BOARD OF DIRECTORS MANUAL

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RESPONSIBILITIES OF THE BOARD AND BOARD DIRECTORS

Purpose

To ensure that members of the Board of Directors are aware of, understand, and accept their responsibilities to the organization and fulfill their governance role effectively.

Policy

The Board of Directors shall be knowledgeable about, clearly understand, and formally accept their governance responsibilities to the organization. The Board will exercise its authority and accountability through effective oversight, strategic leadership, and adherence to governance best practices.

Procedure

1. Primary Functions and Roles of the Board

1.1 Approving Strategic Goals and Directions

The Board exercises strategic oversight by participating in the development, approval, and monitoring of the organization's strategic plan. While implementation of the strategic plan is primarily the responsibility of management, the Board plays a key role in shaping the organization's strategic direction and overseeing the planning process.

This includes:

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- Establishing the Corporation's shared purpose and core values.
- Identifying strategic priorities and directions.
- Determining indicators used to measure organizational success.

These indicators are monitored quarterly through review of the **Corporate Balanced Scorecard** and **Strategic Initiatives Tracker**. The strategic plan will be reviewed and updated every three to five years.

As part of this process, the Board will also consider the strategic plans of system and accountability partners in order to support the delivery of coordinated, effective, and efficient services.

1.2 Establishing a Framework for Performance Oversight

To fulfill its fiduciary responsibilities, the Board oversees the operating performance of the Corporation using the Corporate Balanced Scorecard and review quarterly of **NHH Key Highlight Report: Driving Excellence in Care**.

This framework evaluates performance based on:

- Achievement of performance objectives
- Attainment of established performance targets
- Compliance with legislative requirements
- Fulfillment of service agreement targets under the **Multi-Sector Service Accountability Agreement (MSAA) and Hospital Service Accountability Agreement (HSAA)**

1.3 Overseeing Quality

The Board provides oversight to ensure that the organization maintains a strong, organization-wide commitment to quality and patient care. In fulfilling this responsibility, the Board focuses on establishing the conditions and organizational culture necessary to support high-quality, patient-centred care.

The Board monitors and evaluates performance through:

- Measurement of patient outcomes
- Assessment of the cost-effectiveness of services
- Regular review of performance indicators through the **Balanced Scorecard**
- Review of reports identifying variances in patient outcomes and areas requiring improvement

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The Board is responsible for approving and monitoring the Hospital's **Quality Improvement Plan (QIP)**, which outlines annual program improvement targets, the rationale for selected priorities, and the alignment of executive performance and compensation with these objectives.

The Board also ensures compliance with legislatively mandated quality oversight requirements, including:

- Mandatory reporting and accountability processes
- Hospital Service Accountability Agreements
- Requirements under the **Excellent Care for All Act**

Recognizing the complexity of quality of care, the Board acknowledges that specialized professional and technical expertise in medicine and hospital operations is required. Hospital management and clinical professionals therefore play a central role in identifying, addressing, and resolving quality of care and patient safety issues.

The Board maintains appropriate governance boundaries by providing oversight while avoiding involvement in operational or technical matters that fall within the responsibilities of administration and clinical leadership.

1.4 Appointing and Re-Appointing Qualified Medical Staff

A critical component of the Board's oversight of quality care is the appointment and reappointment of qualified medical staff.

Through processes established under the **Public Hospitals Act** and the organization's by-laws, the Board receives reports and recommendations from the **Medical Advisory Committee** through the Chief of Staff regarding the granting and renewal of privileges for physicians, dentists, and midwives.

The Board's oversight of this process supports patient safety and the delivery of high-quality care.

1.5 Overseeing Financial Conditions and Resources

The Board's governance responsibilities include ensuring the long-term viability and sustainability of the organization and safeguarding its assets.

Oversight of financial conditions and resources includes:

- Monitoring financial performance and organizational sustainability
- Ensuring resources and assets are available and used effectively
- Overseeing risk management processes designed to protect assets and resources

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Specifically, the Board is responsible for:

- Maintaining a **Finance and Audit Committee**
- Approving operating and capital budgets
- Monitoring financial performance
- Ensuring the integrity of financial information
- Ensuring appropriate insurance protection
- Oversight of procurement and contracts
- Maintaining an investment policy
- Oversight of pension funding obligations

1.6 Overseeing Enterprise Risk Management

The Board ensures that the organization maintains robust risk management and documentation systems, quality-focused policies and strategic directions, and policies aligned with current best practices that reduce systemic risk (e.g., capacity assessment, re-consent processes, and culturally competent communication).

The Board will receive regular briefings demonstrating that management has identified and assessed both ongoing and emerging risks, including changes in the external environment that may affect the Hospital's ability to achieve the objectives outlined in the strategic plan.

1.7 Supervision of Leadership

Ensuring effective leadership is one of the Board's most important functions. In hospitals, this includes oversight of the **Chief Executive Officer (CEO)** and the **Chief of Staff (COS)**.

The Board's supervisory responsibilities include:

- Defining expectations and performance objectives for the CEO and COS
- Leading recruitment processes for the CEO and COS
- Conducting annual performance evaluations
- Determining compensation for the CEO and COS
- Developing and approving succession plans for both roles

The Board will also ensure that the CEO and COS establish succession plans for executive management and Professional Staff leadership.

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1.8 Overseeing Stakeholder Relationships

The Board ensures that the Corporation maintains effective relationships with its stakeholders to support the achievement of its mission and strategic objectives.

The principles of accountability, transparency, and engagement guide the Board in fulfilling this role. Directors are expected to maintain awareness of the stakeholders to whom the Corporation is accountable and consider these interests when making decisions.

1.9 Managing the Board's Own Governance

The Board is accountable for its own governance performance to ensure it effectively guides the organization in fulfilling its corporate purpose.

Effective governance is supported by:

- High-quality Board membership
- Clarity regarding the Board's role
- Well-defined governance structures and processes

To promote strong governance, the Board will develop, implement, and adhere to governance policies addressing Board size, composition, recruitment, onboarding, evaluation, and ongoing development (see **NHH Board Policies I-001 through I-015 and II-001 through II-008**).

The Board will conduct an annual recruitment process designed to reduce systemic barriers while identifying Directors and Community Members who possess the skills, experience, and commitment necessary to support the Corporation and who reflect the diversity of the community. This process will also support succession planning (see **Bylaw 3.11** and **Policy I-001**).

The Board will also:

- Establish a comprehensive orientation program for new members
- Provide ongoing Board education
- Maintain an annual work plan for the Board and its committees
- Ensure Directors receive timely and appropriate information to support informed policy development, decision-making, and oversight

Reference: Ontario Hospital Association, 4th Edition (2025) *Guide to Good Governance, Chapter 3.*

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