

Terms of Reference for the Finance Committee

1. Introduction

1.1. Purpose

Primary responsibility for the financial planning, reporting and investment management of the Provincial Health Services Authority and its related members (the “Authority”) is vested in management and overseen by the Board of Directors (the “Board”).

The purpose of the Finance Committee is to assist the Board in fulfilling its oversight responsibilities related to:

- i) financial information, other than the audited financial statements, that will be provided to the Government and other stakeholders; and
- ii) strategic financial plans and the annual operating and capital budgets.

2. Composition and Operations

2.1. The Finance Committee shall be composed of no fewer than three directors, none of whom shall be officers or employees of the Authority or any of its affiliates.

2.2. The Finance Committee shall operate in a manner that is consistent with the Committee Guidelines¹.

2.3. Finance Committee members shall be “financially literate”² and at least one member shall have “accounting or related financial expertise”.

2.4. The Finance Committee shall meet at least four times each year.

3. Duties and Responsibilities

Subject to the powers and duties of the Board, the Finance Committee will perform the duties as detailed in Section 3.

3.1 Financial Reporting

3.1.1. The Finance Committee will:

- i) review internal periodic financial statements and other internal financial information provided to the Board.
- ii) ensure that the Board receives:

¹ The Committee Guidelines are part of the Board Reference Manual / Policies / Committee Guidelines.

² The Board has defined “financial literacy” as the ability to read and understand financial statements prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). Where there is a requirement for a director to have accounting or financial expertise, this means the director shall have the ability to analyze and understand a full set of financial statements, including the notes attached thereto in accordance with Canadian PSAS.

- a) timely, meaningful financial reports for information and decision-making;
 - b) financial reports that clearly display the financial results of each principal area of activity, if appropriate; and
 - c) periodic up-to-date forecasts of year-end financial results that reflect events to date and known factors that may influence either revenue or expense components.
- iii) review and advise the Board on financial information forwarded to the Government or made publicly available that requires Board approval, other than the audited financial statements, including:
- a) the financial content of the annual report and significant financial reports required by the Government or regulatory authorities; and
 - b) management reports that accompany published financial statements (to the extent such reports discuss the financial position or operating results) for consistency of disclosure with the published financial statements.
- 3.1.2. The following duties with respect to external financial reporting are delegated to the Chair of the Finance Committee:
- i) review and approve the quarterly financial forecast reported to the Ministry of Health prior to submission; and
 - ii) in conjunction with the Chair of the Audit Committee, review and advise the Board on the annual Financial Information Act reporting.

3.2 Financial Planning

3.2.1 The Finance Committee will review and advise the Board in respect of:

- i) financial plans forwarded to the Board, the Government or made publicly available, including:
 - a) strategic financial plans;
 - b) annual operating and capital budgets; and
 - c) other significant financial reports.
- ii) the appropriateness and validity of any fundamental assumptions and estimates used in the preparation of such financial plans;
- iii) the consistency of the financial plans with other financial data; and
- iv) strategic financial plans involving major capital or revenue generation initiatives.

3.3 Other

3.3.1 The Finance Committee will review and advise the Board in respect of:

- i) the terms of reference for the Finance Committee;
- ii) the appointment and changes to the role of the Chief Financial Officer, in conjunction with the Audit Committee;
- i) the annual review of the Board approved policies delegated to the Finance Committee under the *Board Policy Framework*, and the responsibilities assigned to the Finance Committee under those policies; and
- ii) financial transactions with any perceived or actual contravention of government laws, regulations, policies and guidelines as brought to their attention by management or other parties.

4. Accountability

- 4.1. The Finance Committee Chair has the responsibility to make periodic reports to the Board, as requested, on financial matters relevant to the Authority.
- 4.2. The Finance Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.
- 4.3. The Finance Committee will work closely with the Audit Committee and will advise the Audit Committee in respect of any matters that might impact the work of the Audit Committee concerning the audited financial statements.

5. Appendices

- [Appendix A: Finance Committee Timetable](#)

Appendix A: Finance Committee Timetable

The following timetable outlines the Finance Committee's schedule of activities:

Activity	Schedule											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
A. Financial Reporting												
i) Review internal financial information provided to the Board.		X		X		X			X		X	
ii) Ensure that the Board receives timely, meaningful reports and forecasts.		X		X		X			X		X	
iii) Review and recommend for Board approval financial reports forwarded to the Government or public.		X		X		X			X		X	
B. Financial Planning												
i) Review and advise on strategic financial plans and other significant forecasts.		X		X		X			X		X	
ii) Review and recommend for Board approval the annual operating and capital budgets.			X	X								
iii) Review of the 3-year capital assessment.						X						
iv) Consider assumptions, estimates and consistency of financial plans, budgets and other significant forecasts, and strategic financial plans involving major capital or revenue generation initiatives.		X		X		X			X		X	

This material has been prepared solely for use at Provincial Health Services Authority (PHSA). PHSA accepts no responsibility for use of this material by any person or organization not associated with PHSA. A printed copy of this document may not reflect the current electronic version.

Activity	Schedule											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
D. Other												
i) Review terms of reference for the Finance Committee.		X										
ii) Review the following policies delegated to the Finance Committee under the <i>Board Policy Framework</i> : <ul style="list-style-type: none"> • FIN 100 – Financial Signing Authority – Board & CEO • FIN 140 – Banking • FIN 150 – Borrowing • FIN 155 – Loans to Related Members • FIN 160 – Investment Management • FIN 180 – Capital Asset Governance • FIN 270 – Equity Management • AB 332 – Board Compensation and Expense 		X										
iii) Review all bank accounts, including their purpose and signing officers.						X						

This material has been prepared solely for use at Provincial Health Services Authority (PHSA). PHSA accepts no responsibility for use of this material by any person or organization not associated with PHSA. A printed copy of this document may not reflect the current electronic version.

Effective Date:	14-FEB-2019		
First Released:	15-DEC-2005		
Last Revised:	14-FEB-2019		
Last Reviewed:	06-FEB-2020		
Last Approved:	06-FEB-2020		
Approved By:	PHSA Board of Directors BCEHS Board of Directors		
Owner:	PHSA Finance		
Revision History: <i>(optional)</i>	Version	Date	Description/ Key Changes
	2.0	06-DEC-2006	
	3.0	13-DEC-2007	
	4.0	22-JUN-2011	
	5.0	24-OCT-2013	
	6.0	23-OCT-2014	
	7.0	03-DEC-2015	
	8.0	27-APR-2017	
	9.0	22-FEB-2018	
	10.0	14-FEB-2019	

This material has been prepared solely for use at Provincial Health Services Authority (PHSA). PHSA accepts no responsibility for use of this material by any person or organization not associated with PHSA. A printed copy of this document may not reflect the current electronic version.