
FINANCE/AUDIT COMMITTEE

POLICY

Statement of Purpose

The Finance/Audit Committee

- is responsible for the hospital's financial planning and oversight, including long-term planning as well as for the annual operating cycle;
- will also approve the hospital's financial policies, and ensure that robust financial controls exist;
- shall be responsible for functioning as an Audit Committee; and
- shall keep the Board apprised of any issues that might arise that impact the organization's capacity to meet its strategic plan, mission or vision.

Responsibilities

1. Budget Planning

- a. Review and approve the annual budget planning calendar;
- b. Review and recommend to the Board the financial assumptions to be used to develop the operating budget, capital budget, strategic plan, long-term capital planning and cyber risk;
- c. Review and recommend to the Board the annual operating plan and budget and the capital plan and budget; and
- d. Review and recommend to the Board the Hospital Annual Planning Submission.

2. Financial Oversight

- a. Periodically review and recommend appropriate financial performance indicators;
- b. On a quarterly basis, review financial statements and recommend to the Board their acceptance prior to submission to the MOHLTC;
- c. On a quarterly basis, compare actual financial performance to budget and revised financial projections;
- d. Review and recommend to the Board plans developed by management to address variances between actual performance and budget;
- e. Monitor implementation of plans to address variances and report to the Board;

- f. Review and make recommendations to the Board concerning capital expenditures not contemplated in the budget or annual operating plan; and
- g. Review and make recommendations to the Board concerning banking arrangements, including lines of credit and long-term debt.

3. Donations and Bequests

- a. Advise the Board with regard to donations, bequests, endowments and investments.

4. Financial Risk Management

- a. Oversee, review and make recommendations to the Board concerning management's risk management processes;
- b. Review and make recommendations concerning the adequacy of financial resources; and
- c. Review and recommend to the Board the types and amounts of insurance to be carried by the Corporation, including property, liability, crime, boiler and machinery insurance.

5. Audit Committee Responsibilities

- a. Recommend to the Board the external auditors for appointment or re-appointment by the members at the annual meeting;
- b. Review and make recommendations to the Board concerning auditors remuneration;
- c. Meet with the external auditors to review the proposed scope of audit and approve auditor's engagement letter;
- d. Oversee performance of audit as required, including ensuring auditors are receiving the assistance of management;
- e. Review audited financial statements and auditor's report and make recommendations to the Board;
- f. Meet with auditors and receive and review recommendations with respect to management, accounting systems and internal control issues, review management response to auditors' recommendations and report to the Board; and
- g. Review policies regarding financial operations, including internal controls and implementation of auditors' recommendations.

6. Such other duties as may be required by the Board from time to time.

Membership

Voting

1. Treasurer, who shall be Chair of the Committee
2. Chief Executive Officer
3. Chief of Staff or representative
4. No fewer than three (3) Board members
5. Chair of the Board of Directors is an ex officio member

Non-Voting

1. Chief Financial Officer, and other representation from Management, as designated by the CEO.
2. Other ad hoc members as requested by the Committee.

Frequency of Meetings

The committee will meet quarterly, or at the call of the Chair.

Quorum

More than 50% of the members entitled to vote.

Approved: Board of Directors

Date: Mar 2007, Oct 2008 (r), Dec 2011 (r), Sept 2015 (r)