

Sample Statement of the Roles and Responsibilities of the Board

Note: The following statement is intended to be an example that boards should adapt to meet their individual needs.

Purpose

To ensure that members of the board have a common understanding of the role of governance, the board has adopted this Statement of the Roles and Responsibilities of the Board.

Responsibility of the Board

The board is responsible for setting the strategic direction for the organization, appointing the Chief Executive Officer, overseeing financial and operational performance and safeguarding the assets of the organization. While the board delegates to management the responsibility to implement day-to-day activities consistent with the strategic direction of the organization, the board retains the responsibility to oversee management and make key strategic decisions. Each director is responsible to act in good faith, in the best interests of the hospital and the community it serves and to use the same degree of diligence, care and skill that a prudent person would use in similar situations or circumstances.

Strategic Planning and Mission, Vision and Values

- The board formulates and adopts the hospital's statement of mission, vision and values and ensures they reflect the needs of the community and other stakeholders.
- The board develops and approves a strategic plan that will enable the hospital to realize its mission and vision.
- The board oversees hospital operations for consistency with the strategic plan and strategic directions.
- The board receives regular briefings or progress reports on implementation of strategic directions and initiatives.
- The board ensures that its decisions are consistent with the strategic plan and the hospital's mission, vision and values.
- The board annually conducts a review of the strategic plan as part of a regular planning cycle.

Quality and Performance Measurement and Monitoring

- The board is responsible for establishing a process and a schedule for monitoring and assessing performance in areas of board responsibility including implementation of strategic initiatives and actions in a manner consistent with the mission, vision and values.
- The board ensures that management has identified appropriate measures of performance in mission critical areas such as:
 - Oversight of management performance.

- Quality of patient care and hospital services.
- Finance.
- External relations.
- Board effectiveness.
- The board monitors management and board performance against board-approved performance standards and indicators.
- The board ensures that management has plans in place to address variances from performance standards and indicators, and the board oversees implementation of plans of correction and remediation.

Financial Oversight

- The board is responsible for stewardship of financial resources including ensuring availability of, and overseeing allocation of, financial resources.
- The board approves policies for financial planning and approves the annual operating and capital budget.
- The board monitors financial performance against budget.
- The board approves investment policies and monitors compliance.
- The board ensures the accuracy of financial information through oversight of management and approval of annual audited financial statements.
- The board ensures management has put measures in place to ensure the integrity of internal controls.

Oversight of Management Including Selection, Supervision, Performance Evaluation and Succession Planning for the CEO

- The board recruits and supervises the CEO by:
 - Developing and approving the CEO job description.
 - Undertaking a CEO recruitment process and selecting the CEO.
 - Reviewing and approving the CEO's annual performance goals.
 - Reviewing CEO performance and determining CEO compensation.
- The board ensures succession planning is in place for the CEO and senior management.
- The board exercises oversight of the CEO's supervision of senior management as part of the CEO's annual review.

Quality Improvement, Risk Identification and Oversight

- The board is responsible to be sufficiently informed about risks inherent in hospital operations and ensures that risk analysis is integrated into board decision-making when appropriate.
- The board is responsible to be sufficiently informed of the hospital's quality improvement programs to ensure that quality improvement is integrated into board decision-making.
- The board ensures that appropriate risk management and quality improvement programs and processes are in place to safeguard patient safety and to advance the delivery of high quality and efficient care.

- While the board oversees management's performance of risk management and quality improvement, the board is responsible for monitoring the remediation of significant risks and the implementation of significant quality improvement initiatives.
- The board oversees the effectiveness of the hospital's risk management and quality improvement programs through regular reports and monitors remediation of issues discovered by such programs.

Communication and Accountability

- The board ensures the organization maintains strong relationships and effectively communicates with the community it serves, its medical staff, its employees and other stakeholders in a manner consistent with the public trust with which they serve.
- The board advocates on behalf of the hospital and the communities it serves in support of the mission, vision, values and strategic directions of the hospital.

Governance

- The board is responsible for the quality of its own governance.
- The board establishes governance structures to facilitate the performance of the board's role and enhance individual director performance.
- The board is responsible for the recruitment of a skilled, experienced and qualified board.
- The board ensures board member orientation and ongoing board training and education.
- The board periodically assesses and reviews its own performance and the performance of individual board members and ensures plans are implemented to continuously improve board and board member performance.

Legal and Regulatory Compliance

- The board ensures that appropriate processes are in place to ensure compliance with legal and regulatory requirements.
- The board is responsible to be sufficiently informed about legal, regulatory and accreditation standards applicable to hospital operations to ensure that compliance is integrated into board decision-making.
- The board ensures that appropriate corporate compliance programs and processes are in place to protect against legal and regulatory noncompliance.
- While the board oversees management's performance of the corporate compliance program, the board is responsible for ensuring that there are plans in place to prevent and manage significant compliance risks.
- The board oversees the effectiveness of the hospital's corporate compliance program through regular reports and monitors the hospital's efforts to address and remediate issues of noncompliance.

Amendment

This statement may be amended by the board.

Approval Date:

Last Review Date: