

BOARD MANUAL

SUBJECT: Board Succession Planning	NO.: 2-D-18
SECTION: Board Process	
APPROVED BY: Board of Directors	DATE: June 28, 2023

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Purpose

- To ensure that key qualifications and core competencies are represented on the Board as a whole
- To identify qualified potential new Board members to succeed the Board’s departing members
- To match the organization’s future needs with the next qualified Director’s available
- To prepare current Board members for leadership positions on the Board
- To be prepared in the event that there is an unplanned vacancy on the Board

Responsibility

The Governance Committee acts as or is responsible for, the Nominating Committee with responsibility for a rigorous, consistent, and transparent process for the nomination of Directors.

The Governance Committee is responsible for the nomination of Directors for election or appointment as committee Chair, committee members, Vice-Chair and Chair of the Board.

The Governance Committee is responsible to solicit current and future membership needs from the Board.

Process

1. Recruitment and Selection of New Directors

Goals

- Assess the current skills mix of the Board and compare with future needs.
- Set out qualifications to be used in the identification of individual candidates.
- Select the best qualified candidates using a fair and impartial process.

Assumptions

- All new Directors are recruited based on explicit and the needs at the time.
- The Board actively monitors its renewal cycle to ensure continuity.
- The composition of the Board is sufficiently carried and balanced, meets the stakeholders' expectations, and reflects the diversity of the community it serves.

Policy/Process	Responsibility	Board Manual
<ul style="list-style-type: none"> • Recruitment, selection and nomination of Directors • Application for Membership • Board Skills Matrix Inventory Survey 	Nominating Committee	2-D-20 2-D-40

2. Orientation of New Directors to the Board and to Committees

Goals

- Orient new Directors to their role on the Board and committees

Policy/Process	Responsibility	Board Manual
Board orientation	Management, Directors	2-D-30
Committee orientation	Committee Chair	2-D-30
Board Manual available to all Directors and non-director committee members	Management	

Committee specific materials and information		
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3. Assessment of Current Directors

Goals

- Discuss the Board composition and skills the Board should be building for the future.
- Ensure clarity of role and responsibilities.
- Assess Director performance and provide constructive feedback for individual development at least annually.
- Review and when warranted recommend the removal of a Director.
- Encourage participation in educations opportunities and development.
- Identify and encourage Directors with leadership skills who may potentially be Officers and/or committee Chairs.

Assumptions

- The Board regularly evaluated its own performance and the contribution of its members and how it functions as a team.

Policy/Process	Responsibility	Board Manual
Assessment of Directors is based on: <ul style="list-style-type: none"> - Interest based (future intentions) survey - Self-assessment - Peer evaluation - Attendance - Feedback / discussion with Board Chair 	Governance Committee, all members	2-D-40
Removal of a Director of Committee Member	Governance Committee	2-D-45

4. Committee Assignments

Goals

- Provide exposure to education to the core functions/services of the corporation.
- Encourage individual Director's experience on a variety of Board committees.
- Ensure continuous renewal of committee membership.
- Provide opportunity for Directors to demonstrate leadership skills and assess them for potential committee Chair positions.

Assumptions

- It is beneficial to have specific competencies for their effective functioning. See "Competencies for Board Committees" in Appendix A.

Policy/Process	Responsibility	Board Manual
Based on experience, skills & interest, each director is assigned to: <ul style="list-style-type: none"> At least one committee In addition, it is desirable that each Director attend: <ul style="list-style-type: none"> One social/community event per year on behalf of the Board Attend fundraising events 	Governance Committee in consultation with committee Chairs	Committee Charters 2-A-30

5. Selection of Committee Chairs

Goals

- Identify individuals who possess higher proficiency of the key competencies for leadership positions.
- Provide leadership development and assessment opportunities.

Assumptions

- Each year self and peer assessments are performed of all Directors including committee Chairs, Vice-Chair and Board Chair.
- The current Chair of the Governance Committee is not eligible to become an elected officer during his/her term to maintain objectivity and distance during the nominations process.
- An ex-officio Director may not be a committee Chair.

Policy/Process	Responsibility	Board Manual
Committee Chair selection is based on: <ul style="list-style-type: none"> Future intentions survey Self-assessment Peer assessment Feedback / discussion with Board Chair 	Governance Committee	2-D-40 2-D-40
Ideal Qualifications <ul style="list-style-type: none"> Completion of at least one (1) year as a Board Director. Minimum of one (1) year served on the committee for which the candidate is being considered <u>or</u> a minimum of one (1) year as a committee Chair <u>or</u> experience and knowledge that supports a successful chairpersonship. Subject matter confidence. Skills and attributes outlined in 2-D-20 	Governance Committee	Role description 2-A-28

Process

- a. The Governance Committee asks all elected Directors about their interest regarding tenure, committees, and taking on a Board leadership role such as a committee Chair; and receives feedback from the outgoing committee Chair.
- b. As a part of the nominating process, the Governance Committee garners Board member perspectives on the leadership potential of each Board member.
- c. The governance Committee advises candidate(s) that the Committee has identified them as a potential committee Chair since they meet the criteria and asks if they would be willing to take on chair responsibilities/
- d. A recommendation is made to the Board by the Governance Committee regarding the appointment if the committee Chairs.
- e. All committee Chairs should plan for and prepare a committee member who is a Director to back-up the committee Chair in case of emergency.
- f. Reappoint is based on a successful annual review and nomination by the Governance Committee.

6. Selection of the Vice-Chair

Goals

- Select the best candidates for Vice-Chair that meets the needs at the time.

Assumptions

- The Vice-Chair is usually being prepared for the role of Chair. Dependent on the tenure, and the required 'fit for the times', this may not be automatic.
- The Vice-Chair is open to elected Directors only.

Policy/Process	Responsibility	Board Manual
Vice-Chair selection is based on: <ul style="list-style-type: none"> - Future intentions survey - Self-assessment - Peer assessment - Feedback/discussion with Board Chair - Requirements, fit, attributes, time & interest 	Governance Committee	2-D-40
Ideal Qualifications: <ul style="list-style-type: none"> - Completion of at least one year as a Board Director - Remaining tenure on the Board will permit at minimum, completion of one or two years as Vice-Chair and two years as Board Chair - Experience in having chaired a minimum of one committee of the Board - Potential for a constructive working relationship with the President/CEO - Ability to take on the responsibilities of the Chair at any given time during the term as Vice-Chair. 	Governance Committee	Role description 2-A-22

Process

- a. The Governance Committee asks all elected Directors about their interest regarding tenure and their interest in taking on a Board leadership role such as Vice-Chair of the Board.
- b. The Governance Committee advises candidate(s) that the Committee has identified them as a potential Vice-Chair since they meet the criteria and asks if they would be willing to take on Vice-Chair responsibilities.
- c. The Governance Committee defines and executes a process to evaluate the suitability of the potential candidate(s).
- d. A recommendation is made to the Board by the Governance Committee regarding the election of the Vice-Chair based on interest, self and peer assessments, attendance, requirements, fit, attributes, time and interest. Nomination for re-election is based on a successful annual review and recommendation by the Governance Committee.

7. Selection of the Chair

Goal

- Select the best candidate for Chair that meets the needs at the time.

Assumptions

- The Vice-Chair is usually groomed for the role of Chair; however, appointment is not automatic.
- Chair of the Board tenure is normally two (2) years but may be less, dependent on the needs and requirements of the Board and the Hospital.
- The Chair position is open to elected Directors only.

Policy/Process	Responsibility	Board Manual
<p>Ideal Qualifications:</p> <ul style="list-style-type: none"> - Minimum of three (3) years served on the Board - Served as Vice-Chair for one (1) year - Able to promote an active, involved & informed Board - Be progressive and seek alignment between government priorities and stakeholder requirements - Demonstrates the desired competencies that ‘fits the needs of the time’ - Leadership qualities that set the <i>‘tone at the top’</i> - Convene public, in-camera and non-management meetings 	Governance Committee	Role description 2-A-20

Process

- a. The Governance Committee asks all elected Directors about their interest regarding tenure and their interest in taking on a Board leadership role as Chair of the Board.
- b. The Governance Committee advises candidate(s) that the Committee has identified them as a potential Chair since they meet the criteria and asks if they would be willing to take on Chair responsibilities.
- c. The Governance Committee defines and executes a process to evaluate the suitability of the potential candidate(s).
- d. A recommendation is made to the Board by the Governance Committee regarding the election of the Chair based on interest, self and peer assessments, attendance, requirements, fit, attributes, time and interest.
- e. Nomination for re-election is based on a successful annual review and recommendation by the Governance Committee.

Competencies for Board Committees

The Governance Committee will consider the following guidelines when recommending Director and non-director members for Board committees. In addition, see Table 1 for information about how the skills matrix survey results are considered when determining membership on committees.

Audit Committee

All members of the committee must be financially literate. Financially literate means the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the CMH's financial statements.

The committee Chair shall have financial expertise with a background in accounting or related financial management experience which would include any experience or background which results in the individual's financial sophistication, including being or having been an auditor, a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Some members of the committee should possess risk management experience.

Members of the Audit Committee must be independent from the external auditors.

Resource Committee

All members of the committee should be financially literate or be willing and able to acquire the necessary knowledge quickly. Financially literate means the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the CMH's financial statements.

The committee Chair shall have financial expertise with a background in accounting or related financial management experience which would include any experience or background which results in the individual's financial sophistication, including being or having been an auditor, a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Some members of the committee should possess risk management experience.

Governance Committee

All members of the committee should have an understanding of issues related to corporate governance derived from membership on other Boards, relevant training or education, or be willing and able to acquire the necessary knowledge quickly.

Executive Committee

Members of the committee should have an understanding of issues related to human resources, leadership, and compensation, or be willing and able to acquire the necessary knowledge quickly; such understanding may have been gained by having been a chief executive officer or other senior officer with oversight of human resources functions. At least one member should be experienced in executive compensation.

Quality Committee

Members of the committee should have an understanding of quality of care issues and performance measurement or quality and safety expertise from other professions and industry, education or other healthcare organizations.

Table 1 Key Competencies Required on Board Committees

Competency*	Committee				
	Audit	Resource	Governance	Quality	Executive ¹
1. Leadership/ Executive Experience	X	X	X	X	X
2. Strategic Planning		X	X	X	
3. Board & Governance			X		
4. Business Acumen	X	X			X
5. Finance or Accounting	X	X			
6. Health Care or Clinical Practice				X	
7. Legal		X	X	X	
8. Risk Management	X	X	X	X	X
9. Quality & Performance Management		X	X	X	X
10. Human Resources Management		X		X	X
11. Health Informatics		X		X	
12. Ethics	X	X	X	X	X
13. Patient & Health Care Advocacy				X	
14. Public Affairs & Communications					X
15. Government Relations					X
16. Community Involvement					X
17. Health System Integration			X	X	

*See definitions in Board Manual 2-D-20, *Recruitment, Selection and Nomination of Directors*,

¹ The Executive Committee is in relation to the two (2) Directors appointed by the Board.

Appendix A

DEVELOPED: May 25, 2011		REVISED/REVIEWED:
November 26, 2014	September 27, 2017	November 27, 2019
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