

Lack of training for board members often breeds expense scandals, says expert

Requirement for becoming board member 'shockingly minimal: it's over 18, not bankrupt and not insane'

By Michael Gorman, [CBC News](#)

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An ongoing review at the IWK Health Centre is looking at, among other things, financial checks and balances at the board level. (Shaina Luck/ CBC)

An expert in governance says it might be time to consider mandatory training for anyone who is going to sit on a board or agency, especially ones that involve a high level of public trust.

Richard Leblanc, an associate professor of law, governance and ethics at York University in Toronto, said there must be provincial standards where board members receive third-party training.

Right now he knows of nowhere that happens. Even in his home province of Ontario, where Leblanc is designing training for the hospital association, that module will be voluntary.

'Minimal' requirements

"Education and training on a governance basis now is not a luxury, it's an essential," he said.

"The requirement to be a director on a board is shockingly minimal: it's over 18, not bankrupt and not insane."

The issue of board governance is a prominent topic in Nova Scotia following [an expense scandal at the IWK Health Centre](#) that's claimed the CEO, placed [the CFO on paid leave](#) and is raising questions about the amount of oversight and practices by the hospital's board.

Boards are too big, don't ask hard questions

Leblanc said problems often arise with boards that have 15 or more seats, particularly at hospitals and universities (the IWK has 19 board members).

"There's a culture of not pressing and just assuming that everything is taken care of and everything is appropriate and not putting up your hand," he said.

"The board becomes complacent because it's too large and they're not asking the elephant-in-the-room questions."

Those include questions about expense policies, asking for regular updates on CEO expenses and calling for expense reports, he said. It's vital for all board members — not one or a few — to be getting that information because their top job is overseeing the CEO, said Leblanc.

"It's just not done because there's too much deference and the board becomes lulled into a sense of complacency and indoctrination."



Tracy Kitch resigned as CEO of the IWK Health Centre a week before a report showed she billed \$47,000 in personal expenses to the hospital over three years. (Career Women Interaction)



Premier Stephen McNeil says if provincial board members feel they need training the government is willing to provide it. (Paul Poirier/CBC)

On Thursday, [both Premier Stephen McNeil and Health Minister Randy Delorey stood by the IWK board](#), saying members are taking appropriate steps to address problems at the hospital. Those problems were only made public, however, [following a CBC News investigation](#).

Still, McNeil said he was confident in the board members' actions. "These are Nova Scotians who have very busy lifestyles, very busy involvement who have put their time on the line to ensure that this institution is there for the long haul."

Leblanc said that doesn't even come close to qualifying someone as an effective board member.

"Don't make the inference that because [they're] business people, or whatever their resume happens to look like, that they know to ask the right questions."

McNeil said if training is needed for some boards, the government can provide it. Some boards do offer training to new members, he said.

'A lot of responsibility'

But Tory health critic Elizabeth Smith-McCrossin said the IWK situation shows board members need more training than whatever is provided now. "If you look at any effective board governance model, it includes training," she said. "There's a lot of responsibility that comes with being a board

Key training subjects

Smith-McCrossin, who was elected this spring, will be one of her party's representatives on the legislature's human resources committee, the body tasked with approving provincial appointments.

She said regardless of the approach used in the past, new considerations must be made.

"There should be training [and] clear expectations," she said. Leblanc said even five hours of training a year would be good, focused on fiduciary duty, duty of care, CEO expenses and CEO pay.

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