

2015 / 2016 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:

- assisting in setting TOH's strategic direction; approve the Strategic Plan; and monitor its implementation;
- establishing key quality objectives that support the Hospital's goals;
- providing oversight of the quality and safety of care provided at the hospital;
- providing oversight of the financial management of the hospital;
- setting objectives for and assess the performance of the Chief Executive Officer (CEO) and the Chief of Staff (COS);
- ensuring appropriate succession planning for senior executive management positions; and
- credentialing physicians and midwives and approve their clinical privileges.

The Board carries out its work directly and through the following standing committees: Finance and Audit, Governance, Management Resources and Compensation and Nominating Committees. 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 workplans and reports

provide assurance that the Board and standing committees satisfy their mandates. Reports on 2015 / 2016 activities have been received from all of the committees and 2016 / 2017 workplans are in place.

With regards to its role in setting strategic direction, the Board led two retreats during 2015 / 2016, reviewing key elements of the hospital's direction, topics included: understanding the key elements in the development of a 21st century hospital and key elements needed to implement a successful population health management program at TOH.

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 2015 / 2016:

- Administrative By-law – revised the Administrative By-law to better reflect governance best practices.
- 2015 – 2020 Quality Plan – developed TOH's 2015 - 2020 Quality Plan is a roadmap to support the achievement of TOH's corporate strategy and guides efforts to achieve TOH's quality objectives and corporate quality and safety goal.
- Internal Audit Function – established an internal audit function at TOH that provides assurance to the Board that appropriate internal control, risk management and governance practices are in place.
- University of Ottawa Heart Institute – completed the negotiation of a Service Agreement which provides TOH with essential risk management over activities carried out on its site.
- TOH / OHRI Governance – completed a Relationship and Services Agreement that integrates 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
- 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 2015 / 2016:

Debra Bournes **	8 / 11	Jacques Bradwejn**	8 / 11
Derek Burney	8 / 11	Kathryn Butler Malette	10 / 11
Katherine Cotton	10 / 11	Claude DesRosiers	10 / 11
Emily Gruenwoldt	9 / 11	Haissam Haddad**	3 / 11
Jack Kitts**	11 / 11	Patricia Kosseim	10 / 11
Katie Lafferty	5 / 7	John Mahoney**	7 / 11
Jamie McCracken	10 / 11	Helene Perrault**	2 / 11
Marc Seaman	5 / 11	Allan Smith	11 / 11
Gordon Thiessen	11 / 11	Lillian Thomsen	11 / 11
Jeff Turnbull**	9 / 11	Vincent Westwick	9 / 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:

- a) 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;
- b) develop and recommend to the Board annual operational plans and budgets that support TOH's long-term strategy;
- c) consistently strive to achieve the approved financial and operational goals and objectives; and
- d) 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 2015 / 2016 and objectives for 2016 / 2017 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.

The COS's objectives and goals are aligned with the CEO 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 2015 / 2016 and objectives for 2016 / 2017 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

Board Orientation

Board orientation sessions are organized as required to provide new governors with a baseline of knowledge about TOH that will serve as a basis for informed decision-making.

Governance Manual

The Board's Governance Manual underwent a thorough revision in 2015 / 2016 and provides Governors with essential material to support them in their role and serve as a resource document. The Governance Manual is intended to supplement, and not supersede, The Ottawa Hospital's constitutional documents (e.g. Administrative By-law).

Board Education

The Board Education program is designed to provide Governors with ongoing development in or knowledge of TOH operations, health-care issues and good governance practices. More specifically, the program is designed to:

- a) deliver information (in the form of presentations and tour evenings) to Board members over a period of time to enhance their knowledge of health care, TOH operations, and effective governance practices.
- b) facilitate one on one meetings with subject matter experts within TOH to ensure a deeper understanding of particular issues

- c) provide or support the acquisition of skills that may not be part of a member's particular skills mix to ensure a more effective participation in decision-making and / or governance
- d) support the attendance of members at health-care related conferences or events

Board Conflict of Interest and Board Confidentiality

The Board has a Board Conflict of Interest Policy and a Board Confidentiality Policy which provide guidance on these issues. As part of the revision to the Governance Manual, both policies were reviewed in 2015 / 2016, where it was determined they meet governance best practices. 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 2015 / 2016.

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.

In 2015 / 2016, a public recruitment drive for new governors and a selection process was undertaken for three new members. The Governance Committee implemented the formal process, with the support of Boyden, an executive search firm, based on an identified mix of skills and competencies required by the Board to effectively carry out its roles and obligations in the current environment and given TOH priorities.

Jennifer Adams, Claude Doucet and Tony Sottile are the newest members of the Board, having joined as of the June 2016 Annual General Meeting.

As part of the recruitment process, four individuals were identified as "governors in waiting" and are in place in advance of known, as well as unanticipated, vacancies. "Governors in waiting" 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 by 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 by individual governors was completed in the spring of 2015. A summary report 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, Board members speak with the Board Chair to discuss key areas of governance and the Board and committee effectiveness. This assessment was completed in the spring of 2016 with a summary report and action plan presented to the full Board.

In addition, the Chair of the Governance Committee speaks with Governors to invite feedback on the performance of the Chair of the Board.

c) Senior Management Survey / Board Meeting Review

The Board Chair periodically receives feedback from CEO on the Board's performance which helps the Board 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 2015 / 2016 and will apply to all future meetings. Board committees have also adopted the practice.