

ARTICLE 1 BOARD COMMITTEES

1.1 FINANCE AND AUDIT COMMITTEE CHARTER

1.1.1 Composition and Voting

The Committee shall consist of:

- (a) at least three (3) Elected Directors as voting members, one (1) of whom shall be Committee Chair;
- (b) up to three (3) Community Members as voting members;
- (c) the Board Chair as an Ex-Officio Voting Director; and
- (d) the Chief Executive Officer as an Ex-Officio Non-Voting Director.

The Committee shall be supported by staff resources, specifically the Chief Financial Officer, and other management as deemed necessary by the Chief Executive Officer and the Committee Chair.

1.1.2 Meetings

The Committee shall meet at least six (6) times annually, or more frequently as circumstances dictate.

1.1.3 Quorum

Quorum for any meeting of the Committee shall be at least fifty percent (50%) of the voting members.

1.1.4 Role

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities for:

- (a) integrity of the financial reporting process and financial statements;
- (b) system of internal control and disclosures;
- (c) financial risk management;
- (d) audit services function;
- (e) external audit of the financial statements;
- (f) processes for monitoring compliance with the legislation; and
- (g) special investigations.

1.1.5 Specific Duties and Responsibilities

- (a) To fulfil the duties of the financial oversight, the Committee shall perform the following responsibilities:
 - (i) General
 - (A) Review and recommend to the Board for approval the Corporation's annual operating and capital budget plans, including key planning assumptions and parameters. Also review and present to the Board longer term capital needs projections and plans, together with proposed financing strategies and recommendations for the Foundation's fundraising campaigns;
 - (B) Review and recommend to the Board for approval the HSAA and other agreements between the Corporation and the LHIN.
 - (C) Monitor the progress of and financial status of Ministry-approved capital projects against approved budgets, through review of financial reports and discussions with Executives;
 - (D) In conjunction with the review of operating budgets and results, consider and recommend to the Board in-year proposals for changes to services, including new or expanded services, service integration with other providers including LHIN clinical initiatives, and reduction or cessation of services;
 - (E) Review and recommend to the Board for approval contracts with third parties for the provision of products and services to the Corporation, in accordance with the financial approval limits outlined in the Corporation's signing and authorization policy;
 - (F) Review the banking and borrowing arrangements of the Corporation and recommend revisions to the Banking Resolution as may be required;
 - (G) Review external consultant fees, and review executive expense reports twice annually; and
 - (H) Review and recommend to the Board for approval policies respecting financial management, including the Signing and Authorization, Capital Projects Board Responsibilities, and Contract Management.

(ii) Financial

- (A) Review and recommend to the Board for approval a detailed annual budget for the capital and operating revenues and expenditures for the ensuing fiscal year;
- (B) Study the detailed financial statement and budget comparison on a regular schedule and advises the Board accordingly;
- (C) Monitor operational and financial benchmarks;
- (D) Advise the Board with regard to investment strategy and performance;
- (E) Make recommendations on the purchase of all capital expenditures not foreseen in the approved annual budget;
- (F) Review and recommend to the Board the types and amounts of insurance coverage for the Corporation; and
- (G) Inform and advise the Board on financial matters as requested.

(iii) Information Technology

- (A) Review and recommend to the Board the information technology plan and monitors progress; and
- (B) Review and recommend to the Board capital budgets associated with the acquisition of information technology.

(iv) Oversight of Risk

Review and approve significant risk management principles and policies related to the areas set out below:

- (A) insurance risk;
- (B) reputational risk relating to the areas of risk primarily within the Committee's financial/audit oversight; and
- (C) such other areas of risk that may be delegated to it by the Board from time to time.

(v) Board Education

Educate Board members, as required or appropriate, on selected topics relevant to their understanding of the Corporation's financial statements, financial management processes etc.

(vi) Compliance with Legislation

Monitoring compliance with the legislation by receiving reports from Executives, and where there is significant non-compliance, receiving reports of steps taken, or to be taken, to address the matter.

(vii) Whistleblower Mechanism and Special Investigations

Through quarterly reports, reviewing complaints from employees or others individuals relating to matters arising from the Whistleblower Policy or otherwise and ensuring that action is taken in a timely manner.

(b) To fulfil the duties of the audit functions, the Committee shall perform the following responsibilities:

- (i) Recommend to the Board the auditors for appointment or re-appointment by the members at the annual meeting of members;
- (ii) Review and make recommendations to the Board concerning the auditor's remuneration;
- (iii) Meet with the auditors to review proposed scope of audit;
- (iv) Approve the auditor's engagement letter;
- (v) Oversee performance of the audit as required, including ensuring auditors are receiving the assistance of management;
- (vi) Review audited financial statements and the auditor's report and make recommendations to the Board;
- (vii) Meet with the auditors and receive and review recommendations with respect to management, accounting systems and internal control issues;
- (viii) Review policies regarding financial operations, including internal controls;
- (ix) Review non-audit services provided by the auditor and other factors that might compromise the auditor's independence and make recommendations to ensure auditor independence;
- (x) Review management response to recommendations of the auditor and report to the Board;
- (xi) Oversee implementation of the auditor's recommendations; and
- (xii) Such other responsibilities as are assigned by the Board.

1.1.6 **General**

The Committee shall have the following additional general duties and responsibilities:

- (a) annually approve a work plan to ensure the Committee fulfills its mandate and completes its work efficiently and effectively;
- (b) reporting to the Board on material matters arising at Committee meetings following each meeting of the Committee;
- (c) maintaining minutes or other records of meetings and activities of the Committee;
- (d) conducting an annual evaluation of the Committee in which the Committee (and/or its individual members) reviews the Committee's performance for the preceding year for the purpose, among other things, of assessing whether it fulfilled the purposes and responsibilities stated in this Charter;
- (e) reviewing and assessing the adequacy of this Charter at least annually and submitting any proposed amendments to the Board for approval; and
- (f) performing such other functions and tasks as may be assigned from time to time by the Board.