

Category: BOARD POLICY – Administrative Parameters	
Title: Financial Signing Authority – Board and CEO	Reference Number: FIN - 100
Approved by: PHSA Board of Directors	Last Approved: December 8, 2011 Last Reviewed: December 8, 2011

1. PURPOSE AND SCOPE

- 1.1 The purposes of this policy are for the Board of Directors to:
- i) Delegate signing authority to the Chief Executive Officer for the approval of financial transactions within Board approved criteria;
 - ii) Delegate signing authority for financial transactions that fall outside the scope of the signing authority delegated to the Chief Executive Officer; and
 - iii) Establish an internal control mechanism to provide assurance that financial transactions are in compliance with Board approved policies and procedures.
- 1.2 This policy applies to the financial signing authority of the Board and Chief Executive Officer of the Provincial Health Services Authority and its related members “PHSA”.

2. TERMINOLOGY

- 2.1 *Executive Committee* means the Executive Committee of the PHSA.
- 2.2 *Financial transactions* are those for the commitment or expenditure, including human resources, of funds controlled by the PHSA, or those that obligate the PHSA to the provision of goods or services.

3. POLICY PRINCIPLES

- 3.1 The Board of the PHSA has the general and overriding power to enter into all financial transactions of whatever nature, binding the PHSA. It retains such power, notwithstanding the delegation of authority conferred upon specified delegates in this or any other policy and furthermore, continues to possess the residual power where no specific delegation of authority has been made.

- 3.2 The Chief Executive Officer is authorized to sign any financial transaction subject to:
- i) The financial transaction not exceeding \$10 million;
 - ii) The restrictions of authority indicated in Appendix 1; and
 - iii) Compliance with any other applicable policies, procedures or instructions issued by the Board of Directors.
- 3.3 Financial transactions in excess of \$1 million and not of a routine operational nature, must be:
- i) Reviewed, prior to approval, by the Chief Financial Officer;
 - ii) Approved by the Chief Executive Officer;
 - iii) In the absence of the Chief Executive Officer, approved jointly by a member of the Executive Committee together with one of the Executive Vice President or the Chief Financial Officer; and
 - iv) Reported to the Board of Directors for information.
- 3.4 The Chief Executive Officer shall diligently bring to the attention of the Board Chair those financial transactions within the Chief Executive Officer's authority that are considered of sufficient importance regardless of value, prior to their signature. Namely, financial transactions with an unusually high risk factor and those that might bring the activities of the PHSA under public scrutiny or involve any controversial matter.
- 3.5 The Chief Executive Officer is not authorized to approve financial transactions where the Chief Executive Officer has a conflict of interest or where there are reasonable grounds to believe that there may be or may be seen to be a potential conflict of interest.
- 3.6 On the recommendation of the Chief Executive Officer, the Chair of the Board is authorized to approve financial commitments or obligations that are not within the authority of the Chief Executive Officer. For the purpose of this clause, the Vice Chair is authorized to sign in the absence of the Chair.
- 3.7 The Chief Executive Officer, Executive Vice President or the Chief Financial Officer is authorized to approve research grant contracts and program service contracts from the Ministry of Health Services without limit.
- 3.8 The Chief Financial Officer, or the Chief Financial Officer's delegate, is authorized to approve financial transactions in respect of regulatory payments and payroll deductions without limit.

4. GUIDELINES


- 4.1 The spirit and intent of the Board of Directors should take precedence in determination of the application of this policy.
- 4.2 Similar and related transactions should be grouped together and accumulated for the purpose of applying the criteria established in this policy.
- 4.3 Financial transactions spread over more than one year shall be valued based on the total contractual commitment for the duration of the contract or commitment.


Conflict of Interest

- 4.4 It is a general principle that an individual cannot approve a transaction that might confer a benefit on that same individual.
- 4.5 In cases of doubt, it should be assumed that there is a potential conflict of interest.
- 4.6 Typical expenditures where a conflict of interest, perceived or real, may occur include, but are not limited to, all expense reimbursement claims, conference fees, educational expenses, travel expenses, advances, entertainment, membership fees, items that could be used personally, and items that are intended to be located within an individual's home.
- 4.7 For further information on conflict of interest, refer to the policy governing standards of business conduct.

Policy Created on: April 15, 2004

Revision Dates:

 December 11, 2009

 December 8, 2011

Financial Signing Authority Policy – Appendix 1

Restrictions of Authority

The Chief Executive Officer and any other personnel to whom authority and responsibility has been delegated, are restricted as to signing authority for the following:

A. In Accordance with the Constitution and Bylaws of the Society:

Borrowing (Part II)

- 1.1 Subject to ministerial approval, the Board of Directors will authorize any borrowing on behalf of the Society:

External Auditor (Part 10)

- 1.2 The PHSA will appoint an auditor at the annual general meeting.

In Accordance with the Board Manual:

- 1.3 The Board of Directors reserves the authority to approve:
- i) The Chief Executive Officer's compensation; and
 - ii) The annual compensation policy/program and new benefits programs or material changes to existing programs for all employees.

B. In Accordance with Policies and Orders Issued by the Board of Directors:

Banking

- 1.4 The Board of Directors approves the banking institution to be appointed as the PHSA's bankers and the arrangements for the appointment of the signing officers for banking purposes.

Collective Agreements

- 1.5 The Board of Directors reserves the authority to approve all changes to collective agreements.

Non-Audit Services

- 1.6 The Audit Committee of the Board of Directors reserves the authority to approve all non-audit services, as defined in the Auditor Independence policy, to be undertaken by the external auditor.

Capital

- 1.7 Acquisitions and disposals of real property require approval by the Board of Directors and the Minister of Health.