

2014 / 2015 Statement of Corporate Governance

The Ottawa Hospital (TOH) Board of Governors has a history of leadership in and commitment to the highest standards of corporate governance. It continually evaluates and enhances its governance practices by monitoring developments relative to corporate governance and transparency in not-for-profit and publicly-funded organizations; it also monitors governance practices promoted by Accreditation Canada, Ontario Hospital Association (OHA) and other organizations.

The Board is composed of fourteen independent elected governors from the community and seven non-voting ex-officio governors; five from TOH (Chief Executive Officer, Chief of Staff, Chief Nursing Officer, President and Vice-President of the Medical Staff Association) and two representatives from the University of Ottawa (Dean of the Faculty of Medicine and Dean of the Faculty of Health Sciences).

Board and Board Committee Mandates

The Board's principal roles include:

- assist in setting TOH's strategic direction; approve the strategic plan; and oversee its implementation;
- provide oversight of the financial management of the hospital;
- provide oversight of the quality and safety of care provided at the hospital;
- set objectives for and assess the performance of the Chief Executive Officer (CEO) and the Chief of Staff (COS);
- ensure appropriate succession planning for senior executive management positions; and
- credential physicians and approve their clinical privileges.

The Board carries out its work directly and through the following standing committees: Audit, Executive, Governance, Management Resources and Compensation, Nominating, and Resources. The Board from time to time will create ad hoc committees such as the Communications committee to address specific issues.

In addition, two committees are established to comply with legislative requirements. Under the *Public Hospitals Act* (the "Act") and Regulation 965, the Board is required to establish a Medical Advisory Committee, which is required to make recommendations to the Board on specific matters set out in the Act, including but not limited to the credentialing of physicians and the approval of medical policies. Under the *Excellent Care for All Act, 2010*, the Hospital is required to establish a Quality Committee, which has specific responsibilities, including but not limited to the monitoring and reporting to the Board on quality issues, making recommendations regarding quality improvement and overseeing the preparation of the annual quality improvement plan.

The Board's mandate and that of its committees are reviewed annually for completeness and appropriateness and are available on the TOH website. Annually prepared and approved workplans and reports provide assurance that the Board and standing committees satisfy their mandates. Reports on 2014 / 2015 activities have been received from all of the committees and 2015 / 2016 workplans are in place.

With regards to its role in setting strategic direction, the Board led two retreats during 2014 / 2015, reviewing key elements of the hospital's direction, topics included: update on results and performance in Realizing Excellence at TOH; reviewing the competing priorities of the tripartite mission and its impact on the patient experience; and understanding TOH strategy for staff safety in a changing environment.

The Board's general oversight of financial management and the quality and safety of patient care is exercised primarily but not exclusively through the review and approval of detailed annual plans and targets (i.e. Corporate Priorities, Operating Plan (which includes the Financial Plan), Quality Improvement Plan, Human Resources Plan, Capital Development and Facilities Renewal Plan, Information Systems Plan) and regular monitoring of results against plans. Compliance with all regulatory requirements is also monitored regularly.

Of particular note relative to 2014 / 2015:

- Enterprise Risk Management (ERM) Program – completed the formal refresh of the ERM Program to ensure the Risk Universe is appropriate, refined the reporting process, enhanced the integration of ERM with the strategic plan and approved an ERM Policy which outlines the monitoring, accountability and reporting processes.
- Internal Audit Function – initiated the process to establish an internal audit function at TOH to provide assurance to the Board that appropriate internal control, risk management and governance practices are in place.
- University of Ottawa Heart Institute – continued negotiation of agreements to provide TOH with essential risk management over activities carried out on its site
- TOH / OHRI Governance – began process to integrate the governance structures of TOH and the Ottawa Hospital Research Institute

Board Chair Role and Independence

James G. McCracken serves as the Board Chair, and is an elected Governor. He has served as Board Chair since 2014. The Chair is responsible for, amongst other things:

- providing leadership to ensure effective functioning of the Board;
- leading in monitoring and evaluating the performance of the President and CEO and the Chief of Staff;
- leading the Board in ensuring succession plans are in place at the senior management level; and

- o acting as an effective liaison between the Board and Senior Management and among members of the Board.

Governor Attendance

Regular attendance by members is important for effective governance; the following summarizes attendance at the Board’s eleven meetings for 2014 / 2015:

Debra Bournes **	8 / 9	Jacques Bradwejn**	7 / 11
Derek Burney	7 / 11	Kathryn Butler Malette	10 / 11
Katherine Cotton	11 / 11	Claude DesRosiers	11 / 11
Emily Gruenwoldt	10 / 11	Haissam Haddad**	4 / 11
Jack Kitts**	11 / 11	Patricia Kosseim	11 / 11
John Mahoney**	4 / 11	Jamie McCracken	11 / 11
Helene Perrault**	2 / 11	Marc Seaman	5 / 11
Allan Smith	9 / 11	Bashir Surani	10 / 11
Gordon Thiessen	10 / 11	Lillian Thomsen	11 / 11
Jeff Turnbull**	11 / 11	Vincent Westwick	7 / 11
Carole Workman	10 / 11		

** ex-officio members

Chief Executive Officer (CEO)

A written position description for the Chief Executive Officer has been developed and approved by the Board. The powers of the CEO are covered by a formal Delegation of Authority Policy approved by the Board. This policy was thoroughly reviewed in 2014 / 2015.

The CEO reports to the Board and has general supervision and control over the business and affairs of TOH. Amongst other things, the CEO is expected to:

- develop and recommend to the Board a long-term strategy and vision for TOH that leads to health care of the highest quality for the community it serves;
- develop and recommend to the Board annual operational plans and budgets that support TOH’s long-term strategy;
- consistently strive to achieve the approved financial and operational goals and objectives; and
- foster a corporate culture that promotes ethical practices and encourages individual integrity.

Objectives and goals are set annually for the CEO and his performance against these goals is reviewed quarterly and at the end of the year. The CEO's performance was reviewed and assessed for 2014 / 2015 and objectives for 2015 / 2016 have been approved.

As stipulated under *Broader Public Sector Accountability Act*, Dr. Kitts salary and benefits have been frozen since 2010; this is in addition to the two years during which his salary and benefits and those of his senior executive team were voluntarily frozen by the Board.

Dr. Kitts' contract as CEO extends to the end of 2019 / 2020.

Chief of Staff (COS)

A written position description for the Chief of Staff (Medical) has been developed and approved by the Board. The powers of the COS are also covered by a formal delegation of authority policy approved by the Board and reviewed from time to time.

The COS reports to the Board and has general supervision of the medical team. Amongst other things, the COS is expected to:

- a) be accountable on issues regarding quality of medical diagnosis, care and treatment;
- b) chair and oversee the work of the Medical Advisory Committee ensuring that its structure, function and objectives are aligned with the delivery of the highest quality of medical care and aligned with TOH's corporate priorities; and
- c) be responsible for physician credentialing and patient concerns regarding the medical care received.

Objectives and goals are set annually for the COS and his performance against these goals is reviewed quarterly and at the end of the year. The COS's performance was reviewed and assessed for 2014 / 2015 and objectives for 2015 / 2016 have been approved.

To encourage greater alignment of physician priorities with those of TOH, COS objectives and goals are now also those of the Medical Advisory Committee and are fully aligned with those of the CEO and TOH in general.

Dr. Turnbull's contract as COS extends to the end of 2017 / 2018.

Orientation and Continuing Education

The Board's Orientation Manual was scheduled for a complete review and update in 2014 / 2015; however it was delayed due to the revision of the Administrative Bylaw and will be complete in late 2015.

An annual budget of \$15,000 is provided to support the continuing education needs of Board members.

Board Conflict of Interest Policy and Board Confidentiality Policy

The Board has a Board Conflict of Interest Policy and a Board Confidentiality Policy which provide guidance on these issues.

In 2012 / 2013, the Board instituted the practice of asking for Declaration of Conflicts at the start of every meeting.

There were no departures from the approved policies during 2014 / 2015.

Identification of new candidates for nomination to the Board

TOH's Governance Committee acts as the Nominating Committee of the Board of Governors and is responsible for recruiting and proposing to the full Board new nominees for Governors. The Governance Committee, in the discharge of its duties, identifies the mix of expertise and qualities required for the Board and the attributes new governors should have for the appropriate mix to be maintained. A formal process is in place for inviting nominations from the community and for objectively evaluating the applications. The Board strongly supports diversity in the composition of the Board.

Katie Lafferty is the newest member of the Board, having joined as of the June 2015 Annual General Meeting.

A recruitment drive for new governors and a selection process will be scheduled in 2017 / 2018 so that "governors in waiting" are in place in advance of known vacancies. The members awaiting vacancies are identified as "governors in waiting"; and as such they are invited to attend Board retreats, Orientation sessions, and special events so as to become increasingly familiar with TOH and its operations in advance of being formally named to the Board.

Board Assessments

The Board is continually looking to improve its effectiveness and is therefore diligent in reviewing its performance and that of its members. It does so in three ways:

a) Bi-Annual Assessment of individual governors

The Board Chair engages each Board member in a frank discussion about his or her personal effectiveness and about the performance of the Board and Board Committees.

A full assessment of individual governors was completed in the spring of 2015. A summary report of was presented to the full Board along with an action plan to implemented identified initiatives and improvements.

b) Bi-Annual Board Assessment by all members of the Board and its committees

Every two years, the Board members complete a detailed questionnaire which provides for quantitative ratings and comments in key areas of governance. It also surveys the effectiveness of committees and the Board Chair and invites comments for their improvement.

The last written Board bi-annual assessment was completed in May 2014.

c) Senior Management Survey/Board Meeting Review

The Board Chair periodically and informally surveys members of senior management on the Board's and Committees' performance to solicit their input and perspective on the operation of the Board and how the Board might improve its effectiveness.

On an ongoing basis, the Board has adopted a practice of meeting privately with the elected members and the CEO/COS at the end of each meeting of the Board to review the functioning of the meeting and raise any issues of concern. This practice was complied with for all meetings of the Board in 2014 - 2015 and will apply to all future meetings. Board committees have also adopted the practice.