

WATSON™

Evaluation



First Nations Health Authority Board Evaluation Summary

May 2019

For Board Secretariat (do not fill this in)

Board Approved Date	Verified By	Authorization (BoD Motion #)
May 2 nd , 2019		0519-BOD-09

EVALUATION SUMMARY

The First Nations Health Authority (FNHA) has been in the process of conducting various evaluations of its current working processes, relationship agreements and structures. As a component of this, WATSON was engaged to conduct a Board Evaluation focused on helping the FNHA Board of Directors (Board) understand its current strengths and highlighting areas where there may be opportunities to improve FNHA's governance practices.

Key areas focused on during this review included:

- Board functioning and effectiveness
- Board/Management relationship
- Leadership Effectiveness (e.g. Chair)
- Board dynamics and culture
- Quality of Board meetings and decision-making processes, including agenda setting and pre- reading materials
- Key organizational stewardship responsibilities and extent of Board focus (e.g., strategic planning, risk management, CEO evaluation, succession planning)
- Key Board stewardship responsibilities and extent of Board focus (e.g., succession planning, orientation, education, evaluation)
- Committee performance and interaction with the Board
- Relationships and engagement with key stakeholders

In completing this review, WATSON:

- Conducted project initiation calls with the Board
- Met with the Governance and Human Resources Committee
- Reviewed governance documentation
- Surveyed Directors and select members of management (Management) (collectively, participants)
- Conducted confidential one-on-one interviews with participants and two FNHA Members
- Analyzed the feedback in the context of effective governance practices relevant to FNHA's context
- Prepared a report outlining our findings and recommendations
- Debriefed the report with the Executive Committee, the Governance and Human Resources Committee, and the Board

Overall, we found the Board is dedicated to FNHA's mission, has developed effective processes to complete its work, and is open to change and improvement. Areas that are working well include:

- **Mission:** The Board is passionate about its work and is aligned with Management on the organization's mission. The Board understands its duties and is managing its Board and organizational stewardship responsibilities in a thoughtful manner.

- **Culture:** The Board has a positive working culture and healthy dynamics. It is thoughtful in how it links First Nations culture and traditions to Board work. The Board is mindful of the communities it serves and uses The Seven Directives to ground its work.
- **Policies:** Framework documents are clear on the roles and responsibilities of all the governance partners (FNHA, FNHDA, FNHC, government) and the Board has a full complement of well-written policies which guide its performance and clearly link back to The Seven Directives.
- **Strategy:** The Board is conducting its strategic planning process well and monitoring progress against the plan effectively. Incorporating planning sessions with FNHC and FNHDA strengthens the development of the strategic plan.
- **Strong Relationships:** The Board is seen to be performing its role appropriately under the First Nations Health Authority Members and Directors Reciprocal Accountability Framework. Further, FNHA and the Board are seen to be meeting their obligations to FNHA Members. The First Nations community is developing a clearer sense of what FNHA does, and overall, FNHA has positive relationships with its key stakeholders.
- **Committees:** The number and size of Committees are appropriate, and each Committee has a clear mandate and is performing its functions well. The Board uses its Committees effectively and is mindful of how Committee mandates feed into the Board's work. The Board is comfortable making changes to the mandate in order for Committees to best support the Board.
- **Evaluation:** The Board is open to change and improvement. It conducts regular evaluations and acts on the results. It develops clear and thoughtful processes and policies to support its work.

In addition to the many positive things above, the Board's culture and dynamics are healthy and positive. During the evaluation process, participants were asked to use three words to describe the Board's culture. The following word cloud captures the words chosen. Word clouds give greater prominence to words that appear more frequently and less prominence to words that appear less frequently.

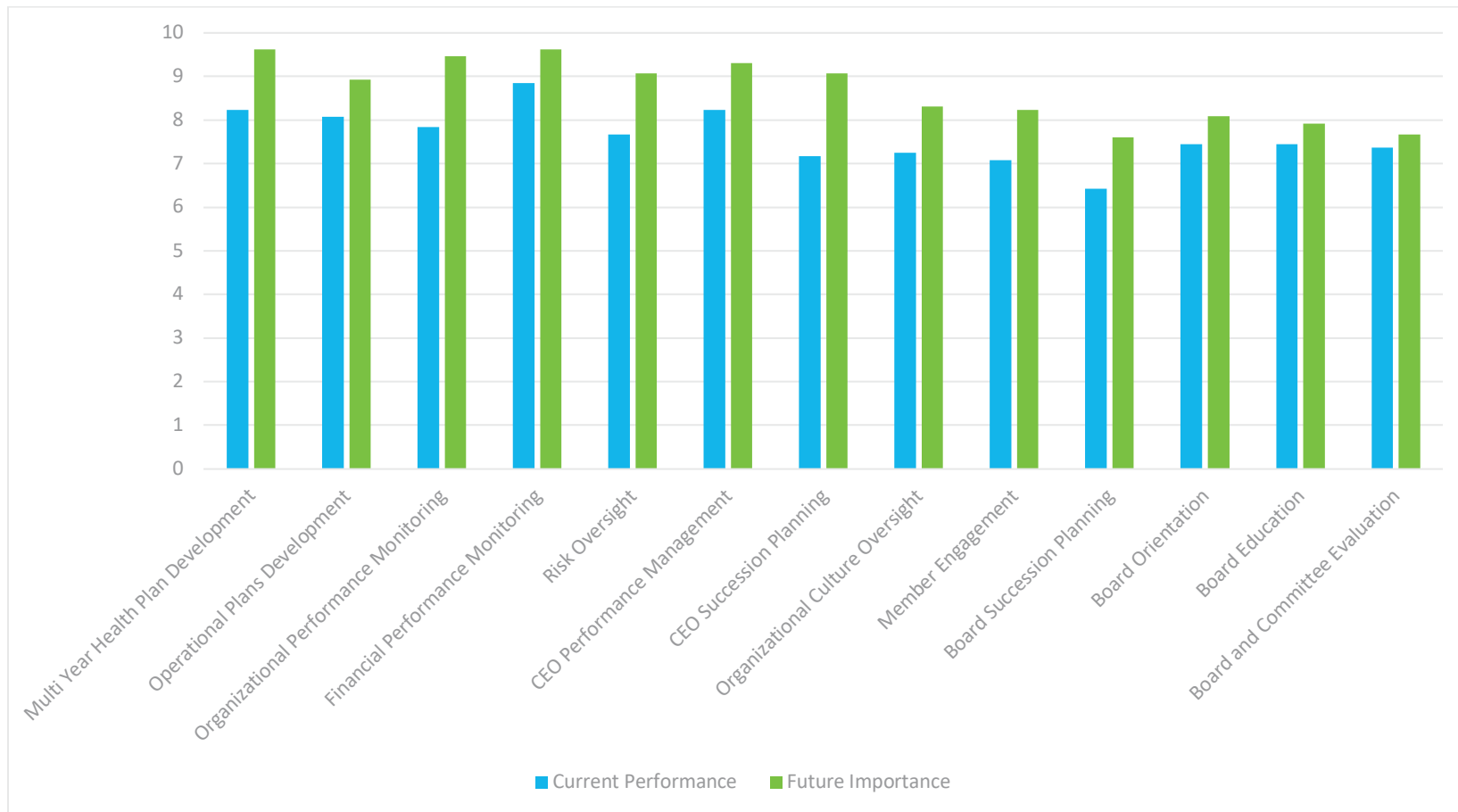


Through the course of our analysis, a full report was developed which includes specific recommendations designed to help the Board drive improvement. Overall, several opportunities and recommendations for improvement emerged from the feedback:

- **Leveraging Management Support:** Management supports the Board effectively, but more could be done to leverage their expertise and value to the Board. For example, Management would like more feedback on how they can better meet the Board's needs and their engagement with the Board could be increased. While the CEO and Board Secretariat (Secretariat) manage reporting and communication between the Board and Management, there are opportunities for more consistent and direct touch points with specific Management members.
- **Stakeholder Engagement:** FNHA and the Board uses community consultation to understand the communities they serve and engage with stakeholders. While community outreach is a focus for the organization and the Board, there could be more clarity around roles during regional meetings and other engagement; specifically, the roles of Directors in relation to the roles of the Board Chair or CEO could be more widely understood.
- **Meeting Practices:** The Board has productive discussions and meetings work well but a few opportunities exist to improve meeting practices. These include increasing the involvement of Management prior to and during meetings when creating agendas and materials, voting after discussions instead of at the end of the meeting, and doing more to ensure minutes and action items are communicated in a timely and effective manner.
- **Other:** Additional areas of opportunity include creation of a risk appetite statement, continuing efforts around leadership development and CEO succession, elevating Committee reporting and modifying the Conflict of Interest to better reflect FNHA's interconnected community context.

Participants were asked to measure the Board's current performance and future importance in different board and operational oversight areas. While all areas were rated higher in Future Importance than Current Performance, overall Current Performance ratings are considered quite high (please see the chart on the next page). This speaks to the Board's culture of always seeking improvement and being mindful of its duties. The biggest gaps between Current Performance and Future Importance were in CEO Succession Planning, Organizational Performance Monitoring, and Risk Oversight. The Board is focused on their responsibilities in these areas, but further opportunities exist in these areas to drive even higher Board performance.

Participant Ratings of the Board’s Current Performance and Future Importance of Key Board and Organizational Stewardship Areas



On the whole, the Board is performing well, meeting its obligations, and conducting itself in an effective and positive manner. Recommendations put forward to the Board will support even more effective governance.

WATSON appreciates being entrusted to work with FNHA on this important initiative. We look forward to offering any support to FNHA as it continues to strengthen its governance practices and processes.