



THE LAKE OF THE WOODS DISTRICT HOSPITAL BOARD GOVERNANCE CHARTER

Preamble

The Lake of the Woods District Hospital (LWDH) is a small hospital incorporated by an Act of the Ontario Legislature of the Province of Ontario and cited as the Lake of the Woods District Hospital Act, 1968: amended April 19, 1990. The purpose of this Board Governance Charter (“Charter”) is to outline the roles and responsibilities of the Board of Directors (“Board”) of the LWDH pursuant to the Board’s Strategic Plan in accordance with the Board’s fiduciary, legislative and corporate responsibilities.

Governance Framework

The LWDH is governed according to the Administrative By-Law of the Lake of the Woods District Hospital first enacted in June 2002.

Roles and Responsibilities

Board of Directors

It is the Board’s fiduciary responsibility to ensure that appropriate systems of governance, strategic direction, leadership and stewardship (including appropriate risk management, and financial management strategies) are in place.

The Board fulfills its role by establishing policies for those managing the operations of the LWDH, making decisions on matters that require Board approval and monitoring and assessing organizational performance and outcomes.

The Board participates in the formulation and adoption of the LWDH’s mission, vision and values.

The key oversight responsibilities of the Board include:

- **Strategy.** This includes leading the development, review and implementation of the overall vision of the LWDH, providing guidance on the long-term strategic direction of the LWDH, and approving, adopting and providing oversight in the implementation of the Strategic Plan.
- **Overseeing the Role of the President and CEO (President).** This includes recruiting individuals to serve as the President, evaluating prospective Presidents, supporting the President in his/her role, providing him/her with advice and guidance, establishing evaluation parameters and evaluating the President’s performance to ensure that they are advancing the objects of the LWDH. It also includes oversight of the President’s succession plan and ensuring there is a plan for the development of the senior leadership team.

- **Finance, capital expenditures and infrastructure.** This includes having oversight responsibilities for the overall financial stability of the LWDH, advising on and approving financial policies developed by the Audit and Finance Committee, reviewing and approving the annual budget, audited financial statements and capital projects for the LWDH. In addition, the Board monitors financial performance against the budget, and reviews and approves financial reporting processes, and ensures that the LWDH operates in compliance with its by-law Article 9 FINANCIAL.
- **Risk management.** This includes oversight responsibility for business and reputational risks, accountability for ensuring an appropriate process and framework is in place to monitor risk, ensuring compliance with applicable legislation, reviewing, approving and overseeing the risk management policies of the LWDH, and ensuring that proper mechanisms and insurance are in place to identify and mitigate principal risks and ensure accountability.
- **Governance effectiveness.** This includes governing in a manner consistent with the needs of the LWDH, developing and approving the Board Governance Charter and other policies of the LWDH to ensure the effectiveness of the Board and the LWDH, managing the processes for appointing and evaluating directors, approving standing committee and such other special committee mandates, interpreting and delineating responsibility among committees including conducting an annual review of Standing Committee Terms of Reference, and clearly defining and respecting the Board's role in relation to that of management.
The Board is responsible for recruiting a skilled, experienced and qualified board. This also includes ensuring that the Board composition and size is appropriate to support the Board's governance work. Appointments of Board Directors should take into consideration factors such as equal opportunity to serve, ability to commit the time required to effectively participate, interest, experience and ability.
- **Quality of Services Offered.** This includes periodically reviewing the quality of health services offered by LWDH, monitoring of patient safety and risk reduction strategies, and engaging with patients and families through the Patient and Family Advisory Committee and other methods.
- **Advocacy.** This includes advancing initiatives which impact the level of services offered through LWDH and other partners to the LWDH catchment area.

Responsibilities of a Director

A director is a fiduciary with respect to the affairs of the LWDH. This includes the responsibility to disclose conflicts of interest and to avoid breach of confidence. Any actual, potential or appearance of a conflict must be disclosed, considered and appropriately managed under the process set out in the Board's Conflict of Interest Policy.

Directors must act honestly and in good faith exercising stewardship over the LWDH's affairs and resources with a view to the best interests of the LWDH. The standard required is that a director use 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;
- Attend meetings;
- Keep informed;
- Apply appropriate due diligence in decision making;
- Provide appropriate oversight; and
- Question things that are not clear or understandable.

Directors must have as their primary concern, the welfare of the LWDH and its stakeholders. Directors must exercise independent judgment and may not act as agents of any particular person or organization.

Chair of the Board

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

- **Manage the work of the Board.** This includes the calling of meetings, working collaboratively to prepare meeting agendas, ensuring that the Board receives accurate, timely and clear briefings and information to assist in making sound decisions and ensuring clarity regarding decisions.
- **Represent LWDH.** This includes acting as an ambassador and along with the President, being a spokesperson for the LWDH to the public, government, local health integration network in cohesion with the President. The Chair's interaction shall be ethical, fair, dignified, professional, respectful, non-discriminatory, and shall comply with the privacy and confidentiality obligations of the LWDH.
- **Ensure adherence to policies.** This includes identifying, determining and resolving conflicts of interest, rule on questions of order, ensuring that the Board conducts itself in accordance with this Charter, by-laws and policies.
- **Provide leadership/mentorship to enhance Board effectiveness.** This includes building Board unity, solidarity and trust, assisting Board members in understanding their roles, responsibilities and accountabilities, ensuring the effective operation of the Board and its committees, communicating with directors between meetings, serving as an ex-officio member of all Board Standing Committees, identifying opportunities to meet the development needs of individual directors and ensuring assessment of directors and the Board.
- **Act as liaison between the Board and the President.** This includes providing support and advice to the President while respecting the President's role and responsibilities, acting in an advisory capacity to the President in matters concerning the strategic interests of the LWDH and working with the President to ensure that Board resolutions are carried out.
- In the absence of the Chair, the Vice-Chair will act as Chair, assuming the responsibilities as noted above.

Role of Board Committees

The By-Laws provide for the establishment of committees to deal with specific areas of focus and to make recommendations for action to the full Board, which retains collective responsibility for decision making. The roles and responsibilities of committees and their members are more fully articulated in the Terms of Reference for each Board committee. The Board Standing Committees support the Board in fulfilling its governance responsibilities.

Terms of Reference are in place for each committee and are reviewed by the respective committee on an annual basis. In addition to the prescribed committees, ad-hoc committees may be established as deemed appropriate by the Board.

The Board may appoint Ad Hoc committees as required to assist it in carrying out its responsibilities. Expected deliverables and limitations on authority are established in the terms of reference. Ad Hoc committees cease to exist as soon as the purpose established in its terms of reference has been achieved.

Board Meetings

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, locations and incorporates the Board's Annual Work Plan by noting the planned key agenda items to be covered at each meeting.

The Board will establish a formal meeting schedule for conducting Board business.

Directors are expected to attend all board meetings including board retreats and assigned standing committee meetings. Pursuant to the By-Laws, directors who are absent from three consecutive meetings may have their position on the Board declared vacant. All directors are expected to serve on at least one Board standing Committee or other committees designated by the Board, and to represent the Board when requested. Directors must prepare for and participate in Board and committee meetings and events, and work cooperatively and respectfully with other directors.

Board/President and CEO (President) Relationship

It is the Board's responsibility to appoint the President upon the recommendation of a Board Standing Committee overseeing the search process. The President of the LWDH is entrusted with the responsibility and authority to carry out the plans and programs necessary to fulfill the strategy set by the Board. The Board establishes the performance standards and evaluation criteria for the President, coordinates the President's annual performance evaluation, ensures a succession plan is in place for the President, and oversees the search of a new President when required. The President is accountable to the Board for achieving the agreed upon goals as set out in the Strategic Plan. The Board evaluates the President based on measurable results.

Ideally and in practice, the working relationship between the Board and the President should be a collaborative one. It is important for the Board and the President 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.

Board Evaluation

For the assessment of the Board as a whole, the Governance Committee leads the process by annually ensuring the completion of a Board Self-Assessment Questionnaire through which directors self-evaluate the effectiveness of the Board. The Chair, through the President, ensures that a process is in place to tabulate and disseminate the results of the questionnaire and to review them with the Board.

The Chair, in co-operation with the Governance Committee, is also responsible for leading the annual evaluation of individual directors' performance using the Individual Self-Assessment Questionnaire through which individual directors self-evaluate their own effectiveness and performance in discharging their general responsibilities as directors.

Orientation and Education

Effective governance relies on directors who are knowledgeable about their roles and responsibilities as fiduciaries and who are knowledgeable about the LWDH, its history and culture, its current situation and future plans. Directors must also be knowledgeable about the context in which they are asked to make decisions, including, for example the environment and systems within which health service delivery is operating.

Each newly elected director will receive onboarding orientation to ensure their familiarity with the structure, policies and processes of the LWDH.

Board members will have periodic educational opportunities and an annual budget for professional development, training and education to ensure that they are current on governance best practices and their understanding of how the hospital is operating.

Conflict of Interest

Directors must comply with the Board's Conflict of Interest Policy. A conflict of interest is any situation where an individual's private interests may be incompatible or provide a pecuniary advantage or conflict with his/her duties and responsibilities as a director of the LWDH. A conflict of interest exists whether or not the individual is actually swayed by the competing interest. Directors must refrain from placing themselves in any position in which there is a conflict of interest - actual, potential or perceived - between their responsibilities to the LWDH and their personal interests or their responsibilities to themselves or others.

Board Communication

In terms of formal public communication, including media enquiries, the Board Chair is the only person who speaks publicly on behalf of the Board. The President and the Board Chair are the official spokespersons for the LWDH. Any public or media enquiries to any director are forwarded to the Chair, who in turn will address the matter with the President.

Review of Charter

The Governance Committee has the responsibility of facilitating the annual review of the Charter to ensure that it is reflective of corporate governance best practices and continues to be relevant to the LWDH. Any changes to the Charter are to be brought forward to the Board for review, discussion and approval.