

**GOVERNANCE COMMITTEE
TERMS OF REFERENCE**

1. PURPOSE

The Governance Committee (the “Committee”) of the Vancouver Island Health Authority (“Island Health”) Board of Directors (the “Board”) assists the Board in review and oversight of the following areas:

Strategic Governance

- Multi-Year Strategy, Annual Goals and Plans
- Performance Monitoring
- Enterprise Risk Management

Fiduciary Governance

- Board governance
- Board composition and succession planning
- Director orientation and professional development
- Board and director effectiveness and evaluation
- Board code of conduct and conflict of interest

2. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three directors each of whom shall be independent of Management.
- B. The majority of Committee members shall be familiar with best practices in corporate governance and have previous relevant board experience.
- C. The Committee shall operate in a manner consistent with the Committee Guidelines outlined in the Board Manual.
- D. The Committee shall review its Terms of Reference annually to ensure they meet the needs of the Board.
- E. The Committee makes recommendations and does not act on behalf of the Board unless specific delegated authorities have been given.
- F. The Committee shall meet at least five times per year.

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3. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will perform the duties listed below.

Strategic Governance

A. Multi-Year Strategy, Annual Goals and Plans

- i. Review progress against Committee assigned multi-year strategies at each regularly scheduled meeting

B. Performance Monitoring

- i. Monitor performance measures in relation to Committee assigned multi-year strategies
- ii. Establish new performance measures as required to ensure alignment with targets outlined in the strategic plan.

C. Enterprise Risk Management

- i. Regularly oversee performance on Committee assigned mitigation strategies on high-priority identified enterprise risks, ensuring strategies are embedded into annual plans and priorities reviews noted in subsections 3.(A) (Multi-Year Strategy, Annual Goals and Plans) and (B) (Performance Monitoring) above.

Fiduciary Governance

D. Governance

- i. Ensure appropriate governance principles, structures and procedures are in place to allow the Board to function effectively.
- ii. Review Island Health's Board Manual bi-annually, or more frequently as required.
- iii. Review and recommend to the Board, as appropriate, proposed changes to committee Terms of Reference recommended by other committees.

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- iv. Ensure there is a system that enables a Committee or Director to engage separate independent counsel in appropriate circumstances, at the Authority's expense, and be responsible for the ongoing administration of such a system;
- v. Receive the annual budget allowance for Board operations for information.

E. Board Composition and Succession Planning

- i. Consider and recommend to the Board, as appropriate, the ideal skills, qualifications, experiences and background required of the Board as a whole based on the short-term and long-term needs of Island Health, any challenges facing Island Health, and the Board's leadership requirements ("Needs Matrix").
- ii. Annually review the composition of the Board as a whole and recommend, if necessary, changes to the Needs Matrix.
- iii. As vacancies arise, review and update the Needs Matrix and compare it to the skills of continuing directors; identify any gaps that should be filled ("Director Recruitment Profile") and, through the Board Chair, seek Government's approval of the Director Recruitment Profile.
- iv. Through the Board Chair, provide Government with a performance evaluation for all directors seeking re-appointment.

F. Orientation and Professional Development

- i. Create and oversee a comprehensive orientation program for new directors.
- ii. Recommend to the Board an annual professional development program for the Board and as required for individual directors.
- iii. Each director must complete a minimum of four hours of education per calendar year in an areas related to executing their duties as a director.
- iv. Each director is required to complete all mandatory courses outlined in the annual professional development program approved by the Board, subject to course availability.

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- v. In addition, each director is encouraged to participate in additional educational sessions based on the director's needs, the needs of the committees on which he/she serves and the needs of the Board as a whole.
- vi. Educational sessions include courses, forums, workshops, or may be delivered in some other format held by Island Health or an external organization and must be pre-approved by the Board Chair.

G. Board and Director Evaluation

- i. Lead the annual review process for evaluating the effectiveness of the Board, committees, the Board Chair, committee Chairs and directors.
- ii. Recommend to the Board, as appropriate, the annual review process for the above areas of evaluation.

H. Meeting Evaluation

- i. Working with the Board Liaison, regularly monitor Board and committees meeting effectiveness and report on feedback to the Board Chair.

I. Director Code of Conduct and Conflict of Interest

Ensure that Island Health has a Director Code of Conduct and Conflict of Interest policy in place that ensures each director:

- i. acts at all times in full compliance with both the letter and spirit of all applicable laws and avoids any situation which could be perceived as improper or indicate a casual attitude towards compliance; and
- ii. does not use his/her position with Island Health to pursue or advance his/her personal interests, the interests of related persons or the interests of a person to whom the director owes an obligation, and avoids any situation which may appear to be a conflict that could interfere with the director's judgment in making decisions in Island Health's best interest.

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4. ACCOUNTABILITY

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and provide a detailed written report including any recommendations for approval at the next Board meeting.

5. COMMITTEE CALENDAR

The Committee's workplan of activities is outlined in an annual planning calendar.