

**HUMAN RESOURCES & COMPENSATION COMMITTEE
TERMS OF REFERENCE**

1. PURPOSE

The Human Resources & Compensation Committee (the “Committee”) of the Vancouver Island Health Authority (“Island Health”) Board of Directors (the “Board”) assists the Board in review and oversight of the following areas within the appropriate legislative framework:

Strategic Governance

- Multi-Year Strategy, Annual Goals and Plans
- Performance Monitoring
- Enterprise Risk Management
- Medical Staff Workforce Plan

Fiduciary Governance

- CEO evaluation, compensation and succession planning
- Material changes in organizational structure and Senior Leader changes including direct appointments
- Organizational code of conduct and ethics framework
- Human resources planning and policy
- Labour relations developments
- Occupational health and safety policies and reporting

2. COMPOSITION AND OPERATIONS

- A.** The Committee shall be composed of not fewer than three directors each of whom shall be independent of Management.
- B.** The majority of Committee members are familiar with best practices in human resources; including, but not limited to executive and Non-Contract compensation, human resource planning, labour relations, recruitment and Occupational Health and Safety.
- C.** The Committee shall operate in a manner consistent with the Committee Guidelines outlined in the Board Manual.
- D.** The Committee makes recommendations and does not act on behalf of the Board unless specific delegated authorities have been given.
- E.** The Committee shall review its Terms of Reference annually to ensure they meet the needs of the Board. Any proposed revisions shall be recommended to the Governance and Engagement Committee of the Board.

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- F. The Committee shall meet at least five times per year.

3. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will perform the duties listed below.

Strategic Governance

A. Multi-Year Strategy, Annual Goals and Plans

- i. Review progress against Committee assigned multi-year strategies and annual plans and identified priorities at each regularly scheduled meeting.
- ii. Monitor employee and medical staff engagement measures and confirm appropriate follow-up is taken by Management.
- iii. Receive information relating to best practices in human resource issues as relevant to the Committee and within the legislative framework.
- iv. Receive and review on a semi-annual basis, a report on human resources performance indicators as prepared by Management.

B. Performance Monitoring

- i. Monitor performance measures in relation to Committee assigned multi-year strategies, identify priorities for improvement and track progress towards achievement.
- ii. Establish new performance measures as required to ensure alignment with targets outlined in the strategic plan.

C. Enterprise Risk Management

- i. Regularly oversee performance on Committee assigned mitigation strategies on high-priority identified enterprise risks, ensuring the strategies are embedded into annual plans and priorities reviews noted in

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subsections 3.(A) (Multi-Year Strategy, Annual Goals and Plans) and (B) (Performance Monitoring) above.

Fiduciary Governance

D. CEO Evaluation

- i. Review and recommend to the Board, as appropriate, the CEO evaluation process.
- ii. Lead and oversee the implementation of the CEO evaluation process.
- iii. Review and recommend to the Board, as appropriate, the CEO's annual goals.
- iv. Review with the CEO prior to any decision being made, any significant outside personal commitments being considered by the CEO. This includes commitments to act as a director or trustee of for-profit and not-for-profit organizations.

E. CEO, Senior Leadership and Non-Contract Compensation

- i. Review and recommend to the Board, as appropriate, the compensation philosophy and guidelines for the CEO using the compensation framework outlined by the Public Sectors Employers' Council (PSEC).
- ii. Review and recommend to the Board, as appropriate, CEO compensation including salary; benefits; and any other compensation following PSEC's guidelines.
- iii. Ensure the compensation philosophy and guidelines are in keeping with all legislative and government requirements for all non-contract employees which includes reviewing the plan for annual performance increases.

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F. CEO and Senior Leadership Succession Planning and Continuity Planning

- i. Review and recommend to the Board, as appropriate, a Continuity Plan for senior leadership detailing emergency replacements to deal with a planned or unplanned departure of the CEO and Vice Presidents.
- ii. Annually review the senior leadership talent pool for Vice President positions reporting directly to the CEO and for Executive Director positions reporting to the Vice Presidents prior to presentation of those plans to the Board.

G. Organizational Structure

Review any significant changes to organizational structure planned or recommended by the CEO and make recommendations, if appropriate, to the Board.

H. Organizational Code of Conduct and Ethics Framework

Periodically review and assist as requested by Management in the development and oversight of an organizational code of conduct and ethics framework.

I. Human Resource Planning and Policy

- i. Periodically review Island Health's significant human resources policies for consistency with Island Health's vision, purpose and values as well as change societal norms.
- ii. Receive for information certain matters related to Excluded/Non Contract employees such as material changes to the annual compensation philosophy; new benefit programs or material changes to existing programs; and terms and conditions of employment including, but not limited to employment contracts for senior leadership reporting to the CEO.
- iii. Receive for information an annual workforce profile to surface risks and impacts to Human Resource policy and/or programs.

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- iv. Review Medical Staff Workforce Plan on the recommendation of the Health Authority Medical Advisory Committee.

J. Labour Relations

- i. Receive information and updates relating to current labour relations matters.

K. WorkSafe BC

Receive and review a report on WorkSafe BC compliance and ensure any and all necessary actions have been taken to address any penalties and Compliance Agreements.

4. ACCOUNTABILITY

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing a detailed written report including any recommendations for approval at the next Board meeting.

5. COMMITTEE CALENDAR

The Committee's workplan of activities is outlined in an annual planning calendar.

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Appendix A

Legislative Framework

1. *Public Sector Employers Act*

The purposes of the *Public Sector Employers Act (BC)* are:

- a) to ensure the coordination of human resource and labour relations policies and practices among public sector employers, and
- b) to improve communication and coordination between public sector employers and representatives of public sector employees.

2. *The Public Sector Employers' Council ("PSEC")*

PSEC was created under the *Public Sector Employers Act (BC)* with the following functions:

- a) to set and coordinate strategic directions in human resource management and labour relations,
- b) to advise the government on human resource issues in the public sector, and
- c) to provide a forum to enable public sector employers to plan solutions to human resources issues, consistent with cost efficient and effective delivery of services in the public sector. In addition, it is a function of PSEC to enable representatives of public sector employees to consult with public sector employers on policy issues that directly affect the employees.

3. *Health Employers Association of BC ("HEABC")*

Under the *Public Sector Employers Act (BC)*, HEABC coordinates compensation, benefits administration, human resource practices and collective bargaining on behalf of the province's health authorities.

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4. WorkSafeBC

Occupational health and safety regulations, policies, guidelines and standards contain legal requirements that Island Health must meet under the inspection jurisdiction of WorkSafeBC.