
	TITLE OF THE POLICY: SPENDING ACCOUNTABILITY AND DELEGATIONS	Policy Number: BRD-0280
	Policy Tool Type: Policy	Policy Level: Level I
	Accountability: Board of Trustees	Page 1 of 5

Approval Date	<i>April 6, 2021</i>
Revision Date	
Approved by	<i>Chair, Board of Trustees</i>
Approver Signature	
Scheduled Review Date	<i>April 2024</i>
Cross- Reference	<i>This policy replaces: 2-80 Purchasing Approval Levels, Financial Services</i>

PURPOSE

The purpose of this policy is to outline direction on the spending authority for the President and Chief Executive Officer (the "CEO") and to set out delegated spending limits for management that is consistent with required internal controls to provide assurance that financial transactions follow Board approved policies and procedures

SCOPE


This policy applies to the financial spending authority of the Board and CEO of Central Health. This Policy should be read in conjunction with the By-Laws for Central Health.

DEFINITIONS

Chief Financial Officer (CFO)	Chief Financial Officer, currently the VP Corporate Services and Provincial Supply Chain
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POLICY STATEMENT(S)

The Board has the general and overriding power to enter into all financial transactions that are binding for Central Health. Management including the President and CEO shall not knowingly cause or allow any organizational practice to occur, which violates legislation, commonly accepted business standards, or professional ethics, and shall only

	TITLE OF THE POLICY: SPENDING ACCOUNTABILITY AND DELEGATIONS	Policy Number: BRD-0280
	Policy Tool Type: Policy	Policy Level: Level I
	Accountability: Board of Trustees	Page 2 of 5

consider formal business relationships that are in the best interest of Central Health as an independent organization. The following points shall be adhered to:

- The intentional unbundling of items to reduce the spending threshold is not permitted.
- Prior to approval, the CEO shall bring to the attention of the Board any financial transactions, regardless of value, that have a high-risk factor, involve any controversial matter, or that may bring the activities of Central Health under public scrutiny.
- The management of the organization including the President and CEO are not authorized to approve financial transactions where there is a conflict of interest or where there are reasonable grounds to believe that there may be or may be seen to be a potential conflict of interest. Management must not approve a transaction that might confer a personal benefit. This includes expenditures such as all expense reimbursement claims, conference fees, educational expenses, travel expenses, advances, membership fees, items that could be used personally, and items that are intended to be located within an individual's home.

Delegation


The CEO may delegate limits of spending authority to the different levels of management with specific areas of responsibility. The restrictions to spending authority for the CEO and other personnel who have been delegated authority and responsibility are outlined in the procedures section and Appendix A.

PROCEDURE

Transactions are approved through a signoff process using actual or electronic signatures. This approval method is to be used on all invoices, cheque requisitions, or purchase requisitions. The following are the approved purchasing levels for managers of the organization.

Capital > \$4,000

Minimum approval required – initiator + VP and final approval from VP Corporate Services or CEO.

	TITLE OF THE POLICY: SPENDING ACCOUNTABILITY AND DELEGATIONS	Policy Number: BRD-0280
	Policy Tool Type: Policy	Policy Level: Level I
	Accountability: Board of Trustees	Page 3 of 5

Departmental program purchase (non-inventory) < \$4,000

One of Supervisor*, Manager or Director.

Departmental program purchase (non-inventory) \$4,000 - \$10,000

Two (2) signatures required as follows:

- Manager or Supervisor and Director or VP**.

Departmental program purchase (non-inventory) > \$10,000 to \$100,000

Two (2) signatures of which one must be at the VP or CEO level.

Non-Routine < \$100,000

Multi-Year < \$200,000

Emergency expenditures < \$100,000

CEO may sign singly but amounts above these levels may require Board approval.

Inventory

Provincial Supply Chain – manages items placed in inventory and the reorder/distribution and safekeeping process. Items that are in ‘Inventory’ are subject to enterprise resource planning systems that consider economic order points and lead time when ordering and issuing purchase orders. These follow the processes established by Provincial Shared Services Supply Chain.

Contracts requiring the Corporate Seal


As per Section 9.06 of Central Health’s Bylaws, only the Board Chairperson, Vice-Chairperson and CEO can commit the organization to contracts requiring the corporate seal unless there is a Board Resolution delegating the authority.

*For specific program areas, clinical lead hands may be designated for certain supervisory functions such as supply ordering.

**The CEO may substitute for VP

Utilities

The VP Corporate Services (CFO), or the CFO’s delegate, is authorized to approve financial transactions related to regulatory payments, utilities and payroll deductions without limit.

	TITLE OF THE POLICY: SPENDING ACCOUNTABILITY AND DELEGATIONS	Policy Number: BRD-0280
	Policy Tool Type: Policy	Policy Level: Level I
	Accountability: Board of Trustees	Page 4 of 5

RELATED RESOURCES

Appendix A¹

1. Borrowing

1.1. Subject to approval by the Minister of Health, the Board must authorize any borrowing of funds on behalf of Central Health.

2. Real Property

2.1. Subject to approval by the Ministry of Health, the Board must authorize any purchase of real property and/or the mortgage, sale, transfer or change to the use of real property owned or administered by Central Health.

3. Capital Assets

3.1. Capital assets identified in the Board approved Capital Plan may be purchased.

3.2. Where urgent, to maintain operational services, and with Department of Health and Community Services approval the CEO may authorize additional capital asset purchases.

3.3. Subject to approval by the Minister of Health, capital leases for equipment will be authorized by the Board.

4. Operating Expenditures

4.1. Routine operating expenditures within the Board approved Operating Budget may be authorized by the CEO or as designated in the Signing Authority Policy.


4.2. The CEO is authorized to sign financial transactions subject to:

4.2.1. The financial transaction not exceeding \$500,000;

4.2.2. The financial transaction is within Board approved operating budget; and

4.2.3. Compliance with any other applicable policies, procedures or instructions issued by the Board.

¹ The terms of the Regional Health Authorities Act, Public Procurement Act, The Transparency and Accountability Act and the Financial Administration Act are considered part of this policy.

	TITLE OF THE POLICY: SPENDING ACCOUNTABILITY AND DELEGATIONS	Policy Number: BRD-0280
	Policy Tool Type: Policy	Policy Level: Level I
	Accountability: Board of Trustees	Page 5 of 5

4.3. Financial transactions in excess of \$500,000 that are not within the Board approved operating budget must be approved by the Board.

4.4. In exceptional circumstances, financial transactions \$500,000 and above that are not within the Board approved operating budget but require urgent approval must be:

4.4.1. Reviewed, prior to approval, by the Chief Financial Officer (the “CFO”);

4.4.2. Approved by the CEO.

a) The CEO must consult with the Board Chair and if not Vice- Chair or Chair of the Planning and Finance Committee before proceeding with approval; or

b) In the absence of the CEO, approved jointly by the Acting CEO and the CFO. The Acting CEO and CFO must consult with the Board Chair and if not available the Board Vice-Chair or Chair of the Planning and Finance Committee before proceeding with approval.

4.4.3 And in both instances reported to the Planning & Finance Committee or the full Board at its next scheduled meeting, whichever comes first.

4.5 New operating leases in excess of \$250,000 annually must be authorized by the Board.

5. Banking

5.1. The Board approves the appointment of the banking institution/s and the appointment of the signing officers for banking purposes.

6. External Auditor

6.1. The Board will appoint the external auditor.

7. Non-Audit Services

7.1 The Board reserves the authority to approve all non-audit services to be undertaken by the external auditor.