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| <b>POLICY NUMBER</b>     | <b>GP – 3</b>             |
| <b>ISSUING AUTHORITY</b> | <b>Board of Directors</b> |
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| <b>ISSUE DATE:</b>       | <b>December 19, 2012</b>  |
| <b>REVIEW DATE:</b>      | <b>June 21, 2019</b>      |
| <b>REVISE DATE:</b>      | <b>September 24, 2019</b> |

**SUBJECT:**      **Governance Process**  
**BOARD GOVERNANCE ACCOUNTABILITY**

**POLICY:**

Appointed by the Minister of Health Seniors and Active Living and in accordance with *The Regional Health Authorities Act*, the 12-member Board of Directors is accountable for the administration and delivery of health services to meet the needs of Southern Health-Santé Sud. In addition to its fundamental governance role in the oversight of quality and safety, the Board is responsible for the sustainable performance of Southern Health-Santé Sud while ensuring that the organization complies with applicable legislation, regulations, provincial policies and Ministerial directives.

In the pursuit of its mandate, the Board recognizes its accountability to its legal and moral ownership as defined in the current mandate letter.

1. Hiring / Rehiring of a Chief Executive Officer and Designated Senior Officers:
  - 1.1. As per section 22, the establishment of terms and conditions of employment (hiring, compensation, contracts) of the chief executive officer and designated senior officers of a regional health authority *The Regional Health Authorities Act* states:

*22.1 The terms and conditions of employment of the chief executive officer of a regional health authority, and of any senior officer of the authority designated for the purpose of Division 5.1 of Part 4, must be set out in a written employment contract between the authority and the officer.*
  - 1.2. As per section 51, the establishment of restrictions within the regional health authorities on the rehiring of the chief executive officer and designated senior officers and, in the case of health corporations, the chief executive officer *The Regional Health Authorities Act* states:

*51.4(1) Except with the minister's approval, no regional health authority shall enter into an employment contract with, or provide compensation or make a payment under any contract or other arrangement to, a person who was formerly a chief executive officer or designated senior officer of the authority, within one year after the person's employment terminated.*



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**MINISTER  
OF HEALTH, SENIORS AND ACTIVE LIVING**

Room 302  
Legislative Building  
Winnipeg, Manitoba R3C 0V8  
CANADA

December 7, 2016

Board of Directors  
Southern Health–Santé Sud  
180 Centenaire Drive  
Southport MB R0H 1N1

Dear Members of the Board:

Thank you for agreeing to serve Manitobans as members of the regional health authority board of directors. This mandate letter directs your actions as you assume (or continue) your responsibilities and is based within my authority as Minister under *The Regional Health Authorities Act*. This mandate remains in effect until otherwise advised in writing.

Direction under the Act

As referenced above, this letter is to be interpreted as direction from the Minister. In accordance with section 3(3) of *The Regional Health Authorities Act*, “the Minister may give directions to a regional health authority to achieve the purposes of this Act and the regulations, including but not limited to directions for the purpose of

- (a) achieving provincial objectives and priorities;
- (b) providing guidelines for the regional health authority to follow in carrying out and exercising its responsibilities, duties and powers; and
- (c) coordinating the work of the regional health authority with the programs, policies and work of the government, the agencies of the government and other persons in the provision of health services.”

Conduct of Board Members

As the board of directors, you are responsible for carrying out the duties, powers and functions of the corporation including those outlined in *The Regional Health Authorities Act*. You are to ensure that in your actions, you are fully compliant with all legislation, regulations, policies, funding and other directives, and guidelines applicable to these powers, duties, and functions. As the board, there are inherent expectations placed on you to act in the interests of taxpayers and the Minister (on behalf of the people of Manitoba) and remain independent from the organization’s executive. Your actions and decisions must be aligned with the government’s mandate and provincial plans and priorities, direction, and fiscal realities.

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As the governing body for a taxpayer-funded organization, you are to be mindful of public scrutiny and to act accordingly. You must act in a manner that maintains public confidence in the health system and demonstrates appropriate transparency. You must lead by example in controlling your own board expenditures. You must be compliant with the board's conflict of interest policy in all of your actions and discussions, including the disclosure of any situation where you have an actual, potential, or perceived conflict of interest. As well, other matters can undermine public trust and can reflect negatively on you, your organization, and on government. As examples, it is important for the board to sufficiently take into account:

- an emphasis on funding services to the public relative to administration;
- executive compensation and expenses are appropriate in view of fiscal realities; and
- there is sufficient public engagement prior to changing services.

As board members, you are required to participate in continuing board education to ensure that the board is best positioned to execute its fiduciary responsibilities. Some board education requirements will be mandated by provincial policy or direction and other requirements will be set out by third parties (ex. accreditation standards). It is expected that, as a board, you will regularly self-assess your own needs and develop your own program of board development (while ensuring limitations on out of province travel for board members). You are expected to demonstrate a strong competency in, as examples, applying governance principles, financial management, effective oversight of the organization's executive, achievement of results, risk management and patient safety. You are to lead by example in ensuring there is a culture of ongoing innovation and quality improvement in the organization. As a board, you are also expected to regularly seek the advice of your Local Health Involvement Groups to inform your decisions and actions on local health services.

### Health Sustainability

Manitobans have elected a government that is committed to improving the Province of Manitoba. Accordingly, we are focused on achieving results on behalf of Manitobans. Our government is committed to reducing red tape, providing quality service, strengthening accountability and delivering value for the money that Manitobans invest in all public services. I know that the principles of value, quality, efficiency and effectiveness are also important to the regional health authority in realizing its mission.

As you are aware, our new government has inherited a challenging fiscal and economic environment, and our top priorities are to fix the province's finances, repair our services and rebuild our economy. To that end, we are engaged in a number of processes that require coordination and co-operation with you as health authorities. In particular, I would highlight the following initiatives:

- Our *Health Sustainability and Innovation Review (HSIR)* is a comprehensive review of the entire provincial health system with the goal of identifying opportunities to eliminate waste and inefficiency, and improve the effectiveness and responsiveness with which the entire health sector delivers results for Manitobans. The participation of your Board and staff, particularly those on the front lines, is essential to the success of this work both in shaping and implementing its recommendations.

- Our government is committed to reducing the costs of delivering services across government, and as part of that effort we will be asking all of our employers across the public sector to work co-operatively and in a consistent manner with our actions within the core civil service.

As a board, you are expected to exercise stewardship in the use of public funds through effective direction and oversight of your organization through its Chief Executive Officer. You are expected to have a positive, respectful working relationship with your executive while still maintaining the independence of your governance role. Through your policies and actions, you are to provide direction and oversight to your Chief Executive Officer to ensure that your health authority:

- develops and manages to a comprehensive plan that is consistent with provincial direction and guidelines and balances the need to promote wellness and provide care;
- does not plan for, or incur or make any expenditure that will result in an operating funding deficit or a capital deficit, in any fiscal year;
- develops a comprehensive risk management plan to identify and mitigate risks that significantly impact or have the potential to significantly impact the ability to deliver health services, and the stability or sustainability of the health system;
- has effective performance measures and accountability reporting as a basis for decision-making to drive organizational change, improve quality and performance, and enhance management practices;
- prepares an annual succession plan for senior management; and
- provides opportunities for patient and public engagement in health system decision-making at all levels.

In the coming months, government will provide your health authority with specific goals and targets to achieve. Your board is expected to provide the necessary direction and oversight to your Chief Executive Officer to ensure your organization achieves those goals and targets.

#### Serving all Manitobans

It is incumbent on you as a board member to recognize that, directly or indirectly, your organization serves the health needs of all Manitobans. Residents from your region access health services from neighbouring regions, and likewise, residents of other regions access health services within the region you govern. Your health authority must work with other health authorities and with government to ensure that Manitobans receive timely, appropriate, and seamless service that reflects the best possible integration and cooperation among service providers. The interests of all Manitobans are also better served when there is operational and strategic alignment within one provincial health system. As our provincial health system evolves, it is also incumbent on health authorities to be flexible to changes in governance structures and service delivery models to adapt to changing needs. It is my expectation that your board will provide both the necessary direction and oversight to ensure your executive operates from the basis of this one provincial health system mindset in the interests of Manitobans.

For greater clarity, this expectation is consistent with s. 23(2) of *The Regional Health Authorities Act* that reads, in part, “In carrying out its responsibilities, a regional health authority shall

- (c) develop objectives and priorities for the provision of health services which meet the health needs in the health region and which are consistent with provincial objectives and priorities;
- (h) ensure that health services are provided in a manner which is responsive to the needs of individuals and communities in the health region and which coordinates and integrates health services and facilities;
- (i) cooperate with other persons, including but not limited to government departments and agencies, to coordinate health services and facilities in the province and to achieve provincial objectives and priorities;
- (j) comply with any directions given by the minister.”

#### Managing the Relationship with Government

The Minister is accountable to Manitobans for the health system through the Legislative Assembly. The Department of Health, Seniors, and Active Living and health authorities both support the Minister in this role. The overall effectiveness of the health system depends on our organizations, across all levels, working positively with each other to serve the needs of patients, people who use services, and the public. You and your staff are expected to work cooperatively with my Deputy Minister, Assistant Deputy Ministers, and other management and staff of the Department in carrying out your duties.

There are issues which may affect the business of the health authority and the interests of government. To maintain a relationship of trust and the coordinated delivery of health services, your board is expected to direct your organization to share relevant information with the appropriate audience in government. Issues may arise requiring joint problem solving, decision making, and action. The department may establish protocols and processes to guide issues management and external communication of information.

As a board, I expect you to provide direction and oversight as the health authority continues to seek opportunities for improvement in health services delivery and administration. While it is within the purview of the health authority to pursue improvements in the interests of Manitobans, I also expect that you will establish a culture of open communications and ‘no surprises’ to ensure that I, as Minister or, as appropriate, my delegate is advised of any material changes to the delivery or location of services as a result of:

- A service that is not able to demonstrate value for money;
- A service or program that is being adjusted to a common standard or guideline in its application;
- Low volumes of service with resulting quality and safety risks to continuing to offer the service;
- A service that will be relocated as a result of it being offered elsewhere;
- An inability to provide a service in a consistent, reliable, or safe manner as a result of sustained human resource shortages.

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In closing, I wish to convey my best wishes to you in fulfilling your responsibilities and in working with me to serve the health needs of Manitobans. I know I can count on your hard work and dedication. I look forward to meeting regularly with the Board Chair to discuss your progress.

Sincerely,

*“original signed by”*

Kelvin Goertzen

cc K. McPhail  
K. Herd