

BRIEFING NOTE
Toronto Central Local Health Integration Network
Finance and Audit Committee Meeting
October 20, 2015

Agenda Item 1 & 2 – Welcome & Call to Order

The Toronto Central Local Health Integration Network (TC LHIN) welcomes the public to its open Board Finance and Audit Committee meeting. Please refer to A Guide to Open Meetings of the Toronto Central Local Health Integration Network (LHIN).

Link:

<http://torontocentrallhin.on.ca/~media/sites/tc/New%20media%20folder/Board%20and%20Governance/Guide%20to%20Open%20Meetings.pdf>

Agenda Item 3 – Approval of Agenda

TIME	DUR (MIN)	ITEM	TOPIC	PRESENTER/ DISCUSSANT	MOTION REQUIRED
4:00	1	1	Welcome and Call to Order	John Fraser	
4:01	1	2*	Guide to Open Meetings of the Toronto Central Local Health Integration Network	John Fraser	
4:02	1	3	Approval of Agenda	John Fraser	✓
4:03	2	4*	Minutes of the Meeting held on May 27, 2015 and action items	John Fraser	✓
4:05	1	5	Declaration of Conflict(s)	ALL	
NEW BUSINESS					
4:06	40	6*	Framework for Board Reporting 1. Strategic and Operational Plan 2. Financial Reporting 3. Performance Measurement Reporting	Susan Fitzpatrick/Tess Romain Raj Krishnapillai Alvin Cheng	
4:46	5	7*	Draft Committee Work Plan	John Fraser	
5:01	5	8*	Annual Review of Committee Terms of Reference and Chair Role Description	John Fraser	
5:06	5	9*	LSSO/LHINC Audit Subcommittee Membership Appointments	John Fraser	✓
STANDING BUSINESS ITEMS					
5:11	1	10	Other Business - 2016 Committee Meeting Dates	John Fraser	

5:12	1	11	Next meeting date – November 4, 2015	John Fraser	
5:13		12	Termination	John Fraser	✓

Legend:

- * circulated with Agenda
- ** to be circulated at meeting
- *** to be circulated electronically before meeting

Agenda Item 4 – Approval of Minutes of the Meeting held on May 27, 2015

To be posted to website once approval by Committee.

Agenda Item 5 - Declaration of Conflict(s)

The Committee member(s) shall at this time in the meeting declare any conflict(s) of interest in accordance with the LHIN Conflict of Interest Policy.

Agenda Item 6 – Framework for Board Reporting

See end of document for information.

Agenda Item 7 – Draft Committee Work Plan

TOPIC: Toronto Central LHIN Finance and Audit Committee Work Plan

PURPOSES OF THIS AGENDA ITEM:

To provide the draft Finance and Audit Committee Work Plan for 2015/16.

BACKGROUND:

The draft Finance and Audit Committee Work Plan received the draft work plan for information.

MOTION

No motion.

Agenda Item 8 – Annual Review of Committee Terms of Reference and Chair Role Description

TOPIC: Finance and Audit Committee Terms of Reference and Chair Role Description

PURPOSE OF THIS AGENDA ITEM:

The Finance and Audit Committee to perform its annual review of the Committee's Terms of Reference and Chair Role Description

BACKGROUND:

Annually, the TC LHIN Board Committees review their existing terms of reference with a view to ensuring that the terms are up to date; comply with current legislation requirements and ensure that the Committee is operating with effective governance, financial and risk management oversight.

Any proposed changes to the terms of reference or Chair role description be recommended to the Governance and Nominations Committee.

Agenda Item 9 – LSSO/LHINC Audit Subcommittee Membership Appointments

TOPIC: LHIN Shared Services Office (LSSO) and LHIN Collaborative (LHINC) Audit Subcommittee Membership

PURPOSE OF THIS AGENDA ITEM

The Finance and Audit Committee to approve the membership appointments for the LSSO/LHINC Audit Subcommittee.

BACKGROUND:

The LHIN Shared Services Office (LSSO) and LHIN Collaborative (LINC) Audit Subcommittee exists to advise the Toronto Central LHIN Finance and Audit Committee in all aspects of financial reporting, internal controls, the audited financial statements and areas of material risk in respect to the LSSO and LHINC.

In accordance with the current Terms of Reference, membership composition of the Subcommittee is comprised of no fewer than three Directors, none of whom are officers or employees of the LHIN. John Fraser, as Chair of the Finance and Audit Committee acts as Chair for the Subcommittee. Members may serve a maximum of

two years. To that end, Mike Lowther has agreed to serve on the Committee for 2016.

The TC LHIN Chair and Chair of the Finance and Audit Committee undertook a process to identify one individual for membership on this committee. Based on the membership criteria, selection guidelines and principles, the Chair of the Finance and Audit Committee is recommending the re-appointment of Mike Lowther and the appointment of Randy Reid to the LSSO/LHINC Audit Subcommittee.

MOTION:

The Finance and Audit Committee hereby approves the appointment of Randy Reid and the re-appointment of Mike Lowther to the LSSO/LHNC Audit Subcommittee.

Agenda Item 10 – Other Business

Other business will be tabled at the meeting as requested by the Committee members.

Agenda Item 11 – Next Meeting Date

The Finance and Audit Committee will meet next on November 4, 2015, 4:00 pm to 5:30 pm.

Agenda Item 12 - Termination

Finance and Audit Committee meeting to terminate upon completion of business.

MOVING FROM STRATEGIC PLAN TO OPERATIONS

OVERVIEW

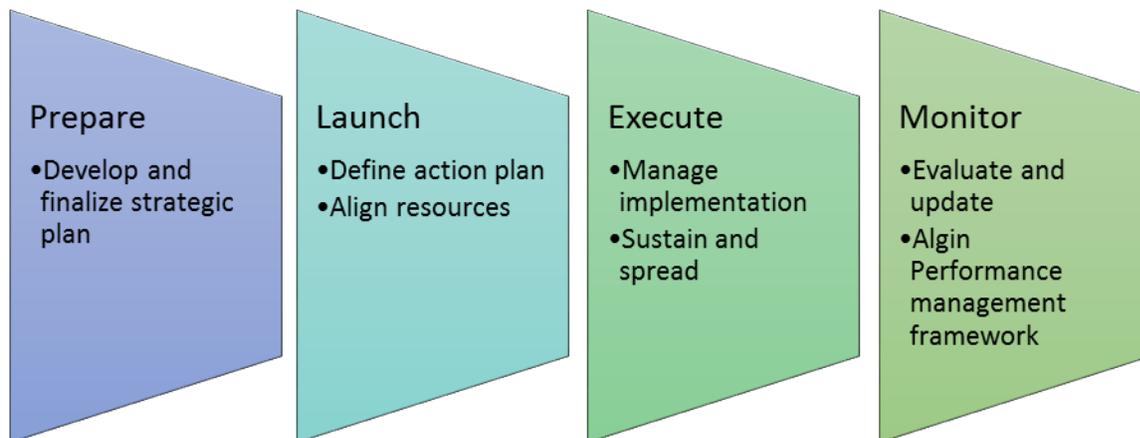
The Toronto Central LHIN 2015-18 Strategic Plan and IHSP-4 outlines the LHIN's work for the health care system in Toronto and beyond over the next three (3) years. In order to achieve the objectives outlined in the Plan, the strategy is translated into an operational plan with clear structures and processes to identify key actions, coordinate implementation, and monitor ongoing performance.

To achieve this, the LHIN is launching an Operational Plan that will guide the execution of the Strategic Plan over the next three (3) years by:

- Establishing the implementation structure across the organization
- Creating specific, measurable, achievable, results-oriented, and timely (SMART) objectives aligned to our Strategic Priorities
- Aligning resources to support achievement of the Plan
- Monitoring and reporting on progress to the plan
- Recognizing and responding to issues and risks

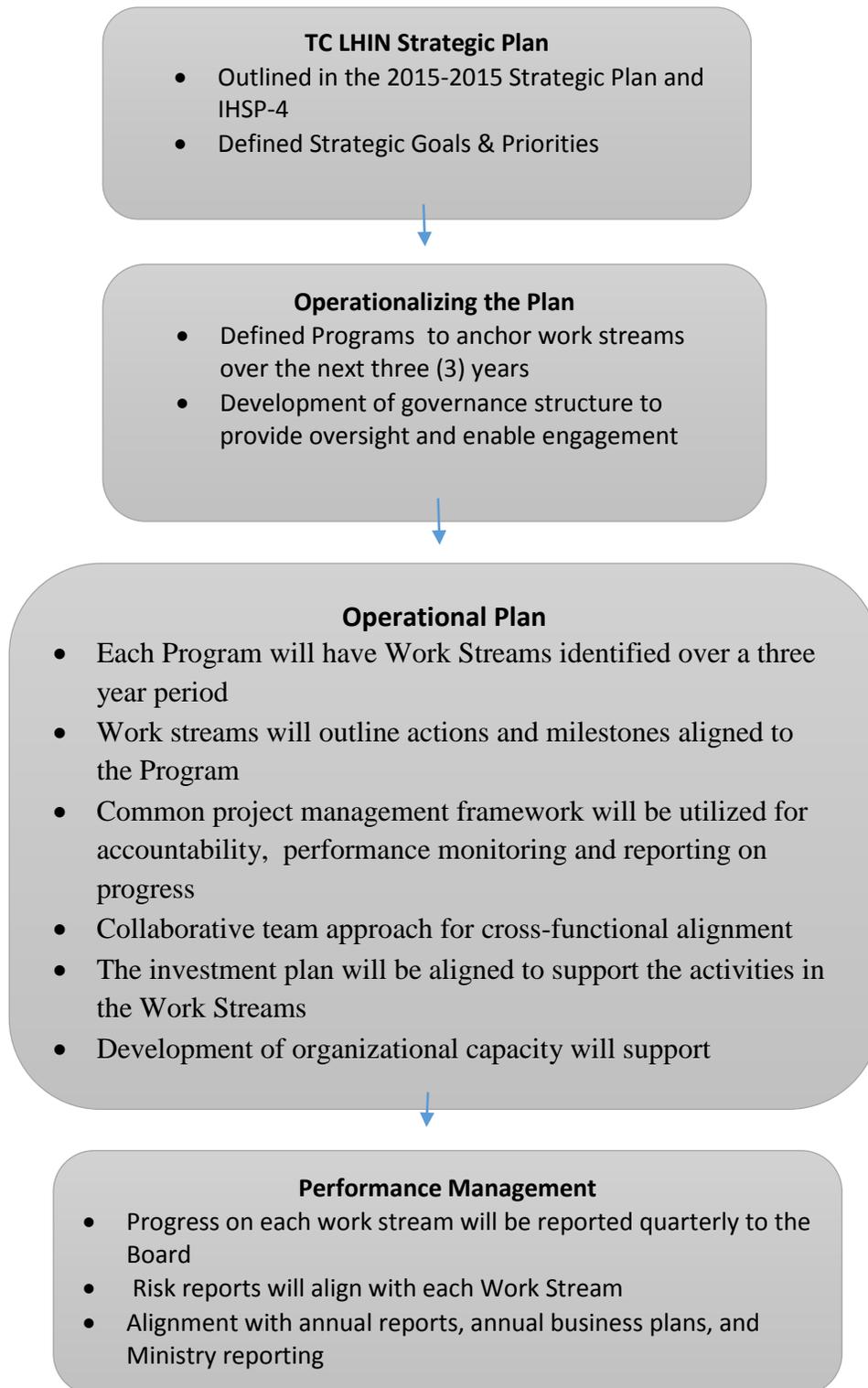
As the operational plan is implemented over the next eight (8) weeks, an action plan will be developed to define streams of work required to achieve our strategic objectives and refine our performance management and reporting process to align with this structure.

Stages of Plan Implementation:



Execution of Toronto Central LHIN's Strategic Plan

Below is schematic that outlines the stages of execution of the LHIN Strategic Plan.



MOVING FROM STRATEGIC PLAN TO OPERATIONS

OPERATIONALIZING THE PLAN

The section below outlines how the Strategic Plan will be translated into an operational plan to guide the activities across the organization over the next three (3) years.

One of the key innovations of the LHIN will be the introduction of *Programs* and *Work Streams* to organize and define work. **Programs, group the LHIN's activities to achieve the outcomes described in the Strategic Priorities.** Four (4) *Programs* are outlined below and which encompass the LHIN approach to the delivery of the Strategic Plan:

- Service and Program Redesign
- Integrated Models of Care
- Build Community Capacity; and
- Sub-LHIN Population Planning

A fifth *Program*, Building a Strong Foundation, will focus on organizational development to build skills and competencies across the LHIN, develop our information management system, ensure financial stewardship, and support collaborative partnerships in order to achieve success.

In each of these *Programs*, management will define specific, measurable, achievable, results oriented, and timely (SMART) objectives to guide the work of the organization over the next three years and align performance measurement.

Over the coming weeks, the organization will be engaged to identify these objectives and develop a governance structure to support achievement of these objectives.

As *Programs* are developed, the following key principles will guide our work:

- Maintain a patient-centred focus
- Engage diverse and marginalized populations
- Ensure services meet the unique needs of our communities
- Create strong alliances with health service providers and system partners
- Develop strategic alliances with broader community partners including research and academic community
- Create mutually beneficial relationships with Ministry and government

Among other benefits, this will ensure that the LHIN is positioned to achieve success through a focused and aligned operational plan leveraging opportunities across the system.

To demonstrate the alignment of these *Programs* to the Strategic Plan, below each Program has been mapped to the LHIN approach to delivering on each Strategic Priority outlined in the IHSP-4.

MOVING FROM STRATEGIC PLAN TO OPERATIONS

STRATEGIC PRIORITIES

Designing Health
Care for the
Future

Taking a
Population
Health Approach

Transforming
Home and
Primary Care

Achieving
Excellence in
Operations

Service and Program Redesign

- *Patient Pathway Redesign*
- *eHealth Strategy*

Integrated Models of Care

- *Supporting Innovation*
- *Access to Integrated Primary, Home and Community Care*
- *Quality Improvement*
- *Strategic Integration*

Build (Community) Capacity

- *Building Community Capacity*
- *Reforming Primary Care*

Sub-LHIN Population Planning

- *Advancing Health Equity*
- *Improving Health Outcomes for Vulnerable Populations*

Building a Strong Foundation

- *Building LHIN Capacity*
- *Key Enablers*
- *Strategic Communications and Policy*

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OPERATIONAL PLAN

Implementing a strategy requires breaking down medium-term planning into a series of short term plans that can be a focus for action and a basis for performance monitoringⁱ. Each *Program* will have defined *Work Streams* with projects and activities aligned to achieve the Program objectives on a quarterly basis.

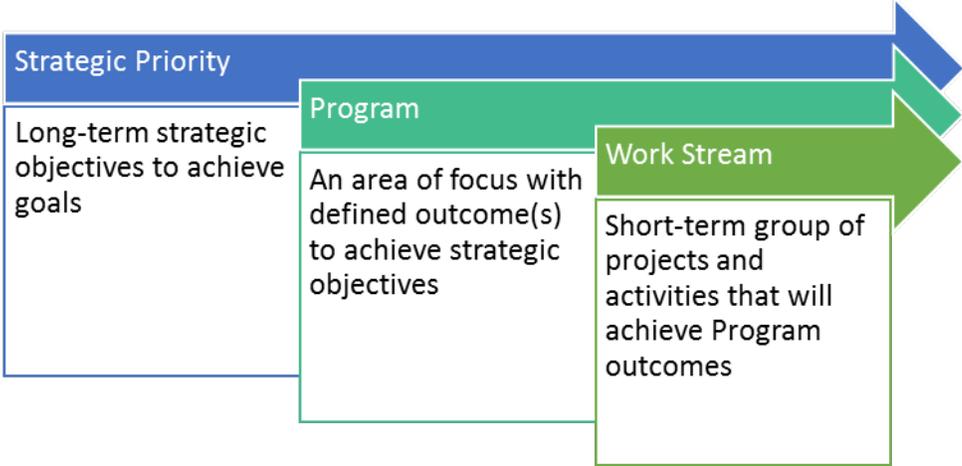
Through a collaborative, facilitated engagement process, management will develop individual *Work Streams* to organize activities across the LHIN over the next three (3) years. **Each *Work Stream* will define annual milestones and activities that will be integrated with performance goals ensuring clear accountability and line of sight across the organization.**

Achievement to these milestones will reported on a quarterly basis to the Board in order to demonstrate achievements, progress to goals, and identify risks and mitigation. This method will enable aligned reporting to the Ministry and Board, and support resource planning across the LHIN. The quarterly reports will also provide clear alignment between system impact and activities through the cascading structure of the operational plan to the strategic plan.

Annually, the LHIN will review the Operational Plan and develop an Annual Business Plan to outline how the LHIN will achieve objectives for the coming fiscal year. These will be organized by our Strategic Priorities and supported by the *Programs* and *Work Streams* developed in the Operational Plan. The Annual Report will describe achievements to the Annual Business Plan at the end of each year.

MOVING FROM STRATEGIC PLAN TO OPERATIONS

Financial investments and resource allocation will be aligned with activities and projects under each Work Stream which will provide a clear link between the LHINs investments and achievement towards our strategic priorities.



MOVING FROM STRATEGIC PLAN TO OPERATIONS

An example of a Program and associated Work Stream is outlined below:

Program #1: Service and Program Redesign

DESCRIPTION

- Leverage funding to better align services with the broader health system objectives
- Integrate patient experience by linking funding to the patient journey, and ensure they are grounded in the local context
- Align funding mechanisms and service design with specific targets for improved outcomes
- Target funding to drive strategic integrations
- Maximize the use of new or emerging technology

WHAT DOES SUCCESS LOOK LIKE?

- Creation of integrated bundles of care that align funding, care pathways, providers and patient outcomes

OUTCOME INDICATOR

- No. of integrated pathways implemented across the system
- % of integrated bundles funded

NO.	Work Stream	Descriptions	Projects/Activities	Quarterly Update	Financial Investment
1	Targeted Services Redesign	<ul style="list-style-type: none"> • Direct and prioritize activities • Leverage health system funding reform • Shape the involvement of partners and their role • Enable strategic integrations 	<ul style="list-style-type: none"> • Stroke redesign • CHF redesign • Musculoskeletal redesign 	<i>Overview of activities within this work stream underway in the quarter.</i>	<i>Total funding for activities at this quarter</i>
2	Program Redesign	<ul style="list-style-type: none"> • Direct and prioritize activities • Leverage provincial initiatives and system changes • Shape the involvement of partners and their role • Remove identified barriers • Define critical success factors 	<ul style="list-style-type: none"> • Palliative care redesign • Mental health and addictions redesign 		

PERFORMANCE MANAGEMENT

MOVING FROM STRATEGIC PLAN TO OPERATIONS

In order to ensure that the LHIN is achieving results, a robust performance management plan should be linked to the key deliverables in the Strategic Plan. A key component to this is transparent and effective reporting to the Board, as a representative of the public interest, on a quarterly basis.

To do this, the LHIN will report on activities underway using the following reports:

1. CEO Report (Quarterly)
 - Highlight of activities over the past quarter
 - o Activities of the CEO
 - o Key achievements
 - o Key system updates

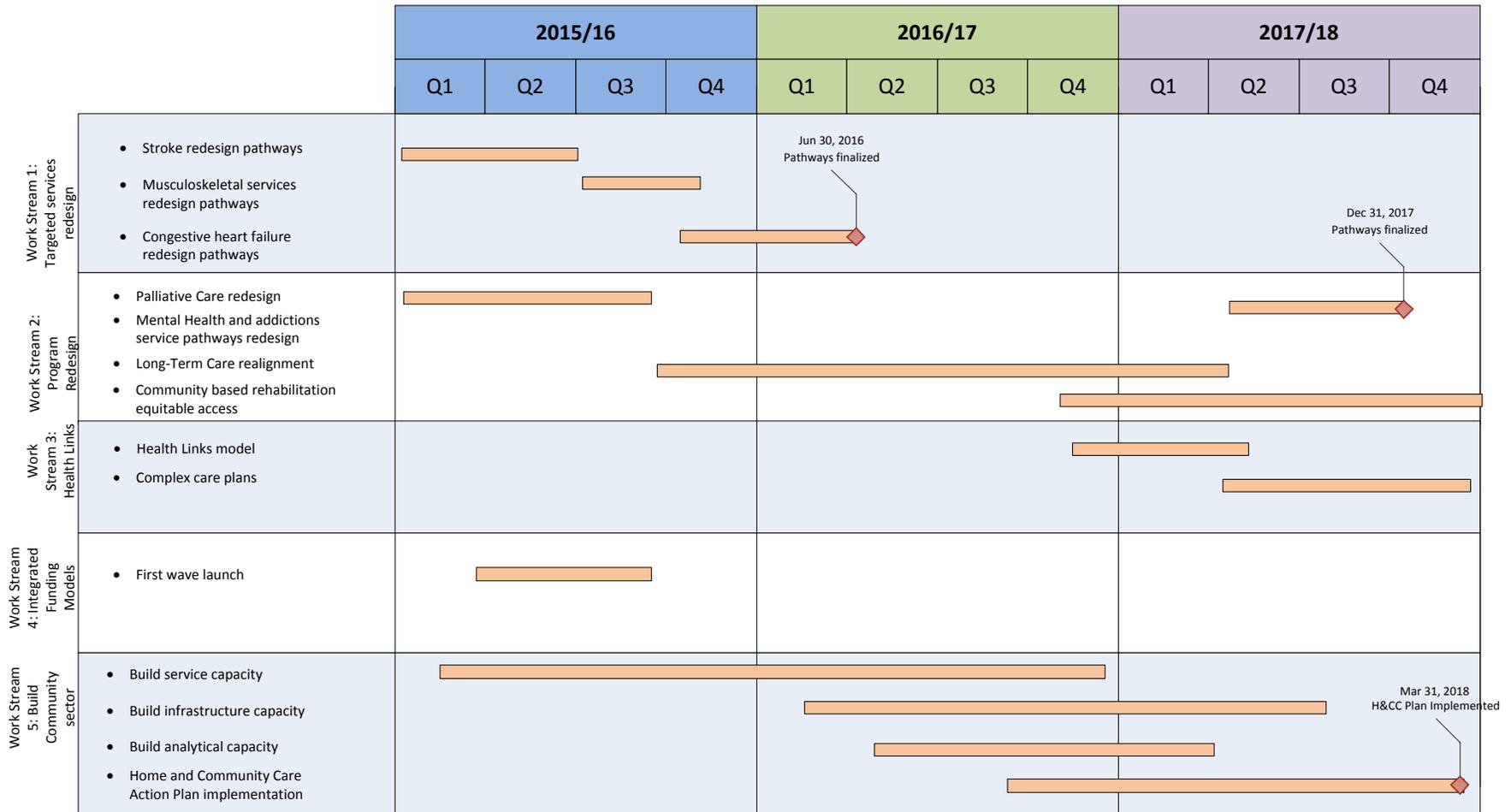
2. Strategic Updates (Quarterly)
 - Program summary (achievements, opportunities, challenges)
 - Scorecard (aligned with MLAA indicators)
 - Updates on activities under each work stream
 - Financial/investment detailed update
 - Achievement to milestones (red, yellow, green)
 - Risk management report (aligned with Ministry reporting)

3. Annual Business Plan
 - Planned annual activities aligned to three (3) year Strategic Operational Plan
 - Organized by Strategic Priorities

4. Annual Report
 - Achievement to outcomes defined in Annual Business Plan

MOVING FROM STRATEGIC PLAN TO OPERATIONS

Sample Quarterly Report



MOVING FROM STRATEGIC PLAN TO OPERATIONS

EXAMPLE Risk Report

Risk Category (Program)	Risk sub-category (Work Stream)	Risk Owner (Board)	Risk Owner	Description of Risk	Description of Mitigation	Likelihood	Impact	Effectiveness of current mitigation	Risk Priority Level: Score	Risk Priority Level: Trend
Service & Program Redesign	Musculoskeletal redesign	F&A	B. Manson	Quality Based Procedures (QBP) funding shortfall may impact outpatient total joint replacement rehabilitation capacity, destabilizing the patient pathway	TC LHIN is evaluating options for resource allocation in 15/16 and meeting with HSFR leadership to develop longer term mitigation strategy within the provincial HSFR mitigation strategy	M	M	M	M	→

Notes:

Risk Priority Level: Trend has four possible trends:

- New *
- Up
- Down
- Same

MOVING FROM STRATEGIC PLAN TO OPERATIONS

MOVING FROM STRATEGIC PLAN TO OPERATIONS

LHIN BOARD REPORTS	Frequency
Planning	
<p>1. Strategic Plan A focused set of goals and actions that will be taken in the local health care system over a given time period.</p>	N/A (Multi-year plan)
<p>2. Operational Plan Outlines the Programs and Work Streams to achieve the goals of the Strategic Plan.</p>	Annually
<p>3. Strategic Updates Provides an overview of current LHIN initiatives, including project activity, and current project status by Work Stream (Green/Yellow/Red).</p>	Quarterly
<p>4. CEO Quarterly Report Summary of CEO activities, key achievements across the LHIN, and system changes and issues impacting the local health system.</p>	Q1, Q2 and Q3
<p>6. CEO Year End Report Summary of LHIN activity for the year, includes data and narrative on issues and trends, as well as patient stories.</p>	Annually
<p>7. Annual Business Plan Public report that sets out the activities and objectives for the LHIN in the year ahead based on a Ministry template.</p>	
<p>7. Annual Report Public report on achievements and activities in the TC LHIN over the past year aligned with the strategic plan.</p>	Annually
Financial	
<p>9. Investment Plan and Budget Includes a framework and principles for the allocation of discretionary funds aligned with the <i>Operational Plan</i>, as well as the LHIN's internal operational budget.</p>	Annually
<p>10. Risk Report Provides an overview and update of key risks the LHIN has identified and is monitoring at the Operational, Strategic, and Financial level.</p>	Quarterly
<p>11. Financial Report Provides a high level summary of LHIN and health service provider financials on a quarterly basis.</p>	Quarterly
<p>12. Audited Financial Statement/Report Audited financial statements for annual report purposes and consolidation with Ministry of Finance numbers</p>	Annually
Performance Measurement	
<p>13. Board Scorecard Provides an update on LHIN performance to targets of MLAA and LHIN-</p>	Quarterly

MOVING FROM STRATEGIC PLAN TO OPERATIONS

specific indicators

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References

ⁱ Grant, R. (2013). *Contemporary Strategy Analysis* [8th Ed.]. Wiley & Sons Ltd: West Sussex.

