

Governance Committees Assessment Planner



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Overview

A committee assessment supplements the full board governance assessment, gathers committee members' ratings of various statements about committee focus and performance, and probes for recommendations of ways to improve committee performance in service to the board. ***Each governance committee assessment is intended to be completed only by that committee's members.***

On the following pages is a list of potential committee assessment criteria for several common hospital board committees. To ensure that your committee assessment meets your unique governance development needs, review each of the criteria and check the boxes next to the criteria you choose to include in your performance effectiveness evaluation.

Space to add additional criteria to include in the assessment appears following each list of committee assessment criteria. ***After selecting the criteria to include in your governance committee assessment, create your customized committee assessment questionnaire using an online survey tool of your choice.***

Recommended Committee Performance Rating Scale:

Level 5: I ***strongly agree*** with this statement. The committee ***always*** practices this as a part of its governance responsibilities.

Level 4: I ***generally agree*** with this statement. The committee ***usually*** practices this as a part of its governance responsibilities, but not always.

Level 3: I ***somewhat agree*** with this statement. The committee ***often*** practices this as a part of its governance responsibilities but is not consistent.

Level 2: I ***somewhat disagree*** with this statement. The committee ***inconsistently*** practices this as a part of its governance responsibilities.

Level 1: I ***disagree*** with this statement. The committee ***never*** practices this as a part of its governance responsibilities.

N/S: Not sure.

Executive Committee

- Provides advice and counsel to the CEO on major organizational development issues
- Acts on the board's behalf when necessary, while keeping the board fully and continuously informed of all deliberations and decisions made
- Annually conducts a review and evaluation of the Committee's performance, including compliance with the charter
- Performs special assignments delegated by the full board from time-to-time
- Acts as a liaison between management and the full board, reviewing and making recommendations on management proposals
- (Open-ended question): How can the Executive Committee improve its leadership performance in support of the board?***

Additional Committee Performance Criteria to be Included in Your Assessment:

Please list additional criteria you would like to include in your overall assessment of the committee's performance.

1. _____

2. _____

3. _____

4. _____

Strategic Planning Committee

- Provides a written "plan for planning" that describes how strategic planning will be carried out, including how key stakeholders at various levels will be engaged throughout the process
- Ensures review and updates of the hospital's mission and vision statements
- Receives and reviews an environmental assessment annually, and uses the assessment to provide advice related to the modification or development of goals and strategies
- Provides a final review and refinement of the strategic plan, ensuring its support in achieving the vision and long-term success of the hospital
- Ensures that a comprehensive strategic development process is continuously implemented
- Reviews and comments on business plans and organizational objectives developed to support the strategic plan
- Monitors the ongoing implementation of the strategic plan and recommends modifications to the plan when appropriate
- Ensures that the strategic planning process involves and communicates with key stakeholders to develop adequate understanding and support for the hospital's strategic directions
- Monitors the organization's performance against measurable targets or progress points

- (Open-ended question):* How can the Strategic Planning Committee improve its leadership performance in support of the board?**

Additional Committee Performance Criteria to be Included in Your Assessment:

Please list additional criteria you would like to include in your overall assessment of the committee's performance.

1. _____

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Finance Committee

- Reviews and refines the annual operating and capital budgets prepared by management
- Presents reviewed budgets to the entire board for approval
- Monitors the implementation of major initiatives that impact strategic and financial objectives, making appropriate recommendations to the board on an as-needed basis
- Reviews monthly financial statements
- Recommends hospital investment policies and monitors the hospital's investments
- Recommends an auditing firm to the board to audit the hospital's records every five years
- Reviews and recommends a long-term financial plan for the organization in compliance with budgets and other financial requirements
- Adopts key financial performance measures and reviews actual performance against targets, long-term trends and industry benchmarks
- Stays up-to-date on important financial trends impacting the organization

- (Open-ended question): How can the Finance Committee improve its leadership performance in support of the board?***

Additional Committee Performance Criteria to be Included in Your Assessment:

Please list additional criteria you would like to include in your overall assessment of the committee's performance.

1. _____

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Governance Committee

- Develops and implements policies and procedures to ensure that the board is appropriately organized to meet its fiduciary obligations
- Identifies and brings to the attention of the board and management current and emerging governance issues, trends and best practices that may affect business operations, performance or the public image of the hospital
- Ensures that the board and individual committees develop written annual objectives
- Reviews and makes recommendations to the board regarding the nature and duties of board committees, including evaluation of their charters, duties and powers, and criteria for membership
- Makes recommendations regarding appointments to board committees and the election of committee chairs, including rotation, reassignment or removal of any committee member
- Develops and implements a formal trustee orientation plan
- Ensures ongoing education for all board members to further enhance their knowledge and skills related to effective governance
- Conducts an annual assessment of the board and its committees
- Uses the assessment results to create an action plan designed to support ongoing development of the board
- Conducts a self-evaluation of individual board members annually
- Develops criteria for selection of new board members and committee members
- Annually reviews board member and committee selection criteria with the board
- Ensures an appropriate succession planning process for filling officer positions
- Nominates board members for each committee
- Identifies individuals qualified to become board members, and develops a pool of potential future board members designed to strengthen the board's ability to govern most effectively
- Nominates individuals for appointment to the board as current terms expire
- Considers the qualifications of all individuals recommended for election to the board
- (Open-ended question):* How can the Governance Committee improve its leadership performance in support of the board?**

Governance Committee continued on next page

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Governance Committee (continued from previous page)

Additional Committee Performance Criteria to be Included in Your Assessment:

Please list additional criteria you would like to include in your overall assessment of the committee's performance.

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Quality and Patient Safety Committee

- Oversees the development and implementation of a hospital-wide program that ensures attainment of quality and patient safety objectives
- Reviews results of regulatory and accrediting body review of the hospital's quality and safety performance
- Monitors the performance of hospital programs in developing and improving quality and patient safety
- Reviews progress in meeting quality and patient safety targets
- Reviews and makes recommendations related to policies and procedures that enable the medical staff to process applications and re-appointments and the granting of clinical privileges in a timely and appropriate manner
- Reviews medical staff success in carrying out its responsibilities for evaluating and improving the delivery of medical care
- Periodically reviews trend reports that measure the overall performance of the hospital in providing quality care in a customer-focused, cost-effective manner
- Reviews the appropriateness of existing systems to identify, monitor and respond to incidents and adverse events, and to ensure that care is safe, timely, and appropriate
- Reviews and makes recommendations to the board on any matter pertaining to the quality of care, patient safety and/or customer service

- (Open-ended question):* How can the Quality and Patient Safety Committee improve its leadership performance in support of the board?**

Additional Committee Performance Criteria to be Included in Your Assessment:

Please list additional criteria you would like to include in your overall assessment of the committee's performance.

1. _____

2. _____

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Compensation Committee

- Annually reviews and approves the hospital's goals and objectives relevant to the compensation of the CEO
- Evaluates the CEO's performance at least annually, and uses the evaluation to set the CEO's annual compensation, including salary and incentive compensation
- Annually reviews and approves the evaluation process and compensation structure of the hospital's senior leaders
- Reviews employment agreements for the hospital's executive officers
- Members are free from relationships that would interfere with the exercise of their independent judgment as a member of the committee
- Ensures that the CEO's performance evaluation is based on pre-determined and clearly communicated performance criteria
- Recommends the CEO's annual compensation package
- Ensures that the CEO's compensation package is tied to performance and is comparable to CEO salaries of health care organizations similar in size and scope
- Develops a plan for the succession of the hospital's CEO and key members of senior management, including requirements for qualifications, character, skills and availability of potential successors based on the hospital's needs
- Advises the board of trustees on compliance issues involving federal and state laws and regulations concerning compensation of executives
- Ensures that the board of trustees has "rebuttable presumption" in CEO compensation matters, as defined by the IRS
- (Open-ended question): How can the Compensation Committee improve its leadership performance in support of the board?***

Additional Committee Performance Criteria to be Included in Your Assessment:

Please list additional criteria you would like to include in your overall assessment of the committee's performance.

1. _____

2. _____

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Audit Committee

Audit Committee Purpose

- Encourages continuous improvement of, and fosters adherence to, the hospital's finance, accounting and legal policies, procedures and practices

- Assists the board of trustees in fulfilling its oversight responsibilities with respect to the integrity of the financial reports and other financial information provided by the hospital to any governmental body or the public

- Assists the board of trustees in fulfilling its oversight responsibilities with respect to the hospital's compliance with legal and regulatory requirements

- Assists the board of trustees in fulfilling its oversight responsibilities with respect to the independent auditors' qualifications and independence

- Assists the board of trustees in fulfilling its oversight responsibilities with respect to the performance of the hospital's systems of internal controls regarding finance, accounting and legal compliance and independent auditors

- Assists the board of trustees in fulfilling its oversight responsibilities with respect to the performance of the hospital's auditing, accounting and financial reporting processes

Audit Committee Membership Composition

- Is financially literate and possess a general understanding of basic finance and accounting practices

- Has at least one member that is determined to be an "audit committee financial expert," possessing accounting or related financial management expertise

Audit Committee Roles and Responsibilities

- Reviews and discusses the audited annual financial statements with management and the independent auditors

- Receives and reviews, if necessary, a report from the Controller as to any unusual deviations from prior practice in the preparation of the annual financial results

- Discusses the results of the audit and matters communicated by the independent auditors to the committee

- Ensures the receipt of the written disclosures and the letter from the independent auditors regarding the auditors' independence

- Reviews and resolves disagreements among management and the independent auditors in connection with the preparation of the annual audited financial statements

- Annually reviews the results of the external audit with the auditors

- Provides oversight in the development of an internal audit plan

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Audit Committee (continued from previous page)

Audit Committee's Review and Discussions with Management and Auditors

- Discusses with management, independent auditors and internal auditors the hospital's critical accounting policies, the auditors' judgments of the quality and appropriateness of accounting policies and financial disclosure practices of the hospital

 - Discusses with management, independent auditors and internal auditors any disagreements with management over the application of accounting principles

 - Discusses with management, independent auditors and internal auditors accounting policies applied, especially significant estimates made by management or significant changes in accounting methods

 - Discusses with management, independent auditors and internal auditors significant transactions or courses of dealing with parties related to the hospital which are relevant to an understanding of the hospital's financial condition or results of operation

 - Discusses with management, independent auditors and internal auditors significant audit adjustments

 - Discusses with management, independent auditors and internal auditors any difficulties encountered during the audit, including any restrictions on the scope of work or access to required information

 - Discusses with management, independent auditors and internal auditors any material financial or non-financial arrangements of the hospital which do not appear on the financial statements of the hospital

 - Discusses with management, independent auditors and internal auditors the hospital's internal controls regarding finance, accounting and legal compliance

 - Discusses with management, independent auditors and internal auditors any other matters related to the conduct of the audit required to be communicated to the Audit Committee by the independent auditors or that any member of the Audit Committee desires to review or discuss
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Audit Committee's Independent Auditors' Report

- Annually receives and reviews a report from the independent auditors

 - Ensures that the annual auditors' report reviews all accounting policies and practices used by the hospital

 - Ensures that the annual auditors' report includes all alternative accounting treatments of financial information within generally accepted accounting principles (GAAP) related to material items that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the accounting firm

 - Ensures that the annual auditors' report includes other material written communication between the accounting firm and management
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Audit Committee's Financial Reporting Process

- Reviews and discusses with management and the independent auditors the integrity of the hospital's financial reporting process, both internal and external

 - Reviews and discusses with management and the independent auditors the hospital's critical accounting policies, the auditors' judgments about the quality of the hospital's accounting policies, and any significant changes to the hospital's accounting policies and practices suggested by the independent auditors and management

 - Reviews and discusses with management and the independent auditors the hospital's "disclosure controls" and its "internal controls and procedures for financial reporting"
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Audit Committee continued on next page

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Audit Committee (continued from previous page)

Audit Committee's Selection and Roles of Independent Auditors

- Selects, engages and fixes the compensation and other terms of engagement for the independent auditors

 - Ensures the independence and effectiveness of the independent auditors, including internal quality control procedures, any material issues or concerns raised by internal quality control review, peer review, or any inquiry or investigation by governmental or professional authorities in the previous five years, and relationships between the independent auditors and the hospital

 - Evaluates the independent auditors' qualifications and performance, including review of the lead partner and reviewing the partner of the independent auditors

 - Ensures regular rotation of the lead audit partner

 - Considers the periodic rotation of the independent auditors, if necessary

 - Considers if the proposed provision of any non-audit services by the independent auditors is compatible with maintaining the auditors' independence

 - Reviews and discusses with the independent auditors and the director of internal audit the audit plan and the procedures to be followed, including the scope and timing of the audit, staffing, locations, foreseeable issues, priorities, the coordination between the independent auditors and the director of internal audit in executing the audit plan and, after completion of the annual audit, the results of the annual audit examination and the accompanying management letters, and any reports of the independent auditors with respect to the interim periods

 - Regularly reviews with the independent auditors any difficulties that the audit team encountered during the course of audit work, such as restrictions on the scope of the independent auditors' activities or access to requested information, or significant disagreements with management

 - Reviews with the independent auditors any accounting adjustments that were noted or proposed by the audit team but were "passed"

 - Reviews with the independent auditors any communications between the audit team and the audit firms' national office respecting auditing or accounting issues presented by the engagement

 - Reviews with the independent auditors any "management" or "internal control" letter issued, or proposed to be issued, by the audit firm to the hospital.

 - Consults at least quarterly with the independent auditors outside the presence of management about internal controls and the completeness and accuracy of the hospital's audited annual financial statements and quarterly financial statements
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Audit Committee continued on next page

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Audit Committee (continued from previous page)

Audit Committee's Additional Audit Committee Roles

- Reviews and reassess the adequacy of its committee charter

- Reviews and discusses with management, the hospital's legal counsel and the board's compliance committee pending legal proceedings or investigations, compliance issues and other contingent liabilities that could have a significant impact on the hospital's financial statements

- Reviews and discusses with management the hospital's policies with respect to risk assessment and risk management, including significant financial risk exposures and the steps management has taken to monitor and control such exposure

- Sets clear policies consistent with applicable law regarding the hiring of employees or former employees of the hospital's independent auditors

- Coordinates with the nominating and governance committee to establish procedures for the receipt, retention and treatment of complaints received by the hospital regarding accounting internal controls and procedures for financial reporting and auditing related matters

- Establishes procedures for the confidential and anonymous submission by hospital employees of concerns regarding questionable accounting or auditing matters

- Reviews and reassess the adequacy of its committee charter

- Reviews and discusses with management, the hospital's legal counsel and the board's compliance committee pending legal proceedings or investigations, compliance issues and other contingent liabilities that could have a significant impact on the hospital's financial statements

- (Open-ended question): How can the Executive Committee improve its leadership performance in support of the board?**

Additional Committee Performance Criteria to be Included in Your Assessment:

Please list additional criteria you would like to include in your overall assessment of the committee's performance.

1. _____

2. _____

3. _____

4. _____

Community Relations Committee

- Tracks and discusses community health challenges and barriers
- Defines community health improvement plans and targets for improvement
- Ensures a meaningful assessment of the organization’s delivery of care in relation to meeting community needs
- Evaluates community feedback on the value of programs and services
- Ensures meaningful and consistent communication to the community about service, volume and costs
- Ensure that the hospital researches and measures the scope of community benefit provided
- Ensures that the hospital reports is community benefit broadly throughout the community

- (Open-ended question): How can the Community Relations Committee improve its leadership performance in support of the board?***

Additional Committee Performance Criteria to be Included in Your Assessment:

Please list additional criteria you would like to include in your overall assessment of the committee’s performance.

1. _____

2. _____

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4. _____

Ethics Committee

- Establishes codes of ethics and conduct for board members, management and employees of the hospital
 - Periodically reviews the code of ethics and recommends proposed changes to the board for approval
 - Monitors governance compliance with the code of ethics
 - Reviews existing policies concerning ethics and conflicts of interest and makes recommendations to the Board of Trustees on proposed revisions, amendments, and additional policies or codes
 - Is responsible for and oversees the implementation of policies and codes, as well as state laws and requirements concerning ethics, business conducts, and conflicts of interest
 - Reviews reports prepared by management with respect to the ethical environment of the hospital
 - Ensures education on ethical issues to the Board of Trustees
 - Reviews, monitors, and makes recommendations to the board concerning programs to bolster the morale of the organization and instill in employees a feeling of pride in the hospital
- (Open-ended question):* How can the Ethics Committee improve its leadership performance in support of the board?**

Additional Committee Performance Criteria to be Included in Your Assessment:

Please list additional criteria you would like to include in your overall assessment of the committee's performance.

1. _____

2. _____

3. _____

4. _____

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List other committees and the criteria you would like to use to rate the performance of each.

Other Committee: _____

Criteria:

Other Committee: _____

Criteria:

After selecting your committee assessment criteria, add the questions to your online board assessment, or create a separate committee assessment survey using an online survey tool of your choice.