

Terms of Reference for the Finance and Operations Committee

1. Introduction

1.1. Purpose

Primary responsibility for the financial planning, reporting, investment management, risk management and information systems 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 and Operations 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;
- ii) strategic financial plans, and the annual operating and capital budgets, including the allocation of funding to BC Emergency Health Services (BCEHS) and Forensic Psychiatric Services Commission (FPSC); and
- iii) strategic Information Management and Information Technology (IMIT) plans, including the security of information, information systems and recovery plans.

2. Composition and Operations

- 2.1. The Finance and Operations 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 and Operations Committee shall operate in a manner that is consistent with the Committee Guidelines¹.
- 2.3. Finance and Operations Committee members shall be “financially literate”² and at least one member shall have “accounting or related financial expertise”.
- 2.4. The Finance and Operations Committee shall meet at least four times each year.

3. Duties and Responsibilities

Subject to the powers and duties of the Board, the Finance and Operations Committee will perform the following duties.

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.

3.1 Financial Reporting

3.1.1. The Finance and Operations Committee will:

- i) review internal periodic financial management reports and other internal financial information provided to the Board.
- ii) ensure that the Board receives:
 - 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 and Operations 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 and Operations 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 Information Management and Information Technology (IMIT)

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

- i) plans forwarded to the Board, the Government or made publicly available, including:
 - a) strategic IMIT plans;
 - b) cybersecurity plans; and
 - c) other significant IMIT reports.
- ii) Security of information, information systems and recovery plans, including an annual report on information system risk.

3.4 Other

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

- i) the terms of reference for the Finance and Operations Committee;
- ii) the appointment and changes to the role of the Chief Financial Officer and VP Finance, in conjunction with the Audit Committee;
- iii) the annual review of the Board approved policies delegated to the Finance and Operations Committee under the Board Policy Framework, and the responsibilities assigned to the Finance and Operations Committee under those policies; and
- iv) 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 and Operations 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 and Operations 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 and Operations 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, fraud or other assurance activities.

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	3.0	13-DEC-2007	
	4.0	22-JUN-2011	
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	6.0	23-OCT-2014	
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TERMS OF REFERENCE FOR THE FINANCE AND OPERATIONS COMMITTEE

AB-331

	9.0	22-FEB-2018	
	10.0	14-FEB-2019	
	11.0	29-APR-2021	<ul style="list-style-type: none"> Added Section 1.1(iii) and Section 3.3 to include responsibilities related to IMIT plans. Update for changes in title from CFO to VP Finance. Deleted Appendix A: Finance Committee Timetable.
	12.0	25-NOV-2021	<ul style="list-style-type: none"> Move operational responsibilities from Audit Committee to Finance and Operations Committee for better alignment.
	13.0	24-FEB-2022	<ul style="list-style-type: none"> Expand on the Committee's responsibilities in relation to Integrated Risk Management and Compliance Risk Management.
	14.0	23-JUN-2022	<ul style="list-style-type: none"> Provide clarification on the Committee's responsibilities in relation to Fraud Risk Management.
	15.0	20-APR-2023	<ul style="list-style-type: none"> Edits to 1.1 (iii) to clarify Committee's responsibility in relation to BCEHS and FPSC capital and operating funding; other minor edits throughout for greater clarification.
	16.0	29-FEB-2024	<ul style="list-style-type: none"> Delete oversight responsibilities related to Integrated Risk Management and Compliance. These responsibilities were moved to the Audit Committee.

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