

## Leadership – Governance

Governance risk in healthcare organizations can have significant negative impact on risk oversight and strategy, with potential for impact on patient care and reputational loss. This risk relates to lack of effective structure and processes for the board to carry out their critical governance function. This includes but is not limited to; inability to attract and/or retain board and committee members with the right skillset, ineffective accountability processes, insufficient reporting for board oversight or decision making, lack of strategy alignment, lack of board orientation and training, poor management of stakeholder/partner relationships and lack of succession planning. This document contains information entered by HIROC subscriber healthcare organizations (acute and non-acute) in the Risk Register application to help you in your assessment of this risk.



### Ranking/ratings<sup>1</sup>

- Likelihood – average score 2.47
- Impact – average score 3.32

**The Risk Register allows for risks to be assessed on a five-point likelihood and impact scale, with five being the highest.**

### Key controls/mitigation strategies

- Governance Structure
  - ✓ Robust governance framework which includes:
    - bylaws,
    - governance manual,
    - accountability framework,
    - committee's terms of reference,
    - compliance reporting,
    - policies,
    - board processes guidelines,
    - board evaluation plan
  - ✓ Dedicated board liaison to support the board and committees
  - ✓ Board and committees work-plan with priorities identified including key functions and policy review
  - ✓ Special purpose committees developed as needed to reduce board structure risks
  - ✓ Policy on delegation of authority to CEO reviewed annually



- Reporting, Monitoring and Compliance
  - ✓ Integrated risk management program including regular monitoring and reporting to committees/board
  - ✓ Information to board to assist in their oversight function such as:
    - safety and quality indicators,
    - aggregate data on complaints,
    - corporate scorecard,
    - financial update, controls, forecasting, funding agreements,
    - procurement scorecard,
    - outcomes of internal and external reviews and audits,
    - policy and regulatory compliance reports
  - ✓ Input from patients and families, such as:
    - safety walk rounds
    - patient representative
    - focus groups
    - patient stories
  - ✓ Whistleblower channels

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- Strategic Plan
  - ✓ Dedicated board retreats to develop, review, revise and/or extend strategic plan
  - ✓ Refresh strategic plans with focus on quality and safety
- Board Recruitment and Retention
  - ✓ Active nominating committee
  - ✓ Active board recruitment to fill in gaps in skills and experience
  - ✓ Refresh of skills matrix and governor succession planning
  - ✓ Board satisfaction survey
- Board Education and Training
  - ✓ Orientation to new board members which is refreshed regularly
  - ✓ Board development plan and capacity building
  - ✓ Regular reviews of governance best practices with the board
  - ✓ Education on risk management in healthcare and board oversight role

### Monitoring/indicators

#### *Organization related*

- Quarterly reports on progress of strategic plan
- Annual financial and internal control audit results
- Organization balanced scorecard
- Financial indicators
- Quality improvement plan indicators
- Executive dashboard results

#### *Board Performance*

- Annual board evaluations
- Performance evaluations of CEO and board members
- Regular self-evaluations
- Peer to peer evaluations
- Regular feedback process on board meetings to determine their effectiveness
- Board and committee work-plan, annually reviewed and monitored for compliance
- Committee assigned for board evaluation
- Accreditation – governance and leadership standards

