

<b>Alexandra Marine &amp; General Hospital</b>	<b>MANUAL: Governance</b>	Revision Date: August-13-2021
Approved by: Board	<b>Terms of Reference Audit &amp; Finance Committee</b>	Original Date: February-4-2013

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### **Purpose**

To act on behalf of the Board of Directors in overseeing all material aspects of financial reporting, internal controls, the internal audit function and the audit of the annual financial statements.

### **Objectives**

To the extent that the Board delegates these governance responsibilities to the Committee, the Committee is responsible for the following duties:

### **Audit Responsibilities**

- Assume responsibility for the integrity of the Corporation's internal control and management information systems.
- Recommend to the Board the auditors for the Corporation to be appointed by the Members annually.
- Review and make recommendations to the Board concerning auditor's remuneration
- Meet with Auditors to review scope of audit and subsequently approve auditor's engagement letter
- Oversee performance of audit as required, including ensuring the auditors are receiving assistance of management
- Review the annual Financial Statement and Auditor's report and make recommendations to the Board prior to the Annual General Meeting of the Corporation.
- Act as a liaison between the Board and the Auditor.
- Meet with the Auditor to receive and review recommendations with respect to management, accounting systems and internal control issues and to consider any matters the Auditor believes should be brought to the attention of the Committee.
- The Committee members shall meet with the external auditor, in camera (without any staff members), at least annually to discuss, at a minimum, their audit experience and observations with regard to internal controls.
- Review management's response to recommendations of auditor and report to the board as appropriate
- Oversee implementation of auditor's recommendations
- Address any other audit issues as referred by the Board of Directors.

### **Finance Responsibilities**

- Review and recommend to the Board for approval a detailed annual Operating Plan and budget and capital revenues and expenditures plan and budget for the ensuing fiscal year.
- Review the monthly financial performance of the hospital and compare actual performance against budget and recommend to the Board as deemed appropriate.
- Review and recommend to the Board plans developed by management to address variances between budget and actual performance.
- Monitor implementation of plans to address variances and report to the Board as appropriate.
- Advise the Board with regard to donations, bequests, endowments and investments.
- Review and make recommendations to the Board concerning banking arrangements for the hospital, lines of credit and long-term debt.
- Ensure processes in place to manage the assets of the hospital.

- Review and make recommendations to the Board concerning material asset acquisitions not contemplated in the annual operating plan.
- Review and recommend to the board long-term financial goals and long-term revenue and expense projections.
- Review with management any health care/legislative changes that may have a substantive impact of financial resources or performance and report to the board.
- Review and recommend to the board policies regarding financial operations, including internal controls.
- Review monthly updated forecast to the Board of Directors
- Address any other finance issues as directed by the Board of Directors

**Membership (maximum of 12)**

- Chair of the Board (non-voting)
- Vice-Chair of the Board
- Treasurer of the Board
- President/CEO (ex officio, non-voting)
- Past Chair
- Board Members (1-3 individuals)
- Community Member (1-2 individuals)
- Foundation Representative
- Chief Information Officer / VP, Corporate Services (non-voting)
- Director of Finance or delegate (non-voting)

Note: All Committee members are voting members unless otherwise indicated

**Chairperson(s)**

- Treasurer of the Board to act as Chair
- Call all meetings of the committee
- Chair all meetings of the committee
- Designate another director who is a member of the committee to chair the committee in the Chair's absence

**Recorder**

Executive Assistant to the President & CEO

**Terms of Appointment**

Based on Board Member Term of Office/Committee Chair.

**Quorum**

Majority of the voting membership

**Frequency of Meetings**

The Committee shall meet at least 8 times per year and at the call of the Chair.

**Meeting Venue**

AMGH, or Virtual Platform, i.e., WebEx, as required

Meetings or proceedings may be recorded by audio or video means for the purposes of ensuring meeting minute and document accuracy. Any recordings are deleted after the meetings.

**Circulation**

Minutes are circulated to all Board/Committee members.

**Reporting Relationship**

Board of Directors

**Evaluation**

Evaluation of meeting process to be completed at the end of each meeting

**Confidentiality**

In the course of committee business, confidential information may become known to committee members. Members have a responsibility to keep such information confidential.

**Conflict of Interest Statement**

All Board and committee members have a duty to ensure that the trust and confidence in the integrity of the decision-making processes of the organization are maintained. Members will ensure that they are free from conflict, potential or perception of conflict in their decision-making. It is important that all board and committee members be held accountable to understand and acknowledge their obligations when a conflict of interest, potential or perceived, arises.

Approval Process	Board of Directors Committee:	2021-04-12
	Governance & Nominating Committee:	2021-03-19
	Audit & Finance Committee:	2021-02-24
	Governance & Nominating Committee:	2021-02-19