

UHN Board of Trustees

TERMS OF REFERENCE

ROLE OF THE BOARD

The *Public Hospitals Act (Regulation 865)* provides that each hospital “shall be governed and managed by a board”. The role of the board has two fundamental elements: decision-making and oversight. The decision-making function is exercised with respect to the formulation (with management) of strategic policies, strategic goals and approval of significant actions; the oversight function concerns the review of management decisions, the adequacy of systems and controls and the implementation of strategic policies.

The board establishes formal delegations of authority, defining the limits of management’s power and responsibility and delegating to management certain powers to manage the operation of the hospital. There are also statutory limitations specifying responsibilities of the board that cannot be delegated. Responsibilities not delegated to management remain with the board.

RESPONSIBILITIES OF THE BOARD

The Board of trustees at the University Health Network is responsible for maintaining accountability and providing stewardship. To provide stewardship to UHN, the Board is responsible for:

- **Goal Setting and Monitoring**

The CEO, with the involvement of the board, is responsible for leading the hospital, and must ensure that there are long term goals and a strategic planning process in place. The board should bring objectivity and breadth of judgment to the strategic planning process. The board must ultimately approve the strategic plan and is responsible for monitoring management’s success in implementing the strategic plan.

- **Governance**

The board must:

- Establish appropriate structures and procedures to allow the board to function independently of management, including meeting at regularly scheduled sessions without management present
- Establish committees and define their mandates to assist the board in carrying out its roles and responsibilities, and
- Undertake regular evaluation of the board. Its committees, their members, and senior management.

- **Risk Management**

The board must understand the principal risks of all aspects of the business in which the hospital is engaged and, recognizing that the nature of its business requires the incurrence of risk, achieve a proper balance between risks incurred and the potential benefits to the hospital and its stakeholders.

- **Succession Planning**

The board must ensure the highest calibre in selecting, monitoring, assessing and providing for succession of the CEO. In addition, the board must ensure that the CEO has an appropriate and viable succession management program in place for key senior management positions.

- **Communications**

The board must ensure the hospital has a policy to enable the hospital to communicate effectively with its stakeholders.

- **Safeguarding the Integrity of the Internal Control and Management Information Systems**

The board must ensure that control and information systems designed to monitor the hospital's progress are in place. Similarly, the board will want to ensure the hospital has an internal and external audit system that can inform the board about the integrity of financial and other information. The board must also ensure compliance of the information with regulatory requirements and appropriate accounting principles.

- **Advising Management**

By establishing a board with the appropriate mix of knowledge and skills, the board, or individual members, can provide advice when requested, to assist management to achieve the hospital's long-range goals.

- **Advocacy**

In cases where management does not have the authority and/or resources to achieve the hospital's goals, the board can play an important role in advocating to government or to other organizations to take steps that would facilitate the achievement of its goals.

- **Regulatory/Ethical Compliance**

The board shall ensure there are systems in place that ensure management is operating in an ethical way that complies with all relevant statutes, regulations and hospital by-laws.