



TERMS OF REFERENCE

FINANCE, AUDIT & PROPERTY COMMITTEE

Authority: The Finance, Audit & Property Committee operates as a Standing Committee under the authority of the Board of Directors and as outlined in The Stevenson Memorial Hospital (SMH) Corporate By-laws, Article 8. No decision of these Committees shall be binding on the Board until approved or ratified by the Board.

Membership and Quorum: Quorum of a Standing Committee for the purpose of conducting business will be more than 50% of the voting members of the Committee.

The presence of Board Chair or Vice Chair at Committee meetings counts towards quorum; whereas, the absence of the Board Chair or Vice Chair at Committee meetings does not count against quorum. For greater clarity, the intent to this rule is to recognize that the Board Chair and/or Vice Chair may not attend every meeting.

The members of the Finance, Audit & Property Committee shall consist of:

Voting Members:

1. Board Treasurer, who will serve as Chair;
2. at least three additional elected Directors;
3. up to two Advisory Members with specific skill sets and knowledge required to support the work of the Committee;
4. Chief Executive Officer (CEO);
5. Board Chair, ex-officio;
6. Board Vice Chair, ex-officio.

Non-Voting Members:

7. one (1) representative or delegate of the SMH Foundation Board Treasurer or designate;
8. one (1) representative or delegate of the SMH Auxiliary Executive;
9. Chief Financial and Information Officer (CFIO);
10. Manager of Finance.

MANDATE: The FAPC will report to the Board on overseeing financial performance and viability, ensuring resources and assets are available and effectively used and overseeing risk management to protect assets and resources.

The FAPC shall:

Financial Integrity of the Hospital:

1. Receive recommendations from the Administrative Management Committee (AMC)/Fiscal Advisory Committee and review and recommend to the Board for approval the annual operating and capital budgets.

2. Receive recommendations from the AMC/Fiscal Advisory Committee and review and recommend to the Board for approval, all proposals over \$25,000 that require SMH resources which are not otherwise available within the approved annual budget.
3. Review the performance of the SMH investments and loans quarterly, and advise the Board accordingly.
4. Receive and review quarterly financial reports including variance explanations for significant change from plan.
5. Review, monitor and make recommendations to the Board regarding the organization's Hospital Service Accountability Agreement (H-SAA) Performance Indicators on a quarterly basis;
6. Review the Hospital Annual Planning Submission (HAPS);
7. Review any Attestations required by the Board and/or senior management with regard current procurement guidelines;
8. Review the Memorandums of Understanding (MOU) and Service Level Agreements (SLA) regarding responsibilities for both SMH and other health service providers with financial implications;
9. Review and make recommendations to the Board on any other matter concerning the oversight responsibilities related to the financial health of the organization
 - Review financial risk management criteria;
 - Review an internal (management) risk review which is completed in each year where an independent risk review is not scheduled;
 - Review an independent risk review undertaken at SMH no less than every five years and more frequently as required;
 - Review with the Stevenson Memorial Hospital Foundation, the financial report regarding their capacity to fulfil their financial commitments to SMH; and
 - Review SMH's compliance with pertinent legislation and reporting requirements.

Audit/External Review:

10. Recommend the selection of an external auditor to the Board of Directors and tender the audit in accordance with the current Procurement guidelines/policy.
11. Oversee the performance of the audit process and that all requirements are fulfilled including post-audit review and required meetings with the External Auditor without management on an annual basis. Ensure the audit plan includes the actuarial calculation in accordance with generally accepted accounting principals (GAAP) of the present value of future anticipated payouts under the current retirement benefit plan commitments; frequency for completion of this review is not less than every three years.
12. Receive the written response of the CFIO to the Committee about each recommendation made by the external auditor on internal control and other financial management suggestions.
13. Review the audited financial statements in conjunction with the External Auditor's report and recommend approval of the audited financial statements to the Board prior to the Annual General Meeting of the Corporation.
14. Receive the reports from external consultant that conducts review of cyber activity and security of the all computer technical support systems.

Property and Redevelopment:

15. Receive proposals from the Fiscal Advisory Committee (SMH AMC) for capital acquisitions during the coming fiscal year and review and make recommendations to the Board for their acceptance of the Annual Capital Acquisition Plan. The Capital Plan once approved by the Board will be forwarded in writing to the SMH Foundation to assist them in planning their fundraising strategies.
16. Advise the Board on physical plant and property matters arising, outside of those included in the annual operating and capital procurement plans.
17. Monitor the identification of needs for SMH for infrastructure enhancement for the short term and the long term.
18. Monitor the comprehensive capital plan to address the short term and long term infrastructure needs of SMH once identified.
19. Monitor the Local Share Plan as it relates to the Redevelopment Project Plan.
20. Collaborate with the RCEC (Redevelopment and Community Engagement Committee) with respect to budget, cash flow models and other relevant financial matters related to RPP.
21. Meet jointly with RCEC to support and approve all financial plans related to the RPP as required.

GENERAL FUNCTIONS:

22. Review annually Board financial policies and make recommendations to the Governance and Nominating Committee as appropriate.
23. Review annually the Terms of Reference for the Finance, Audit and Property Committee and if any change is recommended forward same annually to the Board Chair and to the Governance and Nominating Committee for consideration every three (3) years.
24. Review annually the work plan for Finance, Audit and Property Committee and if any change is recommended forward same to the Governance and Nominating Committee for consideration.
25. Provide suggestions for educational topics for Board education.
26. Assume such other duties as may be assigned from time to time by the Board.

Administration: Support is provided by the office of the CEO.

Reporting: The Finance, Audit & Planning Committee reports to the Board of Directors.

Schedule: The Committee meets at least four (4) times per year at the call of the Chair.

Original Effective Date: Nov 08
Reviewed/Revised Date: Nov 11; Feb 12; May 12; Sept 12; Feb 13; Feb 14; Dec 14; Dec 15, Oct 19