



BENCHMARK GOVERNANCE PRACTICES Checklist

✓ Annually, the board develops a formal/written governance work plan (which includes major objectives and key tasks).	_____	_____	_____
	<i>yes</i>	<i>no</i>	<i>don't know</i>
✓ At least two times per year, the board meets in executive session (without management and staff present).	_____	_____	_____
	<i>yes</i>	<i>no</i>	<i>don't know</i>
✓ The board undertakes a periodic assessment of its performance/contributions and employs the results to develop a governance improvement action plan.	_____	_____	_____
	<i>yes</i>	<i>no</i>	<i>don't know</i>
✓ The board has retained an experienced corporate/governance attorney to review its D&O insurance coverage and indemnification policy within the last three years.	_____	_____	_____
	<i>yes</i>	<i>no</i>	<i>don't know</i>
✓ The board has undertaken a formal review of its bylaws in the last three years and made modifications in them as needed.	_____	_____	_____
	<i>yes</i>	<i>no</i>	<i>don't know</i>
✓ At least 60 percent of the board's positions are held by "independent"/outside directors; those having no significant material relationship with the organization (e.g., present employees, those employed by the organization in the past five years, members of law/banking/audit firms retained by the organization, contractors/consultants, members of the medical staff).	_____	_____	_____
	<i>yes</i>	<i>no</i>	<i>don't know</i>
✓ The board has access, when needed, to independent legal advice (separate from the in-house counsel or external attorney/firm retained by the organization).	_____	_____	_____
	<i>yes</i>	<i>no</i>	<i>don't know</i>
✓ The board has formal/written charters for each standing committee specifying their charge, key tasks, composition and staff support.	_____	_____	_____
	<i>yes</i>	<i>no</i>	<i>don't know</i>
✓ The board has a separate standing audit committee.	_____	_____	_____
	<i>yes</i>	<i>no</i>	<i>don't know</i>

✓ The audit committee is composed totally of "out-side"/independent directors.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ Chairpersons of the audit and finance committees have knowledge/experience in the areas of managerial accounting and/or finance.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board limits the number of consecutive terms the board chair can serve.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board engages in formal chair succession planning.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has formulated a formal/written director position charter (job description) specifying responsibilities and expectations.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board limits the number of consecutive terms directors can serve.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has established a director age limit.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has a formal/written director conflict-of-interest policy, guidelines and attestation.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has a formal/written director code of ethics/conduct.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has a formal/written director confidentiality policy, guidelines and attestation.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has adopted a formal/written policy specifying the criteria and process for removing a director in mid-term.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board undertakes a periodic assessment of individual directors' performance/contributions, provides them with feedback/coaching and employs the results as input for making re-appointment decisions.	<u>yes</u>	<u>no</u>	<u>don't know</u>

✓ The board has a formal process for periodically: assessing its performance/contributions; and employing the results to develop plans for improving governance quality.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ Annually, the board reviews and approves a set of organization-wide goals.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The organization has a formal/written long-range strategic plan that is reviewed and approved by the board annually.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has a process (employing quantitative metrics) to monitor/assess the extent organization-wide goals are being achieved.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board employs a formal process for annually assessing the extent strategic plans are being effectively pursued.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has formulated/approved a formal/written community benefit policy, set of objectives and plan (e.g., for the provision of free/uncompensated care, free educational programs, non-reimbursed health promotion and disease prevention services); this is the rationale/justification for receiving nonprofit status and tax exemption.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has a process (employing quantitative metrics) to monitor/assess the extent community benefit objectives are being achieved.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ Annually, the board formulates a set of CEO performance/contribution objectives and expectations.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ Annually, the board undertakes a formal assessment of the CEO's performance and contributions. The results are employed to adjust the CEO's compensation and determine bonuses.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has a policy requiring the forfeiture of salary increases and bonuses awarded on the basis of restated financial statements/results.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has adopted a formal/written code of ethics for officers (senior members of the executive team).	<u>yes</u>	<u>no</u>	<u>don't know</u>

✓ All personal expense reimbursements to the CEO are reviewed/approved by the board chair or audit committee chair.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ Our board has a formal/written CEO transition/succession plan.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has a formal/written CEO retention plan.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ Annually, the board reviews and approves objectives for clinical quality, patient safety and customer service quality.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has a process (employing quantitative metrics) to monitor and assess quality <i>vis-à-vis</i> formulated clinical, patient safety and customer service objectives.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board reviews and approves organization-wide financial objectives.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The organization has a formal/written long-range financial plan that is reviewed and approved by the board annually.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board has a process (employing quantitative metrics) to monitor/assess the organization's financial performance and condition <i>vis-à-vis</i> formulated objectives and the financial plan.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ Annually, the board requires the CEO and CFO attest to accuracy of the organization's financial statements.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The board requires its audit firm to rotate engagement partners at least every four years.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ There is a formal/written policy requiring the audit firm to obtain board authorization prior to performing (non-audit) consulting work for the organization.	<u>yes</u>	<u>no</u>	<u>don't know</u>
✓ The organization has a formal corporate compliance program and a process is in place to assist our board oversee its effectiveness.	<u>yes</u>	<u>no</u>	<u>don't know</u>

✓ The organization has an internal audit function overseen by the board. The individual responsible for this function has direct access to the board's audit committee.
yes *no* *don't know*