospital staff shall establish procedures for the management of the day-to-day processes within the Hospital.
- ix. ensure that optimal utilization of resources is a key focus, and that the organization operates within its resource envelope.

(d) Chief Executive Officer and Chief of Staff

The Board is responsible for providing excellent leadership and management through the Chief Executive Officer and Chief of Staff positions.

The Board shall:

- (i) select the Chief Executive Officer in accordance with the relevant Board policies.
- (ii) delegate responsibility for the management of the Corporation to the Chief Executive Officer and require accountability to the Board.
- (iii) establish a Board policy for the performance evaluation and compensation of the Chief Executive Officer. The policy shall ensure that:
  - 1. the Chief Executive Officer's performance evaluation and compensation are aligned with the Corporation's performance targets.
  - 2. all Board members are provided an opportunity to provide input into the process.

3. the Board shall be required to approve any changes to the Chief Executive Officer's employment agreement or compensation.
- (iv) select the Chief of Staff in accordance with the relevant Board policies.
  - (v) delegate responsibility and authority to the Chief of Staff and require accountability to the Board.
  - (vi) establish a Board Policy for the performance evaluation and compensation of the Chief of Staff. The policy shall ensure that:
    1. the Chief of Staff's performance evaluation and compensation are aligned with the Corporation's performance targets.
    2. all Board members are provided an opportunity to provide input into the process.
    3. the Board shall be required to approve any changes to the Chief of Staff's employment agreement or compensation.

(e) Succession Planning

The Board shall:

- (i) provide for Chief Executive Officer succession plan and process.
- (ii) provide for Chief of Staff succession plan and process.
- (iii) ensure that the Chief Executive Officer and Chief of Staff establish an appropriate succession plan for both executive management and Medical/Professional Staff leadership.

(f) Oversight of Medical/Professional Staff

The Board shall:

- (i) credential Medical/Professional Staff:
  1. make the final appointment, reappointment, and privilege decisions.
  2. ensure the effectiveness and fairness of the credentialing process.
- (ii) ensure quality goals and performance indicators are developed for approval by the Board (using best practices and benchmarks) and monitor indicators of clinical outcomes, quality of service, patient safety and achievement of desired outcomes including without limitation the patient safety Indicators.

- (iii) provide oversight of the Medical/Professional Staff through and with the Medical Advisory Committee and Chief of Staff.

(g) Relationships

The Board shall build and maintain good relationships with the Corporation's key stakeholders including, without limitation, MOH, Ontario Health, Cambridge North Dumfries Ontario Health Team (CND OHT), community leaders, patients, employees, families, caregivers, other health service providers and other key stakeholders, donors, Cambridge Memorial Hospital Foundation ("CMH Foundation") and the Cambridge Memorial Hospital Volunteers Association.

(h) Financial Viability

The Board shall:

- (i) establish key financial objectives that support the Corporation's financial needs
- (ii) ensure that the organization undertakes the necessary financial planning activities so that resources are allocated effectively and within the parameters of the financial performance indicators.

(i) Board Effectiveness

The Board shall:

- (i) monitor Board members' adherence to corporate governance principles and guidelines;
- (ii) measure the Board's own effectiveness and efficiency, including monitoring the effectiveness of individual Directors and Board Officers and employing a process for Board renewal that embraces evaluation and continuous improvement;
- (iii) ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, accreditation requirements and the By-Laws; and
- (iv) periodically review and revise governance policies, processes, and structures as appropriate.

(j) Effective Communication and Community Relationships

The Board shall:

- (i) establish processes for community engagement to receive public input on material issues.

- (ii) promote effective collaboration and engagement between the Corporation and its community, particularly as it relates to organizational planning, mission, and vision.
- (iii) work collaboratively with other community agencies and institutions in meeting the healthcare needs of the community.

(k) Fundraising

The Board supports fundraising initiatives of the Foundation.

(l) Programs Required under the *Public Hospitals Act*:

The Board shall:

- (i) ensure that an occupational health and safety program and a health surveillance program are established and regularly reviewed.
- (ii) ensure that policies are in place to encourage and facilitate organ procurement and donation.
- (iii) ensure that the Chief Executive Officer, Chief of Staff, nursing management, Medical/Professional Staff, and employees of the Hospital develop plans to deal with emergency situations and the failure to provide services in the Hospital.

(m) Communications Policy

The Board shall establish a communications policy for the Corporation and oversee the maintenance of effective relations with stakeholders (e.g. MOH, Ontario Health, CND OHT, other health service providers, clients, patients, employees, volunteers, Medical/Professional Staff, CMH Foundation, CMH Volunteer Association, federal, provincial, regional and city politicians) through the Corporation's communications policy and programs.

(n) Director Recruitment, Orientation and Evaluation

The Board shall ensure there is an appropriate, objective, and formal process for the recruitment of Directors, and the evaluation of the Board, the Board Chair, its committees, committee Chairs and individual Directors.

## 5. Meetings

The Board shall meet at least four (4) times per year as scheduled by the Chair of the Board in conjunction with the Secretary. For regularly scheduled meetings, a draft agenda for each Board meeting and other documents for consideration are provided to all Directors at least two business days in advance of each meeting. For special meetings of the Board, best efforts are made to distribute materials to the Directors as far in advance as practicable.

6. **General**

On behalf of the Board, the Governance Committee shall review and assess the adequacy of the Board terms of reference at least every 3 years and submit proposed changes to the Board for consideration.

<b>DEVELOPED: September 28, 2011</b>		
<b>REVISED/REVIEWED:</b>		
May 29, 2013	June 25, 2014	September 30, 2014
January 28, 2015	May 30, 2018	May 26, 2021
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