

5.3-2 Finance, Audit and Property Committee Terms of Reference

Authority & Reporting. The Finance, Audit and Property Committee (FAPC) operates as a Standing Committee under the authority of the Board and as outlined in the SMH Corporate By-Law, Article 8. The FAPC reports to the Board; no decision of FAPC shall be binding on the Board until approved or ratified by the Board.

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

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

Membership and Quorum. Quorum shall consist of more than 50% of the voting members who are present. If absent, the Board Chair or Board Vice-Chair do not count toward quorum. Note, the term Director means elected Director.

The membership of FAPC shall comprise:

Voting Members	<ul style="list-style-type: none">• Board Treasurer, who will be the Chair• At least two additional Directors• Up to two Advisory Members with specific skills and knowledge required to support the work of the Committee• Chief Executive Officer• Board Chair• Board Vice-Chair
Non-Voting Members	<ul style="list-style-type: none">• SMH Foundation Board Treasurer or designate• SMH Auxiliary President or designate• Chief Financial and Information Officer• Director of Finance

Mandate. The FAPC oversees SMH finances, audits, risk management and property. Except where otherwise noted, FAPC shall annually do the following work on behalf of the Board and submit recommendations for approval by the Board:

A. Finances

1. With recommendations from the Administrative Management Committee (AMC) / Fiscal Advisory Committee (FAC), review and recommend the annual operating and capital acquisition plans (budgets).
2. Ensure the operating and capital plans are shared with the SMH Foundation in a timely manner.
3. With recommendations from AMC/FAC, review and recommend all proposals over \$25,000 outside of the approved plans.

4. Review quarterly the performance of SMH investments and loans and recommend new or rollover investments.
5. Receive and review quarterly financial reports including variance explanations for significant change from plans.
6. Review quarterly and make recommendations pertaining to the Hospital Service Accountability Agreement Performance Indicators.
7. Review the Hospital Annual Planning Submission.
8. Review any Attestations required by the Board and/or senior management in accordance with the Broader Public Service Procurement Directive.
9. Review the financial implications of all Memoranda of Understanding and Service Level Agreements between SMH and other health service providers.
10. Review and make recommendations on any other matter related to the financial health of SMH, including:
 - a. financial risk management criteria,
 - b. the internal (management) risk review in the years when an independent risk review is not scheduled,
 - c. the independent risk review which shall be conducted not less than every five years and more frequently as required,
 - d. the SMH Foundation's financial report regarding their capacity to fulfil their financial commitments to SMH, and
 - e. compliance with pertinent legislation and reporting requirements.

B. Audit

11. Submit the Request for Proposals for the external auditor in accordance with the Broader Public Service Procurement Directive and recommend the selection of the external auditor.
12. Oversee the conduct of the external audit and the fulfillment of all requirements including post-audit review and in-camera debriefs.
13. Ensure the audit plan includes the actuarial calculation of the present value of future anticipated payouts under the current retirement benefit plan commitments in accordance with Generally Accepted Accounting Principles for public sector not-for-profit organizations; this calculation shall be done not less than every three years.
14. Receive the Chief Financial and Information Officer's written response to each recommendation made by the external auditor on internal control and financial management.
15. Review the audited financial statements in conjunction with the external auditor's report and recommend the audited financial statements prior to the Annual General Meeting.

C. Property and Redevelopment

16. Receive and review reports from external consultants on the cyber security of all SMH computer systems and make recommendations as necessary.

17. Advise on physical plant and property matters arising beyond those included in the annual operating and capital acquisition plans.
18. Monitor short and long term infrastructure requirements and related capital plans.
19. Monitor the Local Share Plan as it relates to the Redevelopment Project Plan (RPP).
20. Collaborate with and meet jointly with the Redevelopment and Community Engagement Committee to consider and approve all financial plans related to the RPP.

D. General

21. Provide topic suggestions for Board education.
22. Review Board policies for which FAPC is responsible and make amendment recommendations through the Governance and Nominating Committee as necessary.
23. Review FAPC Terms of Reference annually and recommend amendments as necessary; every third year, review Terms of Reference jointly with the Governance and Nominating Committee.
24. Prepare and recommend the FAPC work plan.
25. Assume such other duties as may be assigned from time to time by the Board.