

<b>TITLE:</b>	<b>Financial Objectives, Planning and Performance</b>		
<b>Manual/Policy #:</b>	Board of Directives #IV-6	<b>Division:</b>	CPDMH
<b>Original Issue:</b>	November 2021	<b>Issued by:</b>	Board Chair and Board Secretary
<b>Previous Date Reviewed</b>		<b>Approved by:</b>	Board of Directors
<b>Last Date Reviewed:</b>	November 2021	<b>Cross References:</b>	Asset Protection Policy IV-8 Resource Allocation IV-5

### 1. POLICY STATEMENT:

The Carleton Place & District Memorial Hospital (CPDMH) is committed to sound budgeting and forecasting practices to ensure fiscal responsibility and resource allocation.

### 2. SCOPE:

All Employees, Medical Staff, Board Members and Foundation Members, Contractors and Volunteers may contribute to the planning and development of the CPDMH's annual Operating and Capital Plans.

### 3. GUIDING PRINCIPLES:

The annual Operating Plan should ensure that initiatives set by Ontario Health and/or the Ministry of Health are considered during the plan development.

Those involved with the development of the Operating and Capital Plans will act in a fiscally responsible manner, fulfilling their responsibilities for stewardship of the resources entrusted to CPDMH, and appropriately exercising the authority delegated to them.

### 4. DEFINITIONS:

N/A

### 5. PROCEDURE:

The Chief Financial Officer (CFO) is responsible for the development of the annual Operating and Capital Plan. Consultation is required from all departments. The CFO is responsible for ensuring input from Fiscal Advisory Committee has been received and reviewed on draft annual Operating Plan.

The Chief Executive Officer (CEO) or delegate will seek input from the Chair of the Board and Chair(s) of the Joint Finance, Resources and Audit Committee (JFRAC) to ensure Board direction and commitments are addressed in the annual plans. The plans should encompass the advancement of the strategic plan by addressing annual goals and objectives.

The CFO will present the financial planning framework for hospital operations, including establishing the time frame for planning; performance targets, desired operating bottom-line; Ministry revenue and expense assumptions; projected service demand growth, capital financing direction; and desired cash flow position to the JFRAC.

The Hospital Annual Planning Submission (HAPS) submission requires approval by the Board, as does any required interim submission.

JFRAC will recommend annual Operating and Capital Plans to the Board for approval prior to the start of each fiscal year. Such approval will include the broad planning parameters and detailed budget assumptions that have been utilized. In the event that external circumstances render approval prior to April 1st impractical or impossible, JFRAC will recommend interim spending authority for the Senior Team to the Board for approval to ensure continuity of hospital operations.

JFRAC will review actual performance against the approved operating plan at each of its regularly scheduled meetings to ensure that Management complies with the Operating Plan and variances are being appropriately addressed. JFRAC will review at a minimum semi-annually the capital purchases to date against the Capital plan.

The CFO will work with the Foundation and share information about CPDMH's annual capital requirements and five year capital requirements.

The CEO is accountable to the Board for ensuring that key financial objectives are achieved and will ensure that appropriate and effective administrative policies and procedures exist to manage approved revenue and expenditures within the annual Operating and Capital Plans, and that these policies and procedures are monitored for compliance.

## **6. REFERENCES:**

Trillium Health Partners (IV-1 Financial Objectives, Planning and Performance)

## **7. APPENDICES:**

N/A

## **Evaluation**

This policy will be reviewed every two years.