



# COMMITTEE EFFECTIVENESS AND EVALUATION

A committee plays a crucial role in governance by allowing boards work on important issues in an efficient manner. Committees contribute to effective governance by providing expertise, making informed decisions, promoting accountability, and fostering collaboration within an organization. Their specific roles and functions may vary, but they are generally essential components of the decision-making and oversight processes.

The two types of committees are those created in the bylaws, often called standing committees, and those appointed for a specific purpose or project, frequently known as ad hoc committees. Board members' interests and expertise should be considered when making committee assignments, and members should be rotated on a scheduled basis. While committees are usually subsets of the board, non-board members may be invited to participate, especially if a specific expertise or knowledge is needed.

Most boards have the following committees:

- **Executive Committee** – can expedite decisions among board leaders, especially in the interim between board meetings.
- **Finance Committee** – regularly reviews the financial performance and health of the organization. This entity may also handle investment oversight for the organization.
- **Audit Committee** – provides oversight for the organization's annual audit as well as providing discussion and oversight of any actions as the result of audit recommendations. To comply with Sarbanes-Oxley requirements, the Audit Committee must employ an independent certified public accounting firm to perform the audit and require periodic rotation of audit partners. An independent member of the public with accounting expertise should serve on the Audit Committee, which should meet with auditors outside the presence of management. The accounting firm should present the board with an annual certification of audit.
- **Joint Conference Committee** – facilitates communications between the board and the medical staff leadership.
- **Quality Improvement/Patient Safety Committee** – provides oversight of quality and patient safety performance. This may include involvement of medical staff or even community members/former patients to enhance patient/family engagement.

Other committees may include Nominations; Governance/Board Development; Strategic Planning; and Risk Management. Some boards have a separate Executive Compensation Committee, and some have public/government relations or advocacy committees, and development committees. Committees function as workgroups of the board, but the full board should vote on any recommendation or action.

The organization's bylaws will specify what committees a hospital must have to fulfill fiduciary obligations. The board may determine that additional committees or task forces are needed to support the organization. In this case, refer to the organization's bylaws which should outline the process to be taken to stand up new committees or task forces. Ad hoc committees and task forces, as well as standing committees, should align with the organization's goals and mission. Boards should review their committee structure on a regular basis to ensure committees are relevant and that they are a valuable use of time and resources.

## Do I Need a Committee or Task Force?

Some committees are required as specified in an organization’s bylaws. However, at times an ad hoc committee or task force may be more appropriate to address an issue or opportunity. Here is a breakdown on when to use these governance mechanisms.

	Standing Committee	Ad Hoc Committee/ Task Force
Required or defined in Bylaws	✓	
Work requires ongoing oversight/input needed	✓	
Appointed for specific purpose (ex. Project-based, limited time-frame)		✓
Created as need is identified		✓
It is no longer needed upon completion of task or project		✓
Need input from non-board members (staff, patients, community stakeholders, etc.)	✓	✓

## Committee Charters - What Is It?

Committee charters lay the groundwork for all of the committee activities and conversations. It is a document that is shared and agreed upon by committee members that lays out the purpose and goals of the committee. A committee charge should typically include the following:

- **Purpose/Business Case** – What issue or charge is this committee working on and how will it benefit the organization or align with the organization’s strategies.
- **Problem or Opportunity Statement** – At times, a committee or task force is convened to address a specific problem. In this case it may be helpful to define the issue at hand or specific what is not currently working in the organization.
- **Scope** – Specifies the boundaries of the project and should align directly with the goal of the committee. Common scope limitations are financial limitations, authority, time and resource availability. The project scope provides guardrails to the committee of what it may, or may not, directly address.
- **Authority** – In addition to scope, this should specify the authority of the committee to take action. Most likely the committee will make a recommendation to the board and any action requires a full vote.
- **Goals and Objectives** – Identifies the sought-after outcome for the organization and how success will be measured.
- **Member Composition** – Who will serve on this committee. It is recommended that committees are kept small for efficiency. Most likely committee will be made up primarily of members of the board, however, some committees may call for the membership of senior leadership, medical staff or community stakeholders to be effective. The charter should outline who should serve on the committee. It should also be specified if there is a member of the staff who will serve as a liaison or non-voting member of the committee.
- **Meeting Cadence** – It is helpful to specify the minimum number of meetings the committee should conduct in a year.

At the start of the committee's work, or whenever appropriate if the committee is long-standing, all committee members should review the committee charter to provide feedback. This helps to ensure understanding of the task-at hand and provides an avenue for communication from the beginning.

### **Evaluation and Improvement**

As a governance best practice, committee and task force structures should be reviewed approximately every two to three years. This may vary based on the organization's bylaws. It is helpful for the board to reflect on whether or not the current committee structure is meeting the hospital/health system's needs. This can typically be done as part of the board's annual or biennial self-assessment.

### **Discussion Questions**

1. Do we have the appropriate number of committees to support the organization?
2. What can we do to make our board and committee meetings more effective?
3. How can we enhance and encourage more discussion and dialogue?
4. How many board members do you have? How many committees? Do board members serve on multiple committees?
5. Do we require board members to serve on a committee?
6. Do we have non-members serving on committees?
7. What is our process for recruiting incoming trustees to serve on committees? Do we require new members to complete a competency matrix listing their areas of expertise?
8. What is the key to board committee success?

# Sample Committee Charter

[Insert Committee Name/Type]

## Purpose Statement

The Governance Committee shall assist the board of directors in fulfilling its oversight responsibilities in accordance with the organization's mission and values.. They ensure the effective and efficient operation of an organization by overseeing its decision-making processes, policies, and procedures.

## Membership

The board will appoint the committee chair, co-chair, and members and each will serve a term of one year. The board may fill vacancies on the committee and may remove a member from the committee at any time without cause.

The committee shall have a minimum of three members and a maximum of five members.

## Responsibilities

*(List all appropriate responsibilities of the committee here.)*

### **Example of governance committee responsibilities**

- Oversees the decision-making processes of the organization,
- Provides guidance and direction to management,
- Ensures that the organization complies with all legal and regulatory requirements.

## Meetings

The committee will meet as needed. A majority of the committee members shall constitute a quorum. The committee chair will keep a copy of the meeting minutes and forward a copy to the board secretary.

The committee will review its charter at least biannually and recommend any proposed changes to the board for review.