



TERMS OF REFERENCE – FINANCE AND AUDIT COMMITTEE

Effective Date: September 2013

Committee Oversight: *Governance*

Last Revised Date: May 2022

Authorized by: Board of Directors

To be reviewed: May 2023

PREAMBLE

All standing and adhoc committees of the Hôtel-Dieu Grace Healthcare Board (the “Board”) are established to assist the board with workload, and are created as an advisory body to the Board, with no inherent right or role. All committee powers are derived from the board (with the exception of those that are legislated; Medical Advisory Committee, Quality Committee and Fiscal Advisory Committee) and all regular work of all committees must be clearly identified by the Board in the annual approved work plans

PURPOSE

To ensure excellence in patient care through effective resource allocation, the Finance and Audit Committee will act as an advisory to the Board and be responsible for financial governance and investment performance, facilities and capital compliance oversight, information management strategy, and integrated risk management. To ensure that the hospital adheres to sound and accountable auditing and internal fiscal controls.

RESPONSIBILITIES

General

- Review the terms of reference for the committee annually and recommend any revisions to the Board for approval
- Recommend an annual work plan to the Board based on the terms of reference
- Annually review, confirm and recommend revisions to the board policies for which the Governance Committee has assigned oversight
- Elected Directors shall act as the audit sub-committee
- Such other matters as may be referred by the Board, from time to time

Budget Planning and Oversight

- On a quarterly basis, review and recommend to the Board approval of the financial statements to the Board
 - Recommend according to board policy capital and operating expenditures that exceed managements spending authority (materiality of \$2.3M or 2% of revenues) or those not contemplated in the budget or annual operating plan
 - Ensure that there is a process in place for the development of an annual operating budget and capital budget;
 - Review and recommend to the Board the annual assumptions used to develop the operating budget, capital budget and strategic plan;
 - Review and recommend to the Board the annual operating plan and budget, and the capital plan and budget;
 - Review and recommend to the Board plans developed by management to address variances between budget and actual performance;
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- Monitor implementation of plans to address variances and report to the board;
 - Review and evaluate the Hospital Annual Planning Submission (HAPS), the Hospital (H-SAA) and Multi-Sectoral (M-SAA) Service Accountability Agreements

Long Term Planning

- Annually review and report to the Board, the status of the corporate reserves;
- Review and recommend to the board a long-term (5 year) capital plan, long term revenue and expense projections;
- Monitor debt obligations and repayment planning

Investments

- Recommend and monitor board investment policy; and advise the Board with regard to investments, borrowing and long-term financial forecasts

Property, Facilities

- Review facilities, property and infrastructure as it relates to capital expenditures planned for the hospital
- Ensure compliance with the applicable legislation in relation to parking

Performance

- Quarterly review and recommend appropriate financial performance indicators (scorecard)
- Assess and evaluate the performance and effectiveness of the Committee and Chairperson annually

Compliance

- Review, evaluate and recommend to the Board, signing of compliance attestations and submission of reports required under the *Broader Public Sector Accountability Act, 2010 (BPSAA)* including;
 - Consultant Use
 - Travel/Salary Expenses
 - Procurement
- Monitor and report to the Board on the performance and compliance with the Service Accountability Agreements and any applicable legislation
- Monitor investment performance for compliance with the investment policy

Asset Management

- Ensure there are processes in place to manage the assets of the organization;
- Review and make recommendations concerning material asset acquisitions not contemplated in the annual operating plan

Information Technology/Cybersecurity

- Review the status of Information Technology, Equipment and Building systems and related risks
 - Review the policies, processes and programs that are in place to prepare, prevent and protect HDGH from significant IM/IT security
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Risk Management and Internal Controls

- Enquire into the major financial risks faced by the Hospital, and the appropriateness of related controls to minimize their potential impact
- Ensure a robust process, program and appropriate policy for integrated risk management and recommend to the Board for approval
- Monitor and report to the Board, on the integrated risk domains assigned to the committee which include;
 - Financial
 - Compliance
 - Physical Assets
 - Information Technology/Cybersecurity
- Receive assurance that the Corporation carries appropriate insurance coverage
- Review and make recommendations concerning the quality and integrity of management's internal controls

Committee Performance:

- Assess and evaluate the performance and effectiveness of the Committee and Chairperson annually

Audit

- **See Audit Sub-committee Terms of Reference**

**MEMBERSHIP/
TERM/VOTING****Membership:**

- Chair who shall be an elected Director from among the Board (non-voting)
- At minimum two (2), maximum four (4) additional elected members of the Board (voting)
- Chair of the Board (ex-officio non-voting)
- Chief Executive Officer (ex-officio non-voting)
- Chief Financial Officer (ex-officio non-voting)
- Non-Director Committee Members; number should not exceed the number of elected Directors (2-4)(voting)

Term:

- July 1 – June 30
- Non-director committee members serve one year terms renewable up to a total of five years

Voting:

- When sitting as the Audit Sub-Committee; non-directors are not eligible to vote
- There shall be no proxy voting
- As per the by-law (Article 11.6) electronic participation/attendance is acceptable, however email voting is not permitted

MEETINGS

Shall meet four (4) times per year from Sept – June, or more frequently as circumstances dictate. Required meetings include the engagement/planning

meeting with the external auditors and the results/reporting meeting with the auditor two (2) times per year (audit committee).
All meetings will be held in camera.

QUORUM Shall be fixed at not less than a majority of its Directors only.

REPORTING The Finance and Audit Committee is established under the authority of the Board of Directors and is required to report at the next regularly scheduled meeting of the Board. Minutes are recorded and available to the Board.

RESOURCES Chief Executive Officer, Chief Financial Officer, staff responsible for Risk, Executive Assistant to the CEO and any additional staff required for the committee to fulfilling its duties.
