



BOARD OF DIRECTORS MANUAL

CATEGORY: FINANCE
ISSUED BY: FINANCE & AUDIT COMMITTEE
APPROVED BY: BOARD OF DIRECTORS
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PREPARATION AND MONITORING OF ANNUAL CAPITAL AND OPERATING PLANS

Purpose:

To describe the process related to the timely preparation and monitoring of annual Capital and Operating Plans and to ensure sound financial management of the hospital

Policy:

The Chief Executive Officer (CEO) is accountable for the development of annual capital and operating plans and budgets in keeping with the guidelines issued by Ontario Health and/or the Ministry of Health (MOH). Further the Hospital will communicate with the community on the Operating/Capital Plans, as appropriate.

Capital and Operating Plans must:

- maintain the financial viability of the Hospital;
- identify and quantify the resources required to deliver programs and services to the catchment area;
- ensure that long-term operational and strategic plans are properly reflected in the various financial budgets and plans of the Hospital;
- develop funding opportunities required to implement strategies using the Ministry of Health (MOH), Ontario Health and other sources;
- ensure alignment with the Strategic directions of the Hospital as well as those of the Ministry and Ontario Health; and
- form the basis for the evaluation of the CEO's performance in meeting financial objectives.

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Procedure:

1. The CEO, with appropriate input shall be accountable for:
 - developing and presenting the operating and capital budgets to the Finance and Audit Committee on the date determined by the Finance and Audit Committee. The capital budget shall include all capital assets as defined in the “Capital Planning, Funding and Expenditures” policy.
 - providing monthly operating and quarterly capital reports to the Finance and Audit Committee that detail actual performance compared to the operating and capital budgets including utilization, forecasted results to year end and any major variance compared to budget.
 - disclosing to the Finance and Audit Committee all material changes as soon as they are known.
2. The Finance and Audit Committee shall:
 - ensure that the Operating Plans makes effective use of resources and are consistent with the Strategic Plan.
 - ensure that the final Operating Plans meet Ontario Health/MOH guidelines to the extent possible.
 - approve the Capital budget and Operating Plans and make a recommendation to the Board for final approval.

References:

Board Policy Capital Planning, Funding and Expenditures III-002

Approved:

November 30, 1998

March 2001

April 2002

May 2003

October 2008

May 2011

March 2014 reviewed

March 2016 revised February

2017 revised

February 2018 reviewed

February 2019 revised

February 2020 revised

March 2021 reviewed

May 2022 revised

March 2023 revised

March 2024 revised

March 2025 reviewed

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