

South East Local Health Integration Network Governance/Finance Committee Terms of Reference

Definitions

In these Terms of Reference, the term “LHIN” shall refer to the South East Local Health Integration Network, and these capitalized terms shall have the following meanings:

“Board” means the Board of Directors of the LHIN;

“CEO” means the Chief Executive Officer of the LHIN;

“Chair” means the Chairperson of the Board of Directors of the LHIN; and

“Committee” means the Governance-Finance Committee of the LHIN.

Role of the Committee

The Committee’s chief functions are to:

- A - Assist the Board in fulfilling its oversight responsibilities; and in developing an effective governance culture and a high-performing Board;

- B - Oversee, review, develop recommendations and report to the Board on financial operation of the LHIN.

The Committee carries out these functions by recommending changes in policy or procedure to the Board. These recommendations require the Board’s approval to become effective. The Committee may only act or make decisions on behalf of the Board when the authority to do so is specifically delegated by motion of the Board.

Core Responsibilities

The general scope of responsibilities includes:

- (i) developing and recommending policies and procedures to maintain high standards of governance (subparagraph 1 below);

- (ii) developing and recommending policies regarding Board and committee appointments (subparagraph 2 below);

- (iii) overseeing processes to assess the performance of the Board, its committees and individual directors (subparagraph 3 below);

- (iv) establishing Board education and development plans and monitoring their effectiveness (subparagraph 4 below);

- (v) developing and recommending policies and procedures to foster collaborative governance with provider Board’s in the LHIN (subparagraph 5 below); and

- (vi) overseeing the financial planning and operations of the LHIN (subparagraphs 6, 7 and 8 below).

1. Governance Principles and Policies

These responsibilities include:

- Developing and recommending to the Board governance principles and policies; preparing a governance manual;

- Monitoring governance developments and best governance practices in order to recommend, as appropriate, improvements to the Board's governance system;
- Monitoring the Board's public disclosure of its governance practices and guidelines.

2. Board and Committees Appointments

These responsibilities include reviewing and recommending for approval:

- In consultation with the Chair, the CEO and individual Board members who will be encouraged to express personal interests, the composition of the Board and annual allocation of members to the committees, as well as any necessary changes;
- In consultation with the Chair and the CEO, recommendations to the Nominations Committee of names of nominees for appointment as directors and, as required, candidates to fill any casual vacancy occurring in the Board or committees;
- Annually, together with the Chair and, where appropriate, the chairs of other committees, task forces and ad hoc committees, the mandate, scope, duties and responsibilities of those committees and any amendments required, as well as the establishment or disbanding of Board committees and changes to their composition, including the chairs.

3. Director Evaluation and Succession Planning

These responsibilities include:

- Developing orientation processes for new directors;
- In conjunction with the Chair, conducting an annual evaluation of the performance of the Board, committees (including its own), the Chair, the chairs of the committees, and individuals;
- Establishing and annually reviewing a board skills matrix and a gap analysis;
- Establishing and annually reviewing a succession plan for the Chair and the chair of each committee;
- Establishing and annually reviewing a process for the determination of the independence of the directors (e.g. conflict of interest).

4. Board Education and Development

These responsibilities include:

- Developing and recommending annual Board workplans to fulfill the Accountability Agreement;
- Developing and recommending Board education/development priorities;
- Planning and organizing periodic Board development sessions

5. Oversight of the Collaborative Governance Development Team

These responsibilities include:

- Receiving regular reports on the plans and activities of the Collaborative Governance Development Team (CGDT).
- Reporting to the Board on the work of the CGDT.
- Helping the CGDT to develop its work plan.

6. Budget Planning

These responsibilities include:

- Ensuring that there are processes in place for the development of an annual operating budget;
- Reviewing and ensuring that the financial assumptions used to develop the annual operating budget are consistent with the business and strategic plans;
- Reviewing and recommending the annual budget and ensuring it is consistent with the annual business plan;
- Reviewing the quarterly financial performance of the LHIN and comparing actual performance against budget;
- Reviewing and recommending plans developed by management to address variances between budget and actual performance, revenues and forecasts;
- Monitoring implementation of plans to address variances; and
- Monitoring the financial performance and budget forecasts of the LHIN Shared Services Office (LSSO).

7. Financial Strategic Planning

The Committee shall identify and review any strategic changes in the LHIN environment that may affect the development of the LHIN budget.

8. Asset Management

The Committee shall ensure the processes in place to manage the assets of the LHIN are managed effectively and efficiently.

Term of Office

The Committee shall be composed of a minimum of three members. Committee members should serve for a term of two years and may be reappointed at the discretion of the Board for a maximum of one additional term provided that no term of office may exceed the term of any applicable Order-In-Council appointment. Each member should continue on the committee until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy or change the composition of the Committee at any time.

The Committee may appoint a Chair from among its members, if the Board has failed to do so. However, this selection must be presented for confirmation by the Board at its next meeting. The Committee shall also appoint a Secretary who need not be a director

Meetings and Quorum

The Committee shall prepare and present to the Board a committee workplan and budget at the beginning of each year. The Board may make such changes to the workplan and budget as it considers necessary. The Committee shall then organize its meetings in accordance with its approved workplan and budget. The Board must approve any changes to the workplan or budget.

It is anticipated that the Committee will meet a minimum of 5 times per year.

A quorum at all meetings must include a majority of members who are directors of the LHIN. A quorum once established is maintained even if members of the Committee leave the meeting prior to conclusion.

Communication

The Committee will have open communication with management, other committees, stakeholders and advisors, as needed, to strengthen the Committee's knowledge of current and prospective issues.

Other

The Committee shall report to the Board about its activities following each meeting.

The Committee will also review and provide advice to the Board concerning:

- (a) any changes of policy, procedure or other thing within the Committee's mandate;
- (b) the necessity and advisability of appointing an independent committee to evaluate and confirm to the Board the fairness of any transaction involving the LHIN and a significant stakeholder;
- (c) the appropriateness of directors' and officers' third party liability coverages;
- (d) at least once every two years, the need for and content of any changes in the framework for the delegation of authority between the Board and Management;
- (e) the appropriateness of the Board's policy for engagement of outside advisors for individual directors or by committees;
- (f) the appropriateness of the LHIN's procurement policies and the LHIN's compliance with those policies; and
- (g) any changes to mandate, terms of reference or practices of the Committee.

The Committee shall monitor legislation, regulations, court decisions or any other matter that may affect the duties, responsibilities and potential liability of directors, and shall report to the Board as required.

The Committee shall perform such other duties delegated to it by the Board.

Amendment

These terms of reference may be amended by the Board.

Approved December 6, 2010