

SECTION 1

ROLE CONFUSION

TOPICS

The General Role of
Governing Bodies

The Role of Governing
Body Members

Differences between
Those Who Govern
and Those Who Lead
and Manage

The Role of
Chairperson

Who should govern health services organizations and programs? This section explores the need for and nature of clear roles in governing diverse types of health services organizations and programs in low-resourced countries, from health centers to provincial health councils to national referral hospitals.

Another question to ask is, How should this work be accomplished? Governing bodies need to know when to take charge, when to partner, and when to stay out of the way.¹

THE CHALLENGE

Health systems perform better when there is balance and synergy among those who manage, lead, and govern the health programs and organizations. The chairperson of a Provincial Health Council in Cameroon is frustrated when reviewing a work plan and budget that calls for education spending to develop three new leaders, five managers, and four new members of the Provincial Health Council. She does not know why three different types of leaders are needed or how their work will be different. Most of all, she doesn't know why they need orientation to their work if they are supposed to be already educated and experienced in health services delivery. How can you help her better understand the differences among and value of each type of leader?

1. See Ram Charan, Dennis Carey, and Michael Useem, *Boards That Lead: When to Take Charge, When to Partner, and When to Stay Out of the Way* (Cambridge, MA: Harvard Business School Publishing, 2014).

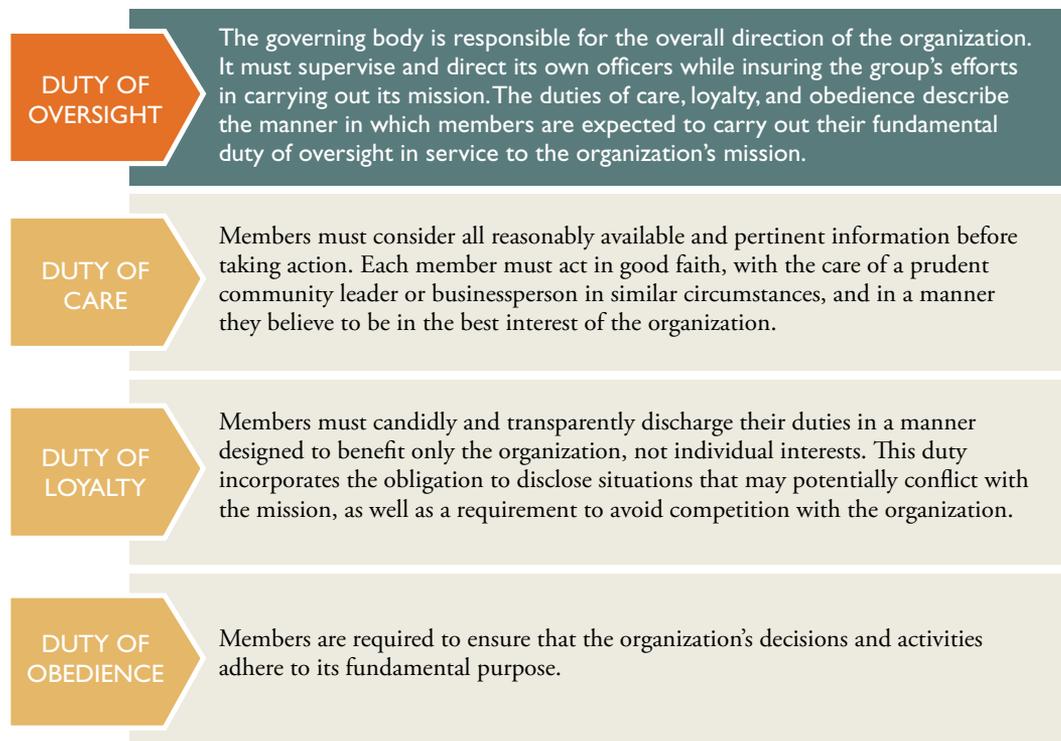
We have identified throughout this book good practices for those who manage, those who lead, and those who govern by serving on governing bodies at all levels of the health services sector of your country. We can also define many areas where it is desirable to have a balanced role for managers and leaders. Good governance enables and facilitates optimal contributions from those who manage and lead. See [Appendixes 1.1](#) and [1.2](#).

THE GENERAL ROLE OF GOVERNING BODIES

While the formal role of governing bodies for health may vary from country to country due to their unique legal and cultural heritages, the basic role of most governing bodies is to serve as **champions for and protectors of the mission of the organization or program**. This role is enacted through the policy, rules, and decision-making processes adopted and continuously refined by the governing body or entity that formed it. In most countries, this role should be organized around work that concerns three important duties: duty of care, duty of loyalty, and duty of obedience.²

Figure 1.1 explains these duties.

FIGURE 1.1 The duties of the governing body, The body's fundamental duty is oversight, which it carries out by exercising the duties of care, loyalty, and obedience.



2. Governance Institute, *Elements of Governance: Building a Comprehensive Board Orientation Program*, 2009.

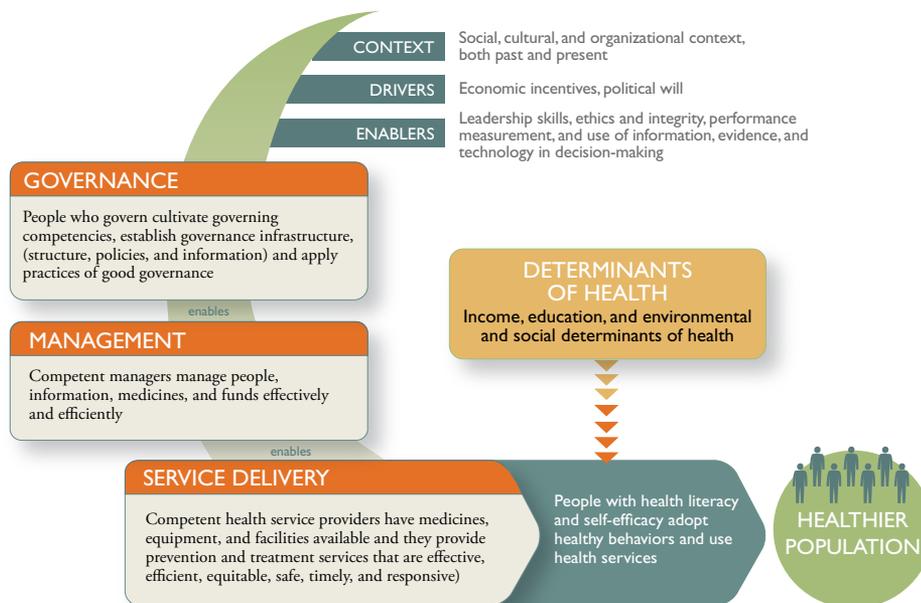
The purpose of most health sector governing bodies is to govern effectively and, in the process, build public and stakeholder confidence that their health and health care are in safe hands. This fundamental accountability to the public and stakeholders is delivered by building trust that:

- health services are safe and of high quality;
- resources are invested in a way that delivers optimal health outcomes;
- health services are accessible and responsive;
- the public can appropriately shape health services to meet its needs;
- public money is spent in a way that is efficient and effective.³

There is a range of models of governance in use in both the public and private sectors. This guide aims to provide governing body members with an overarching and sustainable framework that will allow you to make sense—and effective use—of the growing body of available advice and guidance from international resources, including the [MSH web portal on good governance](#).⁴ It draws on established good practices in governance and a wide-ranging review of more recent literature from all sectors.

Figure 1.2 presents an example of a conceptual model of governance for health.

FIGURE 1.2 Conceptual model of governance of health. When competent people perform a well-defined governing role in a health system, consistently apply practices of good governance, and establish essential governance infrastructure, we will have effective and efficient management of people, money, medicines, and information. Sound management of the health system enables delivery of safe, timely, effective, and efficient health services.



3. National Health Service of England, "Your Duties: A Brief Guide for NHS Foundation Trust Governors" (London: Monitor, 2014). Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301286/BriefGuideForGovernors.pdf

4. MSH, "Governance." Available at: <http://www.lmgforhealth.org/expertise/governing>.

We hope to answer for health sectors in low-resourced countries the three questions raised by Nadler et al. in *Building Better Boards*:⁵

1. How do you create a governing body that is truly effective—one that not only meets its minimum legal obligations but also becomes a source of added value to its organization?
2. How do you design the work of the governing body so that it achieves an appropriate level of engagement without overstepping its proper role, which is to ensure that the organization is managed effectively rather than to actually manage the organization?
3. How do you build an effective relationship between the governing body and the chief executive officer (CEO), one that empowers the governing body without hampering the CEO's ability to lead?

Box 1.1 shows what the Ministry of Health in Kenya has adopted as the key roles for hospital governing committees.

BOX 1.1 Example of hospital governance roles from Kenya

The Hospital Management (Governing) Committees (HMCs) shall have the following 12 core responsibilities.

1. **Overseeing Hospital Performance Improvement:** The HMCs should oversee the review and evaluation of the performance of the hospital and its programs, the quality of its services, and the types and scope of services being offered; they should also ensure that areas needing improvement are appropriately addressed.
2. **Participating in Planning for the Hospital:** The HMCs have the responsibility and authority to make plans that comply with the Ministry of Medical Services guidelines.
3. **Mobilizing Resources:** The HMCs shall ensure that adequate capital is available for the hospital's development and operations.
4. **Overseeing the Financial Operation of the Hospital:** The HMCs shall ensure a sound financial management system encompassing financial plans, performance evaluation, and regular financial reporting to the National Hospital Committee through the Performance Development and Management System (PDMS). It shall also routinely monitor operational fund balances.
5. **Ensuring Development of Hospital Human Resources:** It is the responsibility of HMCs to organize, protect, and enhance the hospital's human resources and ensure a conducive work environment.
6. **Ensuring Communities' Rights Are Fulfilled and Their Needs Are Adequately Met:** The HMC shall evaluate the services of the hospital to ensure that they fulfill the rights of the communities and comprehensively address their needs.
7. **Maintaining a Positive Public Image:** The HMCs shall regularly evaluate the hospital's public relations activities to ensure that it maintains a positive image of the hospital by ensuring that charters of patients' rights are developed and then displayed in the correct locations.

5. David A. Nadler, Beverly A. Behan, and Mark B. Nadler, *Building Better Boards: A Blueprint for Effective Governance* (San Francisco, CA: Jossey-Bass 2006), p. 10.

BOX. 1.1 Example of hospital governance roles from Kenya, *continued*

8. **Ensuring Compliance with Environmental Regulations and Standards:** The HMC shall ensure that the hospital operations comply with environmental laws and regulations on medical waste disposal and encourage environmental conservation within the hospital and its environs.
9. **Enhancing External Relationships and Partnerships:** The HMC shall seek to improve relationships with all stakeholders and enhance strategic partnerships.
10. **Mitigating Potential Conflicts of Interests:** Members of the HMCs and hospital staff are expected to act ethically at all times and to acknowledge their adherence to the Public Officers Ethics Act 2003 and the MOMS Code of Conduct.
11. **Risk Management:** The HMCs shall be concerned with the overall risk to the hospital and the impact a particular event could have on the hospital and the community it serves. The HMCs shall ensure the hospital has strategies and systems to identify and mitigate risk. The HMCs shall be concerned with the following common risks:
 - a. Natural disaster
 - b. Customer or employee accidents
 - c. Service and product liability
 - d. Embezzlement
 - e. Supplier bankruptcy
 - f. Loss of reputation
 - g. Unexpected new products, policies, and competitors in the sector
12. **Regulatory Compliance:** The health care service delivery is governed by a number of laws and regulations. The responsibility of HMCs in this respect is to ensure the hospital complies with the laws and regulations. To fulfill this responsibility, each HMC member must have a clear understanding of the legal and regulatory framework under which the hospital operates.

Source: Kenya Ministry of Medical Services, "Hospital Management Services Funds, Governance Guidelines for Hospital Management Committees," March 2011.

Table 1.1 on the next page summarizes some techniques and practices that support or hinder the effectiveness of governing bodies. Good governing bodies seek to maximize the activities that support good decision-making, and minimize those that obstruct good decision-making.

TABLE 1.1 Board and executive management relationships: constructive and obstructive

Ways of working that support good social processes	Ways of working that obstruct good social processes
Building a crystal clear understanding of the roles of the board and individual board members	Board members behaving in a way that suggests a “master-servant” relationship between non-executive and executive
Actively working to develop and protect a climate of trust and candor	Executive Directors only contributing in their functional leadership area rather than actively participating across the breadth of the board agenda
Building cohesion by taking steps to know and understand each other’s backgrounds, skills, and perspectives	Demonstrating an unwillingness to consider points of view that are different from individual director’s starting positions
Encouraging all board members to offer constructive challenges	Challenge primarily coming from non-executive directors, rather than all directors feeling empowered to challenge one another in board meetings
Sharing corporate responsibility and collective decision-making	Challenging in a way that is unnecessarily antagonistic and not appropriately balanced with appreciation, encouragement, and support
Ensuring that neither chair nor chief executive power and dominance act to stifle appropriate participation in board debate	Working in ways that don’t demonstrate overall confidence in the executive and that feed individual anxiety and insecurity about capability

Source: The Health NHS Board: Principles for Good Governance, NHS England (<http://www.leadershipacademy.nhs.uk/wp-content/uploads/2013/06/NHSLeadership-HealthyNHSBoard-2013.pdf>)

In the National Health Service in England, the chief executive of a trust governing body observes: “In our organization there are two key tests that we apply to all the decisions that we make: Would you spend your own money this way and would you wish to use this service? In this way, we ensure that we have the taxpayer on one shoulder and the patient on the other.”

In 2009, the Audit Commission document “Taking It on Trust: How Boards of NHS Trusts and Foundation Trusts Get Their Assurance,” described the concept of “assurance” in health services: “Governance arrangements that are persuasive on paper must work in practice. The aim of board assurance is to give confidence that the trust is providing high quality care in a safe environment for patients by staff who have received the appropriate training; that it is complying with legal and regulatory requirements; and that it is meeting its strategic objectives.”⁶

6. Audit Commission, *Taking It on Trust: National Health Report April 2009*, p. 4. Available at: <http://archive.audit-commission.gov.uk/auditcommission/subwebs/publications/studies/studyPDF/3523.pdf>

THE ROLE OF GOVERNING BODY MEMBERS

The main job of health services governing bodies is to protect and accomplish the mission of the organization or program. However, each member of the body has specific responsibilities and duties within the health program or institution. To support the organization's mission statement, the focus of most of these governing body members is to create and enforce specific policies in the six key areas of: (1) quality performance; (2) financial performance; (3) planning performance, (4) management performance; (5) governance effectiveness; and (6) community relations and advocacy. The members implement these policies as a group. They work with senior management and health workers to adopt service utilization and financial vitality outcome targets that guide and measure the organization's overall performance and progress according to plan. As a part of this process, governing body members should:

- Establish policy guidelines and criteria for implementation of the organization's mission and also review the mission statements of any subsidiary program units to ensure that they are consistent with the overall organization's mission.
- Evaluate proposals brought to the board to ensure that they are consistent with the mission statement.
- Monitor programs and activities of the health system and subsidiaries to ensure that they are consistent with the mission.
- Periodically review, discuss, and if necessary, amend the mission statement to ensure its relevance.

In this way, good governance leads to sound management and reliable service delivery. See Figure 1.3, right.

The fundamental duty of oversight—with specific attention to the duties of care, loyalty, and obedience—should be incorporated in all governing body and individual member job descriptions. In addition, job descriptions should include specific reference to the following core board oversight responsibilities: financial oversight; quality oversight; setting strategic direction/mission oversight; board self-evaluation; management oversight; and advocacy and community relations.

For sample terms of reference for a district health council, see [Appendix 1.1](#). The state government of Lagos, Nigeria, provides a sample job description for a primary care governing board.⁷

7. Lagos State Government, "Responsibilities." Available at: <http://www.lagoss-tate.gov.ng/pagemenus.php?p=305&k=197>

FIGURE 1.3 Governance is an enabler. Leaders who govern enable managers, and managers enable service providers.



DIFFERENCES BETWEEN THOSE WHO GOVERN AND THOSE WHO LEAD AND MANAGE

Although there may be overlap in the work of the governing body and management, with careful discussion and planning, conflicts, confusion, and disruptions can be avoided. Table 1.2 shows this balancing of roles between a board and its management at a high level.

TABLE 1.2 The board-management relationship

Board's roles	Management's roles
Select, evaluate, and support the CEO	<ul style="list-style-type: none"> ■ Run the organization in line with board direction ■ Keep the board educated and informed ■ Seek the board's counsel
Approve high-level organizational goals and policies	<ul style="list-style-type: none"> ■ Recommend goals and policies, supported by background information
Make major decisions	<ul style="list-style-type: none"> ■ Frame decisions in the context of the mission and strategic vision, and bring the board well-documented recommendations
Oversee management and organizational performance	<ul style="list-style-type: none"> ■ Bring the board timely information in concise, contextual, or comparative formats ■ Communicate with candor and transparency ■ Be responsive to requests for additional information
Act as external advocates and diplomats in public policy, fundraising, and stakeholder/community relations	<ul style="list-style-type: none"> ■ Keep the board informed, bring recommendations, and mobilize directors to leverage their external connections to support the organization

Source: Barry S. Bader, "Distinguishing Governance from Management," *Great Boards*, vol. 8, no. 3 (Potomac, MD: American Hospital Association, Fall 2008). Available at: <http://www.greatboards.org/newsletter/reprints/Great-Boards-fall-2008-reprint-distinguishing-governance-and-management.pdf>

There is also often confusion about the relative roles and contributions of managers and leaders of health services organizations. They are different, but both are important, as is apparent in Table 1.3.

TABLE 1.3 Managerial leadership: differences between what leaders and managers do

Managers	Leaders
Deal with status quo	Deal with change
Work in the system	Work on the system
React	Create opportunities
Control risks	Seek opportunities
Enforce organizational rules	Change organizational rules
Seek and then follow direction	Provide a vision to believe in and strategic alignment
Control people by pushing them in the right direction	Motivate people by satisfying basic human needs
Coordinate effort	Inspire achievement, energize people
Provide instructions	Coach followers, create self-leaders, and empower them

Good Governance Enables and Balances Manager-as-Leader Roles

Both managers and leaders are essential in modern health sectors to achieve high performance results. They can achieve more together than separately, in the following ways.

1. Leaders optimize the upside; managers minimize the downside.
Both together net more.
2. Leaders envision possibilities; managers calculate probabilities.
Both together win more.
3. Leaders focus on the ends; managers focus on the means.
Both together reach more.
4. Leaders focus on the what; managers focus on the how.
Both together do more.
5. Leaders prepare beyond the limits; managers focus on execution within limits. Both together perform better.
6. Leaders generate energy; managers preserve energy.
Both together energize more.
7. Leaders seize opportunities; managers avert threats.
Both together progress more.
8. Leaders are the first ones onto the battlefield; managers are the last ones off.
Both together triumph more.

9. Leaders amplify strengths; managers reduce weaknesses.
Both together develop more.
10. Leaders provide vision; managers provide execution.
Both together achieve more.
11. Leaders do the right things; managers do things right.
Doing both together is the right thing.
12. Leaders drive change; managers maintain consistency.
Both together continuously improve.
13. Leader/manager distinction: “Leaders plant; managers weed.”
Both together yield the greatest harvest.

Good governance creates the conditions in which the contributions of these roles are more likely to be optimized in a health services organization.

Figure 1.4, the MSH Results Framework, shows the logical impact of integrating the practices of good leaders and managers with smart governing to achieve stronger health systems and greater health impact.

FIGURE 1.4 Leading, managing, and governing for results. When people who govern lead and govern well, and people who manage lead and manage well, health system performance improves. Improved health services contribute to better health of populations.

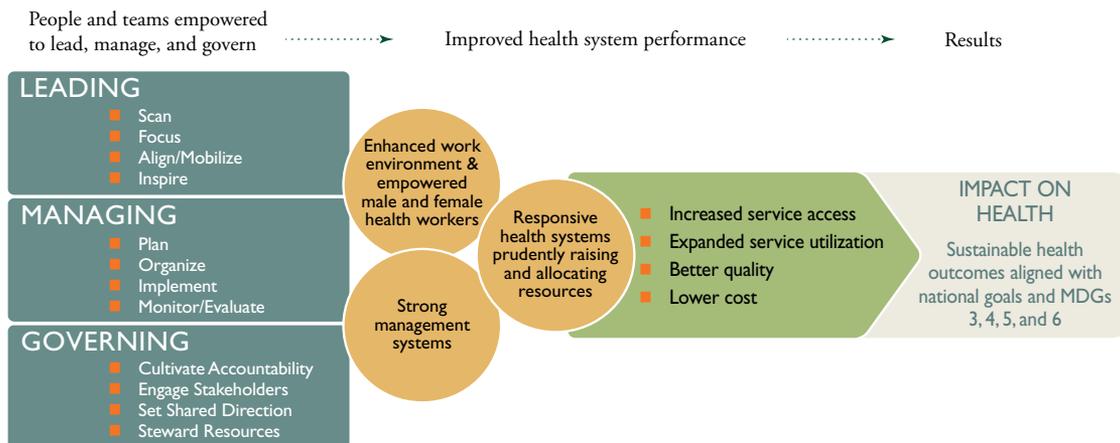


Figure 1.5 further illustrates the interaction and synergy among the practices for good leading, managing, and governing practices. You can discuss these with your management team and governing body members to clarify how they relate to your realities.

FIGURE 1.5 Integrated practices for high-performing health systems. These practical approaches will help people who govern, manage, and provide services to improve their organizations' performance.



THE ROLE OF CHAIRPERSON

Two of the most important factors contributing to the success of a governing body are the skill and style of its chairperson. This is particularly the case when it comes to building a positive partnership with the organization's managing director or CEO. Among other things, board leaders should be unbiased and have good facilitation skills. They must understand the subtleties of group dynamics and know how to create effective norms.

The chairperson plays an important role in shaping the board's norms and culture. A good chairperson should govern instead of rule. A good chair must demand clear and regular communications from the CEO and others on the top management team to ensure that the board is well informed. The chair plays a major role in essential tasks such as setting the agenda; determining the extent to which the board members are informed and contributing to the agenda; making sure organizational policies are open and fair; encouraging equity and collaboration; and allowing and encouraging every member to exercise their initiative, to express their ideas, and to fulfill their responsibilities. Board members who perform well can and should be praised openly and personally.

Table 1.4 illustrates the relative contributions that different leaders within the governance processes of a health service organization can make.

TABLE 1.4 Managerial leadership: differences between what leaders and managers do

Task	Chair	Chief executive	Non-executive director	Executive director
Formulate strategy	Ensures board develops vision, strategies, and clear objectives to deliver organizational purpose	Leads strategy development process	Brings independence, external skills and perspectives, and challenge to strategy development	Takes lead role in developing strategic proposals, drawing on professional and clinical expertise (where relevant)

Task	Chair	Chief executive	Non-executive director	Executive director
Ensure accountability	<p>Hold chief executive to account for delivery of strategy</p> <p>Ensures board committees that support accountability are properly constituted</p>	<p>Leads the organization in the delivery of strategy</p> <p>Establishes effective performance management arrangements and controls</p> <p>Acts as accountable officer</p>	<p>Holds the executive to account for the delivery of strategy</p> <p>Offers purposeful, constructive scrutiny and challenge</p> <p>Chairs or participates as member of key committees that support accountability</p>	<p>Leads implementation of strategy within functional areas</p>
Shape culture	<p>Provides visible leadership in developing a positive culture for the organization, and ensures that this is reflected and modeled in their own and in the board's behavior and decision making</p> <p>Board culture: Leads and supports a constructive dynamic within the board, enabling contributions from all directors</p>	<p>Provides visible leadership in developing a positive culture for the organization, and ensures that this is reflected in their own and the executive's behavior and decision making</p>	<p>Actively supports and promotes a positive culture for the organization and reflects this in their own behavior</p> <p>Provides a safe point of access to the board for whistle-blowers</p>	<p>Actively supports and promotes a positive culture for the organization and reflects this in their own behavior</p>
Context	Ensures all board members are well briefed on external context	Ensures all board members are well briefed on external context		
Intelligence	Ensures requirements for accurate, timely, and clear information to board/directors/governors are clear to executive	Ensures provision of accurate, timely, and clear information to board/directors/governors	Satisfies themselves of the integrity of financial and quality intelligence	Takes principal responsibility for providing accurate, timely, and clear information to the board

Task	Chair	Chief executive	Non-executive director	Executive director
Engagement	Plays key role as an ambassador, and in building strong partnerships with: <ul style="list-style-type: none"> ■ Patients and public ■ Members and governors ■ Clinicians and staff ■ Key institutional stakeholders ■ Regulators 	Plays key leadership role in effective communication and building strong partnerships with: <ul style="list-style-type: none"> ■ Patients and public ■ Members and governors ■ Clinicians and staff ■ Key institutional stakeholders ■ Regulators 	Ensures board acts in best interests of the public Senior independent director is available to members and governors if there are unresolved concerns	Leads on engagement with specific internal or external stakeholder groups

Source: National Health Service of England, NHS Leadership Academy, *The Healthy NHS Board 2013: Principles for Good Governance*. Available at: <http://d4f75a9c2be4fb76f693-b943cd9523d92ba087ae15d4d3eb47ce.r46.cf3.rackcdn.com/NHSLeadership-HealthyNHSBoard-2013.pdf>

[Appendix 1.1](#) provides an example of a well-defined governing board in the UK.

[Appendix 1.2](#) provides a sample position description for a chairperson.

[Appendix 1.3](#) provides an illustration of an authority matrix for a US hospital. This level of explicit role clarity and balance can be adapted for any type of health services organization. The key is the conversations among the leaders who govern about who needs to do what and when to protect and promote the mission of the organization.

APPENDIX 1.1

Example of a well-defined governing board: Staffordshire, UK

(See also [Appendix 16.1](#))

Staffordshire Health and Wellbeing Board Terms of Reference

INTRODUCTION

The Staffordshire Health and Wellbeing Board (The Board) is established under the provisions set out in the Health and Social Care Act which received Royal Assent on the 27 March 2012. The Board is a key strategic leadership partnership forum that will drive ongoing improvements in health and wellbeing across Staffordshire. The Board will assume its statutory responsibilities from April 2013.

Our Vision for Staffordshire

“Staffordshire will be a place where improved health and wellbeing is experienced by all — it will be a good place which will be healthy and prosperous in which to grow up, achieve, raise a family and grow old, in strong, safe and supportive communities.”

We will achieve this vision through

“Strategic leadership, influence, pooling of our collective resources and joint working where it matters most, we will lead together to make a real difference in outcomes for the people of Staffordshire.”

The Board will focus its efforts where combined partnership effort will lead to significant impact upon the health and wellbeing of the local people and communities of Staffordshire over and above what could be achieved by any one organisation on its own. In short, the Board will focus its efforts where it can make the biggest difference.

The Board will have oversight, where appropriate, of the use of resources across a wide spectrum of services and interventions, to achieve its strategy and priority outcomes and to drive a genuinely collaborative approach to commissioning, including the coordination of agreed joint strategies. The Board will provide leadership and have oversight of the totality of commissioning expenditure in Staffordshire which is relevant to achieving the Board's strategic priorities, working to minimise duplication, avoid cost shunting and maximise the cost effectiveness of resources and services.

The Board has a set of core duties as laid out in the 2012 Health and Social Care Act, these are:

1. To jointly prepare and publish a Staffordshire Joint Strategic Needs Assessment, ensuring that it engages with and captures the voice of the community, and is used to inform collective and individual strategic decisions of the Board and the individual bodies that make up the Board.

2. To jointly agree and publish a Staffordshire Joint Health and Wellbeing Strategy (JHWS), setting out ambitious outcomes for improved health and wellbeing across Staffordshire.
3. To encourage health and care commissioners to work together and to coordinate commissioning decisions to advance the health and wellbeing of the people of Staffordshire.
4. To consider the partnership arrangements under the Section 75 of the 2006 NHS Act (such as joint commissioning and pooled budgets where appropriate).
5. To involve third parties including HealthWatch and people living and working in the area in the preparation of the JSNA and JHWS (also District and Borough Councils in the preparation of the JSNA)
6. To encourage integrated working.
7. To ensure patient and public voice is heard as part of the Health and Wellbeing Boards decision making, receiving and considering patient and public feedback through the statutory board membership and regular reports of Staffordshire Healthwatch.
8. To review the plans of the Clinical Commissioning Groups, NHS Commissioning Board LAT and Local Authority, reviewing whether these contribute to the delivery of the JHWS.
9. A duty to work in partnership.
10. Duty to review how far a CCG has contributed to the delivery of the JHWS and the performance assess how well their duty has been discharged in terms of having regard to JSNA and JHWS.
11. Increase local democratic legitimacy in the commissioning of health and care services.

In addition to the duties of the Board as set out in the Health and Social Care Act, the Staffordshire Health and Wellbeing Board has also agreed additional functions relevant to achieving outcomes for Staffordshire and the wider Staffordshire partnership environment:

12. To oversee the effective delivery of the Staffordshire strategic priority outcomes
13. To ensure continuous improvements in quality; encompassing patient experience, safety and effectiveness.
14. To work with the Local Safeguarding Children and Adult Boards to ensure all partners promote the safety and welfare of children and young people and vulnerable adults.
15. To establish the basis of collaboration with Stoke City Health and Wellbeing Board
16. To represent the needs and issues for Staffordshire at local, regional, national and international level.

17. To monitor, review and evaluate progress and impact against the outcomes and actions agreed in the Staffordshire JHWS and ensure action is taken where appropriate to improve outcomes.
18. Evaluate performance against locally agreed priorities.
19. Evaluate performance against nationally set outcomes frameworks for the NHS, public health and social care.

The Board doesn't exist to become embroiled in the "operational detail" of any one issue or organisation around the table.

HOW WE WILL WORK TO ACHIEVE THESE AMBITIONS

Accountability

The key principles upon which the Board will function are as follows:

- The Board will link closely with the Staffordshire Strategic Partnership (SSP) to ensure coordination around common priorities to the benefit of local communities (see Appendix 1).
- There will be sovereignty around decision making processes. Core members will be accountable through their own organisation's decision making processes for the decisions they take. It is expected that Members of the Board will have delegated authority from their organisations to take decisions within the terms of reference.
- Decisions within the terms of reference will be taken at meetings and will not normally be subject to ratification or a formal decision process by partner organisations (provided that at least 10 days notice of forthcoming decisions had been given). However, where decisions are not within the delegated authority of the Board members, these will be subject to ratification by constituent bodies.
- It is expected that decisions will be reached by consensus.
- From April 2013 the decisions and agendas for the Board will be publicly available, except where exemption criteria apply, via the website. The Board will actively provide information to the public through publications, local media, wider public activities and an annual report.
- Core members have a responsibility to feed back to their respective organisations the deliberations and decisions of the Board as appropriate.
- The terms of reference will be reviewed annually in light of learning from the experience of Board members.

The Board may establish themed sub-groups from time to time to advise the Board. These groups will be accountable to the Board for the delivery of their stated aims and outcomes within agreed timescales. The Board may arrange for the discharge of its functions by a sub group of the Board or an officer of the authority. The Health and Wellbeing Board is an executive function of Staffordshire County Council. The Staffordshire Health Select Com-

mittee will be the key means of scrutiny of the Board's activity. This will generally involve an invitation to the Chair or Co-Chair to attend relevant meetings of the Select Committee, linked to an agreed work programme. The relationship between the Health and Wellbeing Board, Healthwatch and Overview and Scrutiny is set out in Appendix 2.

Membership

The core membership of the Board is as follows:

- Cabinet Member for Adults' Wellbeing, Staffordshire County Council
- Cabinet Member for Children's Wellbeing, Staffordshire County Council
- Cabinet Member for Public Health and Community Safety, Staffordshire County Council
- An Elected District & Borough Council Representative
- An Elected District & Borough Council Representative
- Representative of North Staffordshire Clinical Commissioning Group
- Representative of South East Staffordshire and Seisdon Peninsula Clinical

Commissioning Group

- Representative of East Staffordshire Clinical Commissioning Group
- Representative of Stafford and Surrounds Clinical Commissioning Group
- Representative of Cannock Chase Clinical Commissioning Group
- Chief Executive Staffordshire NHS Cluster – will be NHS Commissioning Board Local
- Area Team when established from April 2013)
- Chief Constable of Staffordshire Police
- Deputy Chief Executive and Director of People, Staffordshire County Council
- Director of Public Health Staffordshire
- A designated representative from HealthWatch

There isn't a requirement for the Board to be politically proportional.

Additional membership will be considered by the Health and Wellbeing Board as appropriate. The overall size of the Board will, however, be kept at a level which is manageable and able to support efficient and effective decision-making.

The Board intends to ensure effective engagement and dialogue with wider stakeholders through the development of a Health and Wellbeing Provider Forum. The views of the Provider Forum will be fed back into the Board to inform its decisionmaking.

Board Leadership

In terms of providing leadership and driving forward with pace the agenda for health and wellbeing in Staffordshire Board Members will need to be committed to:

- Placing the patient and public at the heart of decision making
- Provide strategic leadership based on evidence with a focus on areas where the Board can make the biggest difference
- Act with courage and conviction when making decisions that will have long term benefits to local communities
- Working in partnership to deliver impact
- Communicate effectively and consistently across Board Members and across stakeholders.

Chairing of Meetings

The Health and Wellbeing Board has established the following arrangement for the Chairmanship of meetings:

- The Chairman of the Health and Wellbeing Board will be the County Council's Cabinet Member for Adults Wellbeing.
- The Co-Chair will be selected from the Clinical Commissioning Group representatives on the Board.

These positions do not attract an additional special responsibility allowance.

Meeting Arrangements

The Board will meet publicly 6 times a year on an 8 week cycle. Additional meetings of the Board may be convened with agreement of the Chairman/ Co-Chair. Board Members will also be asked to attend development sessions as appropriate which will be specifically structured to provide time for reflection, development and training to ensure continued focus upon effective leadership and outcomes.

The Board will establish its own Forward Programme of activity which will be reviewed regularly to ensure it remains both strategic and timely. The Forward Plan will be considered at every meeting to facilitate discussion as to priority areas, new items and agenda timetabling. Any reports for a meeting of the Board should be submitted to the County Council's Member and Democratic Services team no later than eleven days in advance of the meeting to ensure the ten day timescale for notification of forthcoming decisions is adhered to. No business will be conducted that is not on the agenda.

Agendas and papers for Board meetings will be made publicly available via the website unless covered by exempt information procedures. Agendas and reports will be circulated and published ten days prior to the meeting.

Quorum

The quorum for a meeting shall be a quarter of the membership including at least one elected member from the County Council and one representative of the GP commissioning consortia.

Substitution Arrangements

Each Core Member has the power to nominate a single named substitute. Should a substitute member be required, advance notice of not less than 2 working days should be given to the Council, via the Member and Democratic Services Team. The substitute member shall have the same powers and responsibilities as the Core Members including the ability to vote of matters before the Board.

Voting

All Core Members, and their named substitute, will have the right to vote on matters before the Board. A decision will be passed on the basis of a simple majority vote. In the event of a majority vote not being possible the Chairman shall have the casting vote.

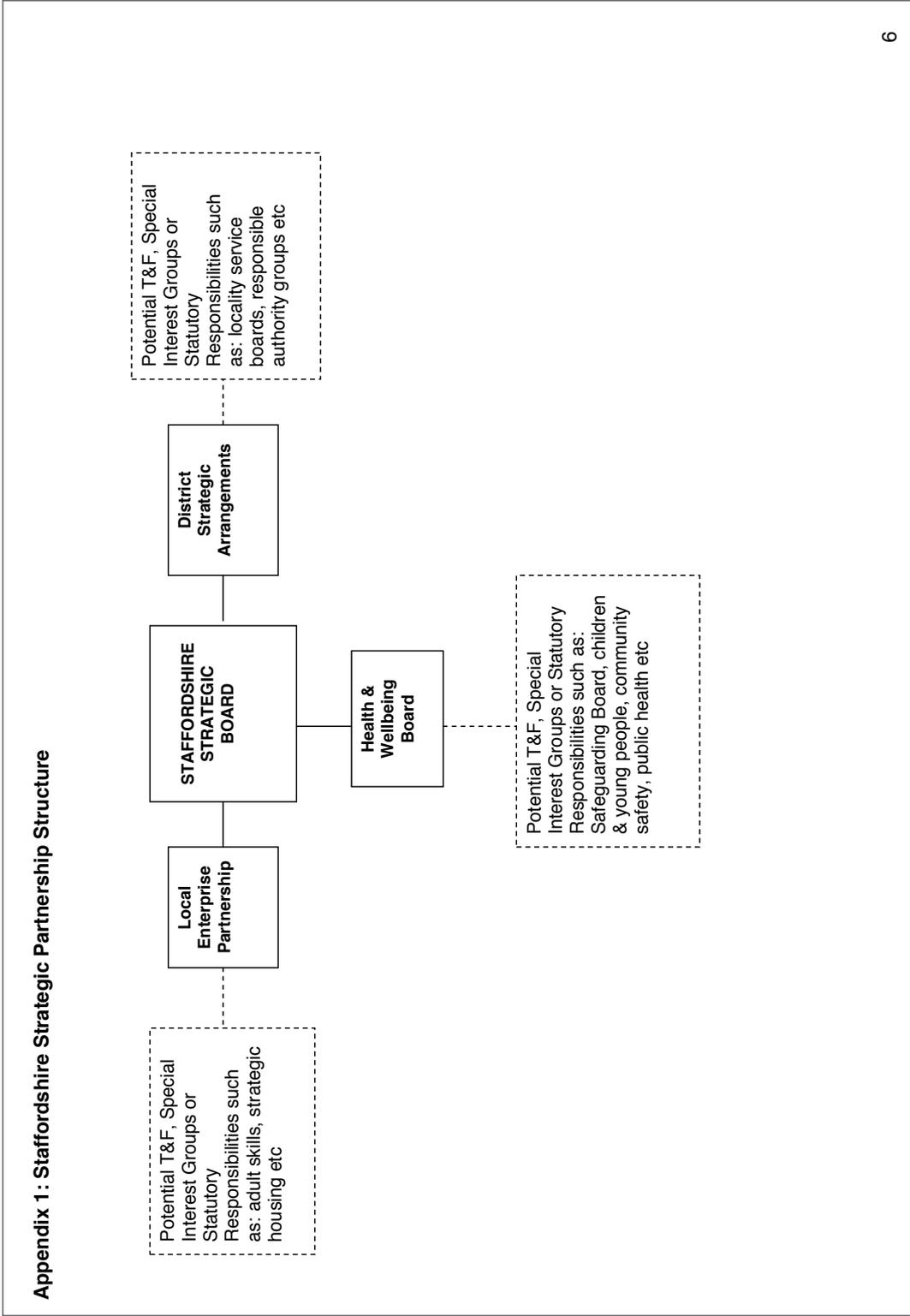
Expenses

The partnership organisations are responsible for meeting the expenses of their own representatives.

Conflicts of Interests

The Localism Act 2011 (section 27 (4)) sets out matters relating to the Code of Conduct and the Registration of Interests (and subsequent regulations). These will apply to Health and Wellbeing Board members.

These require Board Members to abide by Code of Conduct based on the 7 Nolan principles of Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). Under this code, Health and Wellbeing Board Members, and their substitutes are required to register defined 'Disclosable Pecuniary Interests' (DPIs) that they are aware of relating to both themselves and their partner. The Council is also required to publish the Register of Interests on its website as well as having it available for public inspection.



Appendix 2: Relationship between the Health and Wellbeing Board, Overview and Scrutiny and Healthwatch

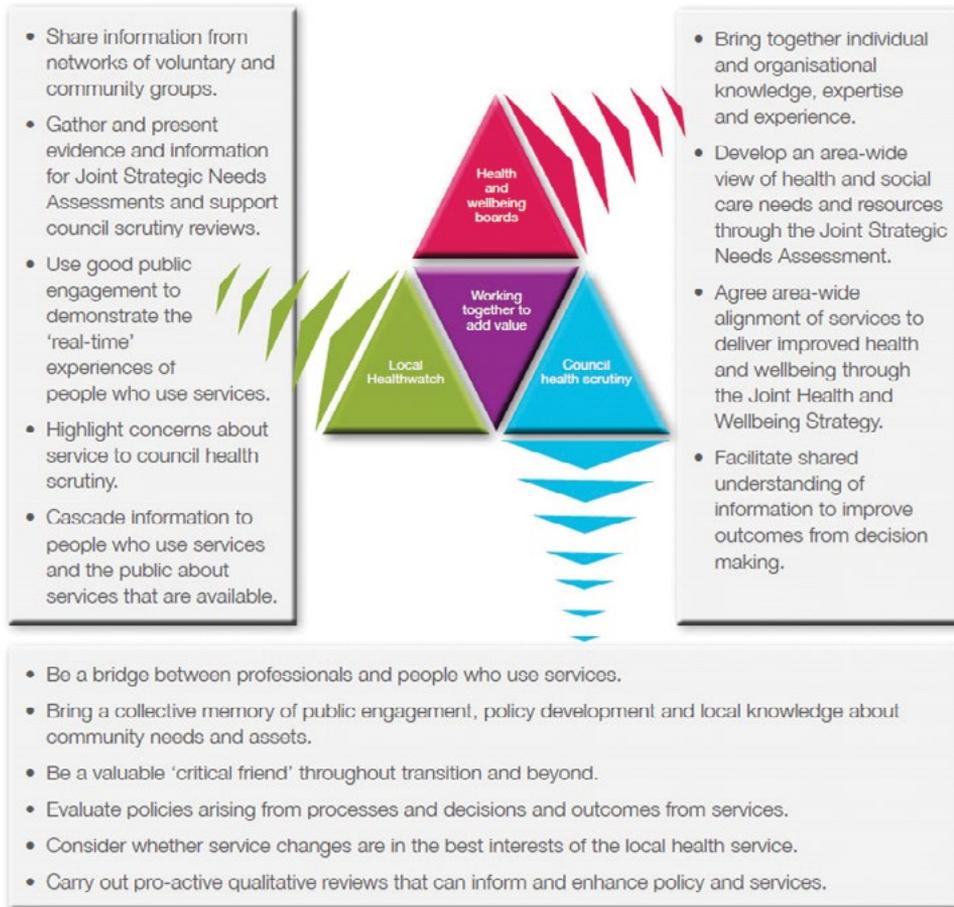


Diagram courtesy of Centre for Public Scrutiny/ Local Government Association

This appendix taken verbatim from Staffordshire Partnership. The document can be found [here](#).¹

1. <http://www.staffordshirepartnership.org.uk/Health-and-Wellbeing-Board/media/HWBTermsReference.pdf>

APPENDIX I.2

Position Description, Governing Body Chairperson

Responsibilities and Expectations

Leadership: Guides and directs the governance process, centering the work of the board on the organization's mission, vision and strategic direction.

Agendas: Establishes agendas for governing body and Executive Committee meetings, in collaboration with the CEO.

Meeting management: Presides over governing body and Executive Committee meetings in a manner that encourages participation and information sharing while moving the board toward timely closure and prudent decision-making.

Committee direction: Appoints committee chairs and members, subject to board approval. Works with committee chairpersons to align the work of committees with the vision and goals.

CEO relationship: Serves as the board's central point of official communication with the CEO. Develops a positive, collaborative relationship with the CEO, including acting as a sounding board for the CEO on emerging issues and alternative courses of action. Stays up-to-date about the organization and determines when an issue needs to be brought to the attention of the full board or a committee.

CEO performance appraisal: Leads the processes of CEO goal-setting, performance evaluation and compensation review, consistent with governing body policy.

Committee attendance: Serves as an ex-officio member of all committees.

Governing body conduct: Sets a high standard for board conduct by modeling, articulating and upholding rules of conduct set out in board bylaws and policies. Intervenes when necessary in instances involving conflict-of-interest, confidentiality and other board policies.

Governing body learning and development: Leads the development of the board's knowledge and capabilities by playing a central role in orientation of new board members, mentoring a chair-elect and providing continuing education for the entire board.

Succession planning: Participates in the recruitment of new board members and in the process of identifying candidates to serve as chairperson-elect.

Self-evaluation: Provides for an effective, objective board self-evaluation process and supports implementation of recommendations for improvement. Seeks feedback on his or her performance as chairperson.

Competencies and Expectations for a governing body Chairperson

1. service in a leadership position of the board (e.g., committee chairman or Executive Committee member)
2. demonstrated leadership and involvement in the community
3. respected by board members, the CEO and key stakeholders
4. ability to effectively lead the board in dealing with difficult issues
5. willing and able to commit time to leadership of the organization
6. ability to communicate, listen and seek others' input

See also [Appendix 16.2](#) for a sample CEO Terms of Reference.

APPENDIX I.3

Draft Governance Authority Matrix

GB=Governing Body CEO=Chief Executive Officer Com=Committee

#	Key Governance Functions	Description of Functions	GB	CEO	Com
1.0	Strategic Planning & Mission	<p>Governing bodies establish the strategic purpose and direction for the organization and its subsidiary units. This core responsibility encompasses:</p> <ul style="list-style-type: none"> ■ establishing or updating the mission—fundamental reason for existence; ■ the vision—definition of desired future state of the organization, how it should look and behave in a distant future; ■ the values—style or manner in which the people of the organization work together to accomplish the overall mission and related plans; ■ strategic plans that direct and guide the use of scarce resources to accomplish the mission. 			
	1.1	<p>Mission & Visioning (Text to reflect your health services organization and programs)</p> <p>Our reason for being is defined in terms of:</p> <ul style="list-style-type: none"> ■ who we exist to serve; ■ the macro outcomes we hope for these persons served; ■ the essential services we intend to provide. <p>Mission: To improve human life through excellence in the science and art of health care and healing.</p> <p>Vision: To put patients first by providing each beneficiary/patient the quality of care and comfort we want for our families and for ourselves.</p>			
	1.2	<p>Values</p> <p>The Health services organization/program values guide how we do all of our work to achieve our mission and vision. While these values can be periodically reviewed, they are meant to have a permanence that adds stability and clarity to our culture.</p>			
	1.3	<p>Ethics Decision-Making</p> <p>Our leaders must intentionally manage all of our decision-making processes and operational activities in such a way as to assure we meet or exceed the highest ethical standards of local, district, provincial, and national units of government, and our own unique precepts and values.</p>			
	1.4	<p>Environmental Assessment</p> <p>A process of identifying and evaluating forces and trends, and their likely implications to our many services, programs and health facilities, within our various markets and operating environments.</p>			
	1.5	<p>Market Needs Assessment</p> <p>Our local and system leaders must continuously review and understand the strategic and tactical plans and performance of other healthcare providers who might constrain or disrupt our capacity to accomplish our mission and related plans. Our leaders must also assess the implications of these organization's moves and identify potential strategies to meet and improve upon them.</p>			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
1.6	Organization Situation Analysis	A process of evaluating each of our units' strengths, weaknesses, opportunities, and threats as related to our mission and the unique realities of our operating environments.			
1.7	Strategic Goals	A process of analysis and reflection that defines the results we need to achieve—over the next 3 to 5 years—from our human and financial resources. Health services organization/program should define overall goals to be accomplished by the Health services organization/program health workers and care providers.			
1.8	Facility Master Planning	Much of our resources are committed within the physical settings (facilities and technologies) in which our caregivers interact with beneficiaries, patients and residents to optimally restore and maximize health. Our leaders must continuously, with the occasional use of outside experts, assess the degree to which these settings are functioning optimally, and how best to maintain and enhance their effectiveness—over a 5 to 10 year period.			
1.9	Strategic Plan	Our leaders must define (within the context of our overall mission and strategic goals) specific objectives, measures, and milestones of accomplishment to be achieved in our next fiscal year. These performance targets should stretch our people to new levels of effectiveness and efficiency, and should represent a hierarchy of synergistic activities among and across the many organizational units of the Health services organization/program.			
1.10	Performance Monitoring of Plans	Health services organization/program leaders must continuously assess the degree to which our performance is meeting or varying from planned performance targets, and be prepared to measure and explain variation and practical strategies to improve performance.			
1.11	Contingency Planning	Health services organization/program leaders need to anticipate that opportunities, threats, and performance variations can occur, and have predefined strategies and resources available to deploy as needed for midcourse corrections in plans and progress.			
1.12	Plan & Progress Reporting	There are many Health services organization/program internal and external stakeholders—employees, physicians, vendors, payers, bond holders, local employers, patients, and the general public—who have a right and need to know who we are, where we're going, and the degree to which we are accomplishing our missions and plans. Our leaders must continuously develop and deploy useful reporting mechanisms to share our plans and progress with stakeholders.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
2.0	Financial Vitality	Governing bodies establish policies and plans that protect and enhance the economic/financial assets of the organization. Their assets are held and managed as resources to accomplish our healing ministry in the most optimal way, over the longest period of time possible. We understand the dynamics around “no margin no mission—no mission no margin.”			
	2.1	Fiscal Performance Targets			
	2.2	Fiscal Vitality Assessment			
	2.3	Operational Budgeting			
	2.4	Capital Budgeting			
	2.5	Define Process for Approval of Signatories			
	2.6	Approval to Obligate on Non-Budgeted Projects with Capital Expenditures of:			
		i. <\$250,000			
		ii. \$250–\$750,000			
		i. >\$250,000			
	2.7	Creation of New Clinical Services, Budgeted Programs, and Lines of Business Based on Projected Annual Net Revenues of:			
	2.8	Capital Allocation			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
2.9	Transfer of Equity or Financing Arrangements Between Corporations				
2.10	Fiscal Performance Monitoring	Leaders must continuously assess the degree to which our financial budgets and targets are being achieved. Performance variations need to be understood and explained, and practical ways to regain maximum performance should be championed.			
2.11	Investment Management	In unforgiving markets and challenging financial times we need all the cash we can earn. Cash balances must be carefully managed and interest income from our cash must be maximized across our system of providers. Our leaders must establish GAAP and Medicare compliant processes and use expert advisors to achieve optimal investment earnings from our combined funds.			
2.12	Approval of Major Banking Relationships and Criteria for Other Financial Institutions				
2.13	Bond Holder Relations	To optimize the terms and minimize the costs of our bond and debt financings, we must carefully manage relationships with those who hold, sell, and manage our sources of bond/ debt funds. Periodic communications about our plans and performance are needed.			
2.14	Rating Agency Relations	Our bond/debt terms and costs are heavily influenced by the opinions held of our financial vitality by external bond rating agencies. We must maximize their ongoing confidence in our stewardship of capital resources entrusted to us. Periodic communications about our plans and performance are needed.			
2.15	Internal Compliance & Auditing	Governing our large system of care providers requires constant vigilance over thousands of transactions and contractual relationships. Our decision processes and systems must be carefully designed and administered to assure the highest level of compliance with ethical standards, industry and governmental rules and regulations. Formal review and reporting mechanisms must be continuously assessed, managed, and refined by our leaders.			
2.16	Select & Monitor External Auditor	Our internal vigilance for compliance with sound business, accounting, and governmental standards and practices must be carefully reviewed annually by an objective CPA firm. Selection, monitoring of, and reliance on this auditor is an essential responsibility of our leaders.			
2.17	Fiscal Reporting for Advocacy	As we hold and manage our assets in trust for the long-term vitality of our pursuit of mission, we must openly, actively, and honestly report on our stewardship performance to our multiple stakeholders in and outside our system. Communities, politicians, media, payers, and regulators must be particularly well informed about our fiscal health and performance trends. Community benefit reporting is an important facet of this responsibility.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
3.0	Quality & Patient/ Resident Safety	An essential responsibility of a care-giving system is to assure the basic safety and quality outcomes of the service experience. Both clinical and customer service outcomes are a driving force of the Health services organization/program performance commitments.			
3.1	Setting Quality & Safety Standards	All components of the service system should help define and own measurable and industry leading performance standards regarding the quality and safety of our patients and residents.			
3.2	Strategy to Achieve Standards	Leaders need to develop creative and practical ways to establish and enhance a culture that celebrates world-class performance to achieve agreed upon quality standards.			
3.3	Medical Staff Structure & Support	Physicians are essential partners in our pursuit of quality and patient safety. Leaders need to continuously assess and enhance the infrastructure, system, and support for our medical staff organizations throughout the system.			
3.4	Physician Credentialing	Reviewing and assuring that our physician colleagues are able to perform the procedures and services to which they are best trained and prepared is a central responsibility of our governing bodies. Processes for these review and approvals must be carefully established and managed within state and federal, legal and ethical guidelines.			
3.5	Credentialing/ Review of Non- Credentialed Patient-Care Staff				
3.6	Physician Quality Contributions	Physician expertise, creativity, and leadership is central to our achievement of excellent patient and resident clinical quality and satisfaction. Our leaders must establish and support processes that encourage and facilitate maximum physician contributions in all facets of our quality and safety initiatives.			
3.7	Quality Performance Monitoring	Our leaders must continuously assess the degree of success achieved by our strategies and investments to achieve high quality and patient safety. These assessments should be accomplished as close as possible to the individual caregiver interactions with patients and residents.			
3.8	Quality Results Reporting	Our progress toward quality/safety best practices need to be effectively communicated to our stakeholders to both earn internal pride and external market position gains. Reporting should be frequent, comprehensive, and honest.			
3.9	Patient/Resident Satisfaction Monitoring	An important proxy indicator of good care quality is the degree of patient satisfaction with our service performance. Periodic assessment and reporting of patient and resident satisfaction should be championed by our leaders.			
4.0	Physician Economic Relations	Physicians are our most important partners in and customers for our health services mission. These relationships require activities to attract, retain, and enthuse the most appropriate number of specialists needed to care for the people we serve in our many communities.			
4.1	Physician Planning Engagement	One of the most powerful ways to assure physician enthusiasm for our plans and programs is to provide frequent and meaningful participation in the strategic planning and budgeting processes of our system of care providers.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
4.2	Specialty Mix Definition	Our leaders need to continuously define the number and type of physician specialists required to serve the people of our communities. Clear strategies and budgets are needed to achieve these recruitment targets.			
4.3	Physician Recruitment Support	Our leaders need to continuously define the number and type of physician specialists required to serve the people of our communities. Clear strategies and budgets are needed to achieve these recruitment targets.			
4.4	Physician Contracting to Include: <ul style="list-style-type: none"> • Medical Director Contracts • Non-Employment Services Contracts • Practice Acquisitions • Joint Ventures • Physician Employment Agreements 				
	i. <\$1.5 M				
	ii. \$1.5–\$4M				
	iii. >\$4M				
4.5	Consulting and Other Professional Service Contracts				
	i. <\$1.5 M				
	ii. \$1.5–\$4M				
	iii. >\$4M				
4.6	Legal Settlements				
	Medical Malpractice				
	i. <\$1.5 M				
	ii. \$1.5–\$4M				
	iii. >\$4M				
	Other Legal Settlements				
	i. <\$1.5 M				
	ii. \$1.5–\$4M				
	iii. >\$4M				
4.7	Physician Co-Venture Planning	Our long-term financial vitality to achieve our mission is dependent upon finding ways to align our economic incentives with those of our physician colleagues. Strategies and investment into physician co-ventures must enable us to meet our mission, values, plans, and all ethical and legal standards.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
4.8	Physician Satisfaction Monitoring	Processes to continuously measure and evaluate the degree to which we are earning physicians' enthusiasm and involvement in our plans and performance are critical to mission achievement. We need systems to assess and report on strategies expected to maximize physician collaborations.			
4.9	Physician Trust & Loyalty Building	All of our programs and institutions need to allocate scarce human, technological, and financial resources to earn maximum levels of trust and loyalty from physicians who chose to affiliate their offices and practices with our system of care providers.			
5.0	Community Relations & Advocacy	Governing bodies of Health services organization/program assign a high priority to activities that maximize positive relationships with our many communities and their political and economic leaders.			
5.1	Assess Community Understanding of Plans & Progress	Our local and system plans must stand on clear assessments of the degree to which local community leaders understand and support our plans and performance. Annual analysis of trends and progress for optimal community rapport is a key process for enhancing our influence with local community leaders.			
5.2	"Ambassador" Reporting of Plans & Progress	Our leaders need to act as ambassadors that develop and support two-way communications about our plans and progress among local, civic, social, and business organizations and decision-makers. Active participation and memberships in these organizations should help influence them to support the accomplishment of our mission and plans.			
5.3	Continuous Scanning for Future Governing Body Members	Health services organization/program leaders need to continuously interact with influential local and regional community leaders in order to identify and cultivate the best and brightest for potential future governance roles within our system of healthcare providers.			
5.4	Support Advocacy at Local, State, & National Levels	Our leaders need to champion Health services organization/program's mission and plans with all appropriate community and political decision-makers who can help assure the availability of political and economic resources to achieve our plans in the most cost-effective manner possible.			
5.5	Media Relations Enhancement	Positive public opinion is important to our capacity to engage and enhance community understanding of and support for our mission and plans. Positive media relations can help influence positive public opinion among all our internal, as well as external, stakeholders.			
5.6	Assess and Influence Community Health Organization Relationships	Health services organization/program's capacity to meaningfully enhance "health gains," as well as "healthcare" requires coordination and collaborations with many local and regional organizations dedicated to the protection and promotion of healthy communities. Continuous monitoring and managing of these relationships is important for the achievement of our mission and plans.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
	5.7 Community Economic Development	Our institutions are among the largest employers and sources of economic vitality in the many communities we exist to serve. Our leaders must assure that we continuously monitor the need for and nature of our contributions of optimal economic growth and development of our communities served.			
6.0	Philanthropic Support	Challenges to our financial vitality from erosions in revenues and explosions of expenses place renewed importance for funds to be donated to our local programs and institutions. Earning this philanthropic support will be an ongoing priority for our governing bodies.			
	6.1 Understand Capital Needs of Local Units	Our foundation governing bodies and staff must be supported in their understanding of the short and long-range capital and operational funding requirements of our local health programs and institutions. These needs become the ongoing fundraising targets for our philanthropic initiatives.			
	6.2 Assess Market Receptivity for Philanthropy	Leaders must continuously gauge the degree of understanding of and support for our healthcare service initiatives. This role includes the identification of potential donors and the degree of receptivity they might have for our requests for funding support.			
	6.3 Foundation Strategic Planning	All foundations are to develop and execute against formal, annual strategic business and marketing plans to guide our pursuit of maximum philanthropic support of our local service roles and programs.			
	6.4 Staff Selection & Performance Monitoring	Philanthropy expert staff must be recruited, hired, and supported. Their results-oriented performance should be carefully considered in their selection and ongoing performance enhancement. Merit compensation principles and practices are desired.			
	6.5 Appointment of Governing Body Committees				
	6.6 Fund Raising Systems & Support	Raising funds and friends does not just happen. With growing competition for philanthropic funding, our governing bodies must actively champion sensible investments into the systems and staff needed for our success.			
	6.7 Assessing Charitable Regulatory Compliance	Our leaders must continuously understand and assure compliance with all regulatory requirements applicable to our philanthropic plan, performance, and public accountability.			
	6.8 Investment Management of Donated Funds	We should seek maximum financial returns on our available balances. This maximization philosophy will require coordination with outside experts on legal, accounting, and investment banking requirements.			
	6.9 Stakeholder Reporting & Celebrations	Ongoing and frequent reports to our internal and external stakeholders will help assure our long-term access to philanthropic sources. Contributors should receive suitable recognition for their efforts to generate friends and funds.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
7.0	Management Oversight	One of the most important roles of a governing body is the selection and support of a competent chief executive officer (CEO). Support includes sharing insights and expertise about the strategic priorities for the organization, but also about the quality and appropriateness of the CEO's accomplishment of strategies and plans delegated for CEO performance by the governing body. Support also means investing in the development, recognition, and performance rewards along with succession planning and occasionally replacement.			
	7.1	System CEO Selection & Appointment			
	7.2	System CEO Performance Monitoring & Incentives			
	7.3	System CEO Performance Support			
	7.4	System CEO Succession Planning			
	7.5	System CEO Termination			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
7.6	Unit CEO Selection & Appointment	Unit CEO selection and appointment is to be performed as a partnership between the unit's governing body and the Health services organization/program CEO. The System CEO has final approval for this appointment to ensure the most cost effective development of a system-wide management team. The unit CEO is to demonstrate a mix of talents and personality optimally suited for the unique needs of the local operating unit.			
7.7	Unit CEO Performance Monitoring & Incentives	Unit governing bodies are to collaborate with the system CEO to conduct at least annual performance reviews of their unit CEO. These define opportunities for continuous performance enhancement, as well as provide recognition, reinforcement, and reward for exemplary system-wide teamwork, local organizational performance, and professional/personal growth. Incentive compensation is to be provided in a manner consistent with the Health services organization/program-wide systems for human resource development and administration.			
7.8	Unit CEO Performance Support	The local governing body and system CEO collaborate to define and provide support for the unit CEO's optimal performance of his or her responsibilities within the local unit, as a system team player, and for the professional and personal development of the unit CEO.			
7.9	Unit CEO Succession Planning	To assure continuity and stability of local unit management, the Health services organization/program CEO is to collaborate with the local unit governing body to develop and maintain a plan for the orderly transition of executive leadership in any unfortunate circumstances where the unit CEO is unable to adequately discharge his or her responsibilities.			
7.10	Unit CEO Termination	The System CEO may terminate the unit CEO for cause as defined within the local unit CEO's employment agreement after careful consultation with the local unit governing body and appropriate physician leaders. Suitable interim management coverage and recruitment processes for a replacement should also be accomplished by the system CEO and local governing body in conjunction with such a termination.			
7.11	Employee Satisfaction Monitoring	The Health services organization/program governing body is responsible to work with the system CEO to establish a system-wide culture that encourages and rewards excellent performance by our employees within our values, and toward accomplishment of our mission. Periodic assessments should be conducted to the degree that our employees are satisfied with our system's plans, performance, ethical behavior, and their pride in contributing in meaningful ways to our healing ministry. Transparent reporting of these assessments should be accomplished to ensure our collective pursuit of a system-wide culture of caring and industry leading performance.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
7.12	Compensation Philosophy & Guidelines	The governing body, after careful consultation with the CEO and his or her senior human resources executive, should periodically define and update a statement of principles intended to guide the CEO in creating and continuously enhancing a workplace culture that recognizes, develops, and rewards our workforce to live our values in our collective pursuit of our mission. These principles should also assist us in attracting and retaining the highest quality employees in the market.			
7.13	Culture Enhancement	Governing bodies are to collaborate with the CEOs to provide insight and resources that help accomplish the employment and workplace principles needed to optimize our system-wide values. Governing body experiences in other organizations, industries, and communities should be adapted to help catalyze and nurture innovations for excellence within the Health services organization/program family of healthcare providers.			
7.14	Comparative Compensation Market Reviews	To continuously attract and retain the best and brightest managers and employees, the governing bodies should support CEOs to periodically conduct and report the comparative and competitive posture of our compensation programs with local, regional, and national realities.			
7.15	Staff Planning & Recruitment Strategies	The organization should develop and achieve governing body plans for the continuous recruitment of needed health professionals. Governing body input should be sought to ensure that these plans reflect the unique needs, styles, and realities of local markets. Suitable budgets should be promulgated to help ensure the achievement to these staff recruitment and development plans.			
8.0	Governing Body Performance Enhancement	All governing bodies must be attentive to their own development and performance. As governing bodies encourage and expect continuous clinical quality process improvement from the medical staff, and continuous administrative process improvements from the management staff, governing bodies must expect, encourage, and enable “continuous governance enhancement” in all their governance roles and responsibilities.			
8.1	Organization Articles & Bylaws	Each entity of the Health services organization/program is to be formally established and operated within the statutes and regulatory framework of the state and appropriate federal governmental health programs. The governing body will adopt, maintain, and refine as necessary such articles of incorporation, bylaws, and related policies needed to function cost effectively and in compliance with all necessary legal obligations.			
8.2	Governing Body Policies Manual	The processes and performance of each governing body’s roles and responsibilities are to be guided by a collection of formal policies focused on the principal work of the governing body and its committees. This collection of policies is maintained, and updated as needed within a manual easily accessible to all governing body members and the senior management of the organization. External legal counsel will periodically be retained to assist the governing body in ensuring the appropriateness of these policies as vehicles to achieve the mission and plans of the Health services organization/program of care providers.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
8.3	Governing Body Member Job Descriptions	Each governing body member must clearly understand and enthusiastically seek to accomplish his or her “job description.” This job description defines the principal roles, responsibilities, and behaviors needed to maximize the individual contribution of each governing body member for the proper governance of the Health services organization/program. The job description and related conflict-of-interest statement should be read, discussed, and signed annually by each governing body member.			
8.4	Governing Body Committee Structure & Roles	<p>Much of the governing body’s work is accomplished by delegated tasks to a series of ad hoc or standing committees of the governing body. These committees enable not only a division of labor needed for the cost-effective work of the governing body, but also enable the development and application of certain specialty expertise to the affairs and plans of the governing body.</p> <p>Governing body committees can also allow non-governing body members to join in and contribute to the work of the governing body, thereby enabling additional expertise to be brought into the deliberations of the governing body, and also for the governing body to assess the appropriateness of such persons as a future governing body candidate. All committees are to have their work guided by a formal annual work plan and supported by experienced staff assigned by the CEO.</p>			
8.5	Annual Governance Performance Assessment	<p>Each governing body should strive for continuous governance enhancement by conducting and acting upon an annual assessment of the performance of each governing body member, committee, and the governing body as a whole. These annual assessments can periodically involve external resource advisors, but should be principally conducted as self-assessment against explicit governing body accountabilities.</p> <p>Written action plans should be developed annually to define practical strategies to continuously improve the work and results of the governance processes in a manner in synch with our mission and values.</p>			
8.6	Governing Body Skills & Competency Planning	Governing bodies should have a sufficient number and composition of governing body members to cost effectively accomplish its overall governance responsibilities. Periodic assessments and plans should be adopted and followed to ensure the best mix of competencies, knowledge, skills, and attitudes for each governing body within Health services organization/program. These desired competencies should be well understood by all Health services organization/program internal and external stakeholders.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
8.7	Governing Body Member Nominations	The governing body members and staff of Health services organization/program should continuously be sensitive and receptive to candidates for future governing body roles that meet the published competencies and job descriptions. Formal processes for identifying and recommending persons judged suitable for future governing body positions should be developed and periodically refined by the governing body with support from the CEO or his or her designee. Reference checks on the appropriateness and diligence of each potential governing body nominee should be properly reviewed by a subgroup of the governing body and with CEO involvement.			
8.8	Governing Body Member Recruitment & Placement	New governing body candidates should be invited to stand for election/placement on a specific governing body within the Health services organization/program. Final acceptance and placement will be made by the proper governing body level within the system.			
8.9	Appointment of System Governing Body Chairpersons				
8.10	Appointment of Unit Governing Body Chairpersons				
8.11	Governing Body Orientation & Education	The complexity and dynamism of our health and health services organization/program sector requires continuous enhancement of the knowledge, skills, and attitudes of each governing body member and the governing body as a whole. A prompt and comprehensive orientation regarding Health services organization/program history, mission, vision, values, plans, performance, and organization is an essential foundation for maximum contribution by and enthusiasm of each new governing body member. Ongoing governing body and governing body member development should occur through participation in carefully planned education and learning experiences inside and outside the Health services organization/program and regions. Formal budgets are expected to support these investments into continuous governance enhancement.			
8.12	Inter-Governing Body Relations & Communications	Maximum mission accomplishment within the Health services organization/program family of care providers requires open, frequent, candid, honest, and friendly two-way communications among all governance bodies and levels. These communications are to reflect our values and our drive toward mission and the long-term vitality of Health services organization/program. High tech and high touch opportunities are needed to nurture enhanced inter-governing body relationships for our collaborative strategic planning, pursuit of growth, quality, and stewardship.			

#	Key Governance Functions	Description of Functions	GB	CEO	Com
8.13	Refine Model Governing Body Meeting Agendas	Governing body meetings should be focused on future strategic issues, challenges, opportunities, and plans. This future focus must be grounded on diligent review and understanding of our performance and compliance with all legal and ethical obligations of our governing bodies. Agendas should encourage and enable the free flow of discussion, inquiry, and decision-making for the vitality of our systems. A calendar of routine and special governing body and committee meetings should be published and readily accessible to the leadership of Health services organization/program governing body members and senior staff.			
8.14	Refine Model Governing Body Information System (BIS)	Governing body work requires easy and fast access to high-quality information regarding our plans, performance, and future challenges. This information will generally be provided by management within criteria and guidelines adopted by the governing body. The information must be easy to comprehend and of a scope and nature that facilitates, not frustrates, the cost-effective discharge of the governing body's fiduciary roles and responsibilities.			
8.15	Continuous Governance Enhancement	Each governing body is expected to periodically review and update their performance improvement plans adopted after each annual governing body performance assessment. Each governing body and each governing body member is expected to use his or her best efforts to contribute to excellent governance by helping draft and execute the strategies and actions of these plans for continuous governance enhancement.			
8.16	Governing Body Member Performance Celebrations	Governing body work has become challenging and time consuming. Individual governing bodies and governing body member performance excellence should be frequently acknowledged and celebrated in front of all key internal and external stakeholders. Suitable statements and acts of recognition and appreciation should be accomplished throughout the year.			
9.0	Corporate Reorganization				
9.1	Mergers, Consolidations, Reorganizations, or Dissolutions Impacting or Involving Changes in Legal Documents or Powers of any Entity (legal or operating unit)				

#	Key Governance Functions	Description of Functions	GB	CEO	Com
9.2	Creation of any Subsidiaries of Health Services Organization/ Program or a Health Services Organization/ Program Subsidiary				
9.3	Joint Ventures that Requires: <ul style="list-style-type: none"> • Transfers of Assets • An Ownership Position • Impacts Up to 5% of Revenue Stream of the Health Services Organization/ Program Unit or Subsidiary 				

Source: Adapted from several hospital systems in the United States of America.