

## 2 Purpose and Governance Structure

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### 2.1 Background on IHTSDO and Corporate Governance

Owned and governed by international Member countries, IHTSDO is a not for profit organization that works on behalf of the healthcare system and provides full support to its global Members and licensees, ensuring that the combined resources achieve significant shared benefits that resonate around the world.

The Objects of the IHTSDO Association, as set out in the Articles of Association, are "the advancement of the health of humankind, in particular by facilitating better health information management and by that means and otherwise contributing to the improved delivery of care by clinical and social care professions, including through:

- facilitating the accurate sharing of clinical and related health information, and the semantic interoperability of health records;
- encouraging global collaboration and cooperation with respect to the ongoing improvement of the consistent use of health terminologies and standards; and
- providing the foregoing on a globally coordinated basis."

Corporate Governance is the process and structure used to direct and manage the business affairs of an organization with the objective of enhancing value to the organization and ensuring the financial viability of the business. The process and structure define the division of power and establish mechanisms for achieving accountability among the General Assembly, the Management Board and the Management Team. The direction and management of the business should take into account the impact on other stakeholders such as employees, Members and vendors.

### 2.2 General Assembly

The governance structure of IHTSDO encompasses multiple tiers. The General Assembly (GA) has the authority to make all binding decisions on all matters pertaining to the Association and its Articles of Association. It must be informed of the creation or dissolution of any Advisory Group.

### 2.3 Management Board

Directly below the General Assembly is the Management Board. The role of the Management Board is to provide the strategic leadership necessary to establish and review the organization's strategic plan. The Board focuses on policy direction, with a clear distinction between the CEO and internal management roles and responsibilities. The high-level roles and responsibilities of the Management Board, as per the [IHTSDO Management Board Governance Manual](#), are listed below.

Below is a summary of the high-level roles and responsibilities of MB directors:

- Be accountable to the GA for the smooth running of the organization;
- Act in the best interests of IHTSDO;
- Establish policies and procedures with regards to how the MB will conduct its affairs, carry out its responsibilities, and exercise its powers;
- Establish a code of conduct and ethical behavior for MB directors and employees;
- Adhere to all MB policies, including conflict of interest guidelines and codes of conduct and ethics;
- Prepare and maintain a written record of all MB proceedings and decisions and those of any MB committee;
- Establish, from the members of the MB:
  - a. A Finance and Audit Committee to oversee the organization's finances;
  - b. A Human Resources Committee; and
  - c. An Executive Committee;
- Respect the division between MB governance and the organization's management;
- Be available as a resource to Management; and
- Be available and willing to sit on MB committees as required.

### 2.4 CEO and Management

- The CEO is appointed by the Board and is accountable for implementing the strategic policy decisions of the Board. The CEO accomplishes his/her duties by hiring and directing senior staff (Management Team members) in planning, organizing and controlling activities of the organization.
- The CEO is accountable to the entire Board. All authority delegated to staff flows through the CEO, so that all authority and accountability of IHTSDO staff rests with the CEO. The individual performance of the IHTSDO staff remains the prerogative of the CEO and his or her direct reports.

- The CEO will not perform, allow or cause to be performed any act that is unlawful or not in keeping with accepted business and professional ethics, as judged by the prudent person standard.
- The Management Team, with the approval of the Management Board, may elect to form Advisory Groups that report to the applicable Management Team member.

## 2.5 Meetings of Governance Bodies, Management Team and Advisory Groups

The Management Board meets face-to-face a minimum of three times a year and holds at least three additional teleconferences annually. Special meetings of the Board may be convened as required. Additional meetings will be conducted generally via teleconference or electronically. Two of the face-to-face meetings will be held during the organization's business meetings in April and in October of each year.

The General Assembly meets twice a year in October and April to fulfill its duties and may meet additionally by teleconference or electronic communication.

The Management Team meets regularly but at minimum quarterly to fulfill its duties.

The Advisory Groups meet based on a schedule outlined by the applicable Management Team chair(s) of the group but not less than quarterly. Notes of the meeting will be posted on Confluence as a public record of advice provided by the group and other key points. The group may also choose to keep recordings of the meeting, which should be accessible to members of the Group and IHTSDO staff.