



Board of Directors
Policy Manual

Subject: **RESOURCE & AUDIT
COMMITTEE TERMS OF REFERENCE**
Policy # 3-040
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POLICY

The Resource and Audit Committee (the "Committee") is responsible for assisting the Board in fulfilling its financial oversight responsibility. The Committee recommends measures related to the Hospital's financial planning and oversight; this includes long-term planning as well as the annual operating cycle. The Committee will recommend board approval of Hospital's financial policies, will ensure that robust financial controls exist, and will apprise the Board of any risk arising that might impact the Hospital's capacity to meet its strategic plan, or purpose. The Committee also guides the Board on the investment of funds that fall under its fiduciary responsibility.

The Committee is responsible for functioning as an Audit Committee.

The Committee will also review programs and measures designed to promote and protect employee health and safety and ensure measures are in place designed to maximize the effective use of health human resources.

PURPOSE

These Terms of Reference specify and elaborate the Committee's role, responsibilities, membership and procedures.

PROCEDURE

Specific Responsibilities

1. Annual Operating and Capital Budget
 - a. Review and recommend to the Board the financial assumptions to be used to develop the operating budget, capital budget, and long-term capital planning; that are aligned with the strategic plan of the hospital,
 - b. Review and recommend to the Board the annual operating plan and budget, and the capital plan and budget;
 - c. Review and recommend to the Board a 5 year capital plan; and
 - d. Review and recommend to the Board the Hospital Annual Planning Submission, and Multi Sector Annual Planning Submission.
2. Financial Oversight
 - a. Review and recommend approval to the Board of financial policies;

- b. On an annual basis, review and recommend appropriate financial performance indicators/scorecards; and
 - c. On a quarterly basis, review financial statements and related variance analysis and recommend approval to the Board;
 - d. On a quarterly basis, review financial projections and related recovery plans including mitigation strategies; and
 - e. Make recommendations to the Board concerning capital expenditures not contemplated in the budget or annual operating plan.
3. Banking/Borrowing
- a. Review and make recommendations to the Board concerning banking arrangements; and
 - b. Review proposed credit and borrowing facilities.
4. Capital Budget Funding
- a. Working with the CMH Foundation, ensure the annual capital budget is fully funded and report to the board any expected shortfalls
5. Investments
- a. Oversee the development of an investment policy which achieves the hospitals financial objectives; and
 - b. If required, monitor the performance of financial advisors or fund managers on a quarterly basis.
6. Risk Management
- a. Oversee, review and make recommendations to the Board concerning the hospitals enterprise risk management plan;
 - 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, fidelity, cyber and machinery insurance.
7. Human Resource Management
- a. Receive and review quarterly human resources reports/scorecards with the view to promote and protect employee health and safety; and effective use of resources;
 - b. Ensure that a robust talent management plan is developed and progress against the plan is undertaken; and
 - c. Oversee the measurement and improvement of staff engagement
 - d. Receive annually a report on the hospital's Occupational Health & Safety Program

8. 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.

9. Reporting

- a. The Committee submits meeting reports to the Board and retains the minutes of its meetings.

10. Other

- a. Examines the policies and procedures governing the review and approval of the CEO's expenses; and
- b. Such other duties as may be required by the Board from time to time

Membership

Voting

- 1. Chief Executive Officer
- 2. At least three (3) elected Directors , one of whom will be appointed as Chair
- 3. One community member

Non-Voting

- 1. Board Chair
- 2. Chief Financial Officer
- 3. Chief Nursing Executive,
- 4. Manager of Human Resources
- 5. Other representation from Management, as designated by the CEO.
- 6. 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 members entitled to vote.