POLICY TERMS OF REFERENCE - Board Finance Committee		Page 1 of 3
EXECUTIVE SPONSORSHIP Board of Directors	INITIALLY RELEASED DATE: September 2002	VERSION DATE: June 2026

PURPOSE

Primary responsibility for the oversight of financial planning, reporting, investment management and financial risk management of the Fraser Health Authority is vested in management and overseen by the Board of Directors of the Fraser Health Authority (the "Board").

The purpose of the Finance Committee is to assist the Board in fulfilling its financial oversight responsibilities, including ensuring that funding sources are used in a responsible manner and consistent with Fraser Health Authority's budget and mandate, by reviewing and examining the annual operating and capital budgets, financial plans, objectives, policies, programs and practices in order to ensure sound financial management and safeguard assets.

COMPOSITION AND OPERATIONS

Members shall be financially literate with at least one member having accounting or financial management expertise. "Financially literate" means the ability to read and understand financial statements prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). "Accounting or financial management expertise" means the ability to analyse and understand full financial statements, including any notes attached in accordance with PSAS.

The Committee shall be composed of not fewer than three directors and not more than five directors. The Board Chair is ex-officio with full voting privileges. Committee members shall be appointed annually by the Board of Directors.

Non-voting membership will include:

i. President and Chief Executive Officer, ex-officio
ii. Vice President, Chief Financial Officer and VP Digital Engagement, ex-officio
iii. Vice President, Planning, Transformation and Infrastructure, ex-officio
iv. Other members of the Executive, as appropriate
v. Staff support

A quorum shall be a simple majority of the voting membership.

The Committee shall operate in a manner consistent with the Committee Guidelines of the Board Manual.

The Committee shall meet at least four times a year and hold as many additional meetings as are necessary to ensure there is a continuing, timely, and effective focus on strategic planning.

Materials to be presented at the meeting for review or approval by the Committee shall be made available to members in electronic or paper form no later than 72 hours prior to each meeting.

The Committee shall consider periodically performing self-assessments on the performance of the Committee and its members. The Committee shall report to the Board of Directors on the proceedings of each meeting and, on an annual basis, report on the performance of the Committee in the fulfilment of its duties under the mandate delegated to it by the Board of Directors.

These terms of reference will be reviewed by the Board every two to three years.

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DUTIES AND RESPONSIBILITIES

A. To review and recommend to the Board for approval annual operating and capital budgets and tri-annual outlooks, to examine the allocation of funds as recommended by Management, and to ensure that allocation of funds comply with government guidelines.

B. To review financial performance against the annual business plan.

C. To review and make recommendations to the Board on all capital project approvals over $25.0 million.

D. To review policies and practices related to banking, investment and acquisition of funds which includes borrowing, leasing and assessing financing instruments and to make recommendations to the Board in respect thereof.

E. To advise on the format and extent of internal financial reporting to ensure that adequate and accurate financial information is made available on a timely basis to Board members to allow them to make appropriate decisions and to meet their fiduciary responsibilities to the Fraser Health Authority.

F. To make recommendations to the Board on financial and other operational issues. These include accreditation, performance agreement compliance, and legislation impacting financial matters.

G. To undertake special assignments from the Board in matters related to financial policies or to make such inquiries or reports as the Board may request or as the Committee considers appropriate.

H. To review the appropriateness of the accounting policies used in the preparation of financial statements and review significant changes or proposed changes in accounting principles that may affect the Fraser Health Authority.

I. To ensure the Boards' statutory responsibilities with regard to the *Financial Information Act* and other applicable legislation have been fulfilled.

J. To ensure management maintains an adequate system of internal financial controls.

K. To ensure management maintains a management information system which is adequate to meet business needs going forward and that adequate security and controls are in place.

L. To assess significant areas of business risk to assets or operations and to review the Fraser Health Authority's policies and procedures for managing and mitigating risks and exposure to fraud.

M. To receive reports on the scope of any non-audit services to be provided to the Fraser Health Authority by the external auditor including the fees to be paid for such services. With regard to the engagement of external auditors for non-audit services, that all single contracts exceeding 25 per cent of the total audit fee or cumulative contracts in an audit year exceeding 50 per cent of the total audit fee, must be brought to the Finance Committee for approval.

N. To review, annually, the limits of Spending Authority Policy.

O. To recommend to the Board for approval transactions requiring Board approval pursuant to the Spending Authority Policy.

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ACCOUNTABILITY

The Committee shall report its discussions to the Board by distributing the minutes of its meetings and, when appropriate, by oral and/or written report at the next Board meeting.

COMMITTEE WORKPLAN

The Committee will prepare and follow a work plan for the Committee's schedule of activities.

DATE(S) REVIEWED / REVISED

Version	Date	Comments / Changes
1.0	September 2002	Initial Policy
2.0	September 2003	Revision
3.0	October 2004	Revision
4.0	September 2005	Reviewed - Terms of Reference current - no revisions were required
5.0	February 2006	Revision
6.0	December 2007	Revision
7.0	November 2008	Reviewed - Terms of Reference current - no revisions were required
8.0	February 2009	Revision
9.0	February 2010	Reviewed - Terms of Reference current - no revisions were required
10.0	May 2011	Revision
11.0	February 2012	Reviewed - Terms of Reference current - no revisions were required
12.0	January 2013	Revision
13.0	January 2014	Reviewed - Terms of Reference current - no revisions were required
14.0	January 2015	Revision
15.0	February 2016	Revision
16.0	April 2017	Revision
17.0	April 2018	Reviewed - Terms of Reference current - no revisions were required
18.0	April 2019	Reviewed - Terms of Reference current - no revisions were required
19.0	February 2020	Revision - minor - to membership
20.0	August 2020	Revision - minor - under Compositions and Operations
21.0	April 2021	Reviewed - Terms of Reference current - no revisions were required
22.0	December 2021	Revision - minor - under Compositions and Operations (2B/D)
23.0	December 2022	Revision - minor - under Compositions and Operations (D) and Duties and Responsibilities (R)
24.0	November 2023	Reviewed - Terms of Reference current - no revisions were required
25.0	November 2025	Revision - minor - update membership title under Composition and Operations (D) and to align the capital threshold with signing authority approval under Duties and Responsibilities (C).
26.0	June 2026	Revision - update to change this committee from the Finance and Audit Committee to the Finance Committee, and consequently to remove oversight responsibilities related to audit and enterprise risk management. Responsibilities for audit and enterprise risk management have been moved to the newly created Audit and Risk Committee.

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