

Manual	Board of Directors	TERMS OF REFERENCE
Section	Terms of Reference	
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Approved by	Board of Directors	
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TERMS OF REFERENCE: FINANCE & AUDIT COMMITTEE

Purpose and Scope

The Board Finance & Audit Committee shall act as a forum for the Board of Directors (the “Board”) to review and discuss the financial affairs of business for Humber River Hospital.

Functions

Objectives/ Responsibilities

1. Review and recommend to the Board for approval a detailed annual budget for capital and operating revenues and expenditures for the ensuing fiscal year;
2. Review the detailed financial statements on a timely basis and report thereon to the Board accordingly;
3. Advise the Board where required with regard to donations, bequests, endowments, and investments;
4. Recommend to the Board the types and amounts of insurance to be carried by the Corporation and review these annually;
5. Meet with the Auditor and review the annual audited financial statements and Auditor’s report prior to the annual meeting of the Corporation;
6. Recommend to the Board appropriate investment policy for the management of the Corporation’s funds, and monitor and report quarterly on the control and management of these investments;
7. Review the banking arrangements of the Corporation, and recommend revisions to the Banking Resolution from time to time;
8. Inform and advise the Board on financial and risk matters, as requested;
9. Receive at any one of its meetings any written report and recommendations of the Auditor;
10. Through the Chief Executive Officer, send a copy of the excerpt on the discussion of the audit from the Board Finance & Audit Committee’s minutes to the Auditor;

11. Review, with the external auditors, the proposed scope of the current year's audit, the engagement letter, fees, and expenses;
12. Review the integrity and effectiveness of policies regarding the financial operations, systems of internal control, and reporting mechanisms of the Hospital and that they are in accordance with generally accepted accounting principles and practices;
13. Review the audited annual financial statements in conjunction with the report of the external auditor and obtain an explanation from management of all significant variances between comparative reporting periods;
14. Meet privately with the external auditors (without the presence of management) with regard to the adequacy of the internal accounting controls and similar matters, and review management responses to ascertain whether there are concerns that should be brought to the Board Finance & Audit Committee's attention;
15. Recommend appointment, monitor and evaluate the performance of the external auditor; and
16. Receive and approve contractual arrangements and business plans for special projects and partnership proposals.

Membership and Voting

The membership of the Board Finance & Audit Committee will include the following representatives/delegates:

- At least three (3) elected Board members (voting);
- Chair of the Board (voting);
- President and CEO (non-voting);
- Chief Financial Officer (non-voting);
- Deputy Chief Financial Officer (non-voting);
- Executive Vice President and Chief of Clinical Programs (non-voting);
- Vice President Clinical Programs (non-voting); and
- Medical Staff Association Appointee (non-voting).

Meeting Frequency

The Board Finance & Audit Committee will meet quarterly at minimum, or more often as required.

Quorum/Decision-making

1. A quorum for any meeting of the Board Finance & Audit Committee shall be a majority of the Members entitled to vote.

2. Board Finance & Audit Committee matters shall be approved by way of vote by all Members (who are present at a properly convened meeting) of a motion confirming their approval. A matter shall not be deemed as approved until such time as all Members have voted on the motion. No Member shall unreasonably withhold their approval.

In the event of the Members failing to agree a matter requiring decision, the Chair of the Board Finance & Audit Committee shall refer the matter to the Board.

Terms of Office

This will be a standing committee of the Board of Directors. Membership and terms of office will be reviewed annually.

Accountability / Responsibility

Reporting Relationship

The Board Finance & Audit Committee will report to the Board of Directors.

Responsibilities of Members

The office of the Vice-President, Finance and Chief Financial Officer will provide support to the Board Finance & Audit Committee.

- a) The Chair shall have the following responsibilities with respect to meeting administration:
 - a. schedule meetings; confirm meeting attendance with Members and any other attendees;
 - b. coordinate the venue and associated services; and
 - c. notify Members and any other attendees of the meeting the date, venue, and purpose/agenda.
- b) The Recorder shall have the following responsibilities with respect to meeting administration:
 - a. Compile, issue, and distribute meeting minutes and any other meeting notes, records, or documentation;
 - b. Prepare approval pro-formas and supporting documentation; and,
 - c. Maintain all identified records.
- c) Members and attendees shall have responsibility for ensuring that appropriate and relevant information is available to support business to be discussed at Board Finance & Audit Committee meetings.

Definitions

None applicable to this Terms of Reference.

Documentation

Minutes

The Board Finance & Audit Committee shall consider only such documentation as is tabled. All documents tabled shall be retained within the meeting records.

Minutes: Shall be produced by the Recorder for each meeting, and distributed to Members in the following month's agenda package.

Records: The Recorder shall maintain the following records of the meetings:

- a) agendas;
- b) minutes;
- c) tabled documentation; and
- d) outgoing notifications and correspondence.

References

[HRH Corporate By-Laws](#)

Accreditation Standard/Criteria: