

GUIDING PRINCIPLES FOR GOVERNANCE

1. INTRODUCTION

Good public-sector corporate governance requires a solid foundation of principles to inform and guide operations and decision-making. Good governance is not only about achieving the desired results, but achieving the results in the right way.

2. STEWARDSHIP, LEADERSHIP AND EFFECTIVE FUNCTIONING OF THE BOARD

- A. Ethical leadership and stewardship by a strong Board of Directors is essential to good governance. Through its leadership role, the Board:
 - i. Establishes the processes and structures necessary to ensure the effective functioning and renewal of the Board;
 - ii. Delegates the necessary authority to management to carry out its responsibilities;
 - iii. Establishes processes which ensure thorough and timely reporting from management to the Board; and
 - iv. Establishes a strong relationship with management while exercising objective interests, as directed by the Minister of Health.

3. CLARITY OF ROLES AND RESPONSIBILITIES

- A. The roles and responsibilities of Island Health should be clearly defined. The key relationships are those between the Ministry of Health (represented by the Minister) and the Board (through the Board Chair) and the Health Authority (represented by the Board Chair and/or President & Chief Executive Officer as determined by the Minister/Ministry). These relationships function in the following manner:
 - i. The Ministry of Health communicates objectives and enables the board to effectively oversee Island Health's business.
 - ii. The Board approves long-term strategy consistent with the Ministry of Health's objectives and monitors management without participating in the day-to-day management of the business of Island Health.
 - iii. The President & Chief Executive Officer leads the development of draft long-term strategy and annual operating and capital plans for Board approval, implements the Board-approved plans and manages the day-to-day business of Island Health.

GUIDING PRINCIPLES FOR GOVERNANCE

iv. Reporting requirements and decision-making processes between all three levels should be explicit.

B. Further roles and responsibilities may defined in other relationships as determined by government, including from other Ministers of the Government of British Columbia.

4. Openness, Trust and Transparency

A. There must be an atmosphere of mutual trust and respect to support the achievement of the Ministry of Health's expectations for Island Health.

B. Expectations must be conveyed through a well-defined corporate mandate and clear direction on specific Ministry of Health priorities and objectives for the Health Authority. Strong relationships must be established between the Ministry of Health's representatives and the Board (in particular, between the Minister and the Board Chair) and between the Board and management (in particular, between the Board Chair and the President & Chief Executive Officer).

C. To meet decision-making, reporting and monitoring requirements, a clear and well-defined process should be put in place to ensure the timely and accurate flow of information between the Ministry of Health and the Board. This approach recognizes the public interest is best served through the Ministry of Health and Island Health engaging in a constructive dialogue to jointly develop an effective strategic direction, consistent with Island Health's mandate, and to clearly identify appropriate performance objectives associated with direction.

5. Service and Corporate Citizenship

A service philosophy should underpin all Board activity, including service to patients, residents and clients and the Ministry of Health. It includes a commitment to developing service standards and to acting in a fair and impartial manner.

6. Accountability and Performance

Accountabilities should be defined and communicated. The Ministry of Health's expectations are communicated through legislation, government's Strategic Plan, Mandate Letters, and the endorsement/approval of the Health Authority's

GUIDING PRINCIPLES FOR GOVERNANCE

specific Strategic Plans. The Board is responsible for working with management to develop and ultimately approve Island Health’s long-term strategic direction and vision in a manner consistent with the mandate expressed by the Ministry of Health. Multi-year operational and Budget Management Plans to deliver organizational objectives should be developed by management and approved by the Board. The Board should approve specific performance objectives and management effectiveness should be judged against the organization’s success in achieving objectives.

7. Value, Innovation and Continuous Improvement

There should be an organizational commitment to innovation, best practises and continuous improvement. This principle is central to the development of a value-driven, high performance culture – one which is committed to protecting and enhancing value through strong, capable leadership, management and employee development.