

		Policy/Procedure Name:	Financial Objectives
Manual:	Governance	Number:	
Section:	Financial and Organizational Viability	Effective Date:	10 JAN 2008
Pages:	1 of 2	Revision Date:	08 MAY 2025

Purpose

The purpose of this policy is to ensure the safeguarding of the Corporation's assets and the prudent use of its resources.

Scope

The policy pertains to the Board of Directors for Muskoka Algonquin Healthcare (MAHC).

Policy

The Board will ensure that the Resources & Audit Committee and the President and Chief Executive Officer annually develop key financial objectives for approval by the Board. The Board will monitor performance against these objectives.

The Board will ensure that the Corporation is operated and managed in an efficient and effective manner according to accepted business and financial practices and approved policies, and that it operates within its approved funding and the Corporation's annual plan and Hospital Services Accountability Agreement ("HSA").

The President and Chief Executive Officer is accountable to the Board for ensuring that this objective is achieved, that the fiscal position of the Corporation is not placed at risk, and that adequate internal controls and processes are in place, monitored for compliance, and regularly reviewed by the Resources & Audit Committee. Any expenditures deviating from the board approved budget amount that exceeds \$500,000 or any cumulative expenditure variances which will result in the Corporation violating the requirement to have a balanced budget as required by HSA will require prior approval of the Board. This amount should be reviewed in context with the audit materiality level set out by the corporate auditors.

Accordingly, the President and Chief Executive Officer will not:

- direct or approve the expenditure of designated revenue for other than its intended purpose;
- direct or approve the expenditure of more funds than have been budgeted , or expend more funds than have been received or reasonably forecast to be received;
- use any reserves except as provided in the approved budget;
- direct or approve the accumulation of debt for operational requirements in an amount greater than provided within the budget and indicated by the cash flow projections associated with the budget;

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- direct or approve the cash position falling, at any time, below the amount needed to settle payroll and all other obligations in a timely manner, in accordance with generally accepted good business practices or the agreed terms inherent with the obligation;
- knowingly allow any payments or filings to be overdue or inaccurately filed; or
- approve the acquisition of capital equipment or any major renovations other than what has been pre-approved in the capital budget (inclusive of available contingencies) and limited to the financial amounts established therein.

The President and Chief Executive Officer shall, in the event of an emergency purchase where safety or other critical factors are involved, attempt to inform one of the Chair, a Vice Chair, or the Treasurer prior to authorizing the purchase. The President and Chief Executive Officer shall have the authority to proceed, if deemed necessary, even where one of the Chair, a Vice Chair, or the Treasurer cannot be reached.

Notes

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