

Stewardship Committee Terms of Reference

PURPOSE

1. To ensure that the Board of Health fulfils its due diligence responsibilities for accountable, effective and efficient management of public resources.
2. To fulfill obligations and oversight responsibilities relating to financial planning, the audit process and financial reporting.
3. To promote and provide oversight for effective risk management practices.

Duties and Responsibilities

1. Financial Planning
The Committee will review and make recommendations to the Board in respect of:
 - a. Annual budgets and Annual Service Plan for all funding agreements greater than \$100,000;
 - b. Consistency of planned budget allocations with strategic plans and other identified priorities.
2. Financial Reporting
The Committee will review and recommend approval to the Board:
 - a. financial management by-laws and polices;
 - b. Ministry accountability reports;
 - c. quarterly financial statements; and
 - d. annual audited financial statements.
3. External Audit
The Committee will:
 - a. Meet with the External Auditor to review the terms of engagement and approve the audit plan.
 - b. Meet with the External Auditor to discuss significant findings, recommendations and/or problems experienced in conducting the audit, including any issues with management's cooperation or disagreements regarding financial statements or disclosure.
 - c. Recommend to the Board the approval of the annual Audited Financial Statement and the appointment of the External Auditor.
4. Internal Controls:
The Committee will:

- a. Review on an annual basis the control measures in place to manage financial risk.
 - b. Review all known matters, including legal, that have potential to impact financial statements in a material way and where deemed appropriate advise and/or seek direction from the Board.
 - c. Review any recommendations from External Auditors for improved financial management practices together with management.
5. Risk Management:
The Committee will:
- a. Review on a quarterly basis management`s assessment of any material changes to risk categories as identified in the Province of Ontario`s Integrated Risk Management Quick Reference Guide (see Appendix A).
 - b. Request management reports on risk management status for categories deemed most relevant to the Board of Health, including but not limited to: strategy, service delivery, human resources, information and privacy, infrastructure, legislative compliance, technology, security and equity.
 - c. Ensure compliance with relevant legislation.

Membership

1. The Committee will be composed of a minimum of four Board members with at least 50% of the membership consisting of local funding partner representatives, in addition to the Chair of the Board who is an ex-officio member.
2. The Committee will elect its own Chair and Vice-Chair at the first meeting of each calendar year.
3. Internal staff resources will be provided for the Committee through the Medical Officer of Health and/or their designate.

Quorum

A majority of Committee members constitute a quorum.

Reporting and Minutes

1. The Committee will provide its minutes, once approved, to the Board of Health at the next scheduled meeting.
2. The Chair will take motions and/or recommendations deemed appropriate by the Committee forward to the Board of Health at the next scheduled meeting.
3. The Executive Assistant to the Board of Health, or designate, will record the proceedings at meetings and provide secretarial support to the Committee.

4. The minutes are circulated in draft to Committee members prior to the next Committee meeting. Minutes are corrected and approved at the next meeting of the Committee.
5. The approved minutes are retained by the Executive Assistant to the BOH in accordance with the BOH records retention policy.

Meetings

1. The Committee will meet a minimum of quarterly and may meet more frequently
2. Extraordinary meetings to address specific items may be held at the call of the Chair of the Stewardship. Time-limited sub-committees may be formed to address specific issues.
3. The Stewardship Committee will meet with other Board Committees as required.

Agendas

Agendas will be prepared and distributed according to the format set forth in Section 4 – Agenda and Order of Business, as written in Board of Health By-Law #3, Calling of and Proceedings at Meetings.

Review

The Terms of Reference will be reviewed every two years, or more often as needed.

ADDITIONAL INFORMATION

APPENDICES

Appendix A: Integrated Risk Management Quick Reference Guide

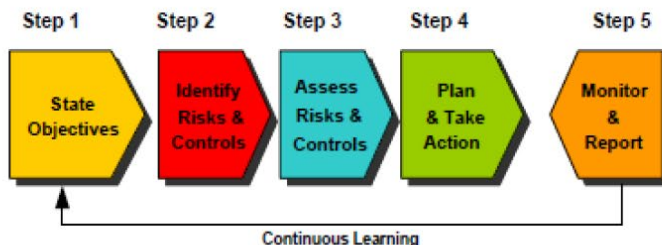
VERSION HISTORY

DATE	LEAD	DESCRIPTION
2025-01-02	A. Gorizzan	Original

APPENDIX A - INTEGRATED RISK MANAGEMENT QUICK REFERENCE GUIDE

INTEGRATED RISK MANAGEMENT QUICK REFERENCE GUIDE

The OPS risk management process



Step 1: State (or establish) objectives

- Define context and confirm objectives
- Risks must be assessed and prioritized in relation to the objective
- The more specific the objectives (specific goals, key milestones, deliverables and commitments) the easier it is to assess potential risks
- Risks can be assessed at any level; operational, program, initiative, unit, branch, health system

Risk (uncertainty)
The chance that a future event will impact the achievement of established objectives. Risks can be positive or negative.

Control / Mitigation Strategy
Controls/ mitigation strategies put in place by management to minimize negative risks or maximize opportunities.

Consequences

- Identify the specific consequences of each risk, if the risk in fact occurred
- Consider and quantify consequences in relation to cost, quality, time, etc.

Cause/Source of Risk

- Understand the cause/source of each risk
- Use a cause/effect diagram

Step 2: Identify risks & controls

Identify risks - What could go wrong?

- Always use the 13 categories of risk
- Examine trends and consider past risk events
- Obtain information from similar organizations or projects
- Brainstorm with colleagues and/or stakeholders
- Increase awareness of new initiatives/ agendas and regulations, consider interdependencies
- Document short-term and long-term consequences for each risk (consider interdependencies)

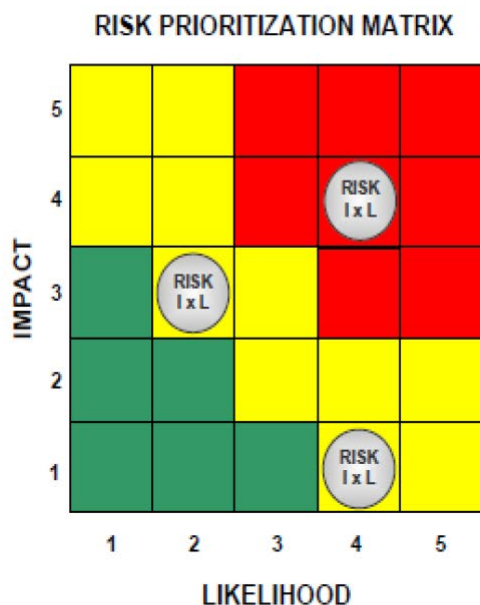
Identify existing controls – What do you already have in place?

- Preventative controls (address causes and source of risk)
- Corrective / Recovery controls (focuses on reducing impact after risk has occurred)

13 categories of risk

RISK	DESCRIPTION
Compliance/ Legal	Uncertainty regarding compliance with laws, regulations, standards, policies, directives, contracts; may expose the ministry to the risk of fines, penalties, litigation.
Equity	Uncertainty that policies, programs, services will have an equitable impact on the population.
Financial	Uncertainty of obtaining, using, maintaining economic resources; meeting overall financial budgets/commitments; preventing, detecting or recovering fraud.
Governance / Organizational	Uncertainty of having appropriate accountability and control mechanisms such as organizational structures and systems processes; systemic issues, culture and values, organizational capacity, commitment, and learning and management systems, etc.
Information / Knowledge	Uncertainty regarding the access to or use of accurate, complete, relevant and timely information. Uncertainty regarding the reliability of information systems.
Operational or Service Delivery	Uncertainty regarding the performance of activities designed to carry out any of the functions of the ministry/unit, including design and implementation.
People / Human Resources	Uncertainty as to the ministry's/ business unit's ability to attract, develop and retain the talent needed to meet its objectives.
Political	Uncertainty of the events may arise from or impact any level of the government including the Offices of the Premier or Minister, e.g. a change in government political priorities or policy direction.
Privacy	Uncertainty with regards to the safeguarding of personal information or data, including identity theft or unauthorized access.
Security	Uncertainty relating to physical or logical access to data and locations (offices, warehouses, labs, etc).
Stakeholder / Public Perception	Uncertainty around the expectations of the public, other governments, media or other stakeholders; maintaining positive public image; ensuring satisfaction and support of partners.
Strategic / Policy	Uncertainty that strategies and policies will achieve required results or that policies, directives, guidelines, legislation will not be able to adjust as necessary.
Technology	Uncertainty regarding alignment of IT infrastructure with technology and business requirements. Uncertainty of the availability and reliability of technology.

V2



Step 3: Assess Risks & Controls

Assess inherent risks

- *Inherent likelihood* – Without any mitigation, how likely is this risk to occur?
- *Inherent impact* – Without any mitigation, how big will be the impact of the risk on your objective?
- *Inherent Risk Prioritization* - Rate inherent likelihood, impact and proximity of the risk.
- *Risk Owner* - Identify the specific person accountable if the risk occurs. Involve Risk Owner if not already involved.

Assess existing controls

- *Controls* - Evaluate the effectiveness of existing mitigation strategies.
- *Control Owner* - Identify the person accountable for implementing specific control. Involve Control Owner if not already involved.

Reassess residual risks

- *Residual likelihood* – With existing mitigation strategies in place, how likely is this risk to occur?
- *Residual impact* – With existing mitigation strategies in place, how big an impact will this risk have on your objective?
- *Residual Risk Prioritization* - Re-assess the impact, likelihood and proximity of the risk with mitigation strategies in place.
- Use the 'Risk Assessment Worksheet' available through the Integrated Risk Management Team.

Rating Scale

VALUE	LIKELIHOOD	IMPACT	PROXIMITY	SCALE
1	Unlikely to occur	Negligible Impact	More than 36 months	Very Low
2	May occur occasionally	Minor impact on time, cost or quality	12 to 24 months	Low
3	Is as likely as not to occur	Notable impact on time, cost or quality	6 to 12 months	Medium
4	Is likely to occur	Substantial impact on time, cost or quality	Less than 6 months	High
5	Is almost certain to occur	Threatens the success of the project	Now	Very High

Step 4: Plan & Take Action

- For each of the 13 risk categories establish risk appetite and tolerances with senior management.
- Assess existing mitigation strategies have reduced the risk rating (Impact x Likelihood) so that the risk is below approved risk tolerance levels.
- Evaluate whether further mitigation strategies are needed.
- Develop SMART (Specific, Measurable, Achievable, Realistic, Time-specific) actions that will either reduce the likelihood of the risks or minimise the impact.
- Develop detailed action plans with timelines, responsibilities and outline deliveries.
- Use the 'Action Plan Worksheet' available through the Integrated Risk Management Team.

Step 5: Monitor & Report

- Ensure processes are in place to review risk levels and the effectiveness of mitigation strategies
- Use risk indicators
- Monitor and report by asking:
 - Have risks changed? How?
 - Are there new risks? Assess them.
 - Do you need to report or escalate risks? To whom? When? How?
- The Integrated Risk Management Team can help you establish monitoring processes.

Key Risk Indicators (KRI)

- *Leading Indicators* - Early or leading indicators that measure sources or causes to help prevent risk occurrences
- *Lagging Indicators* - Detection and performance indicators that help monitor risks as they occur

Risk Tolerance

- The amount of risk that the entity can manage for the area being assessed.

Risk Appetite

- The amount of risk that the entity is willing to manage for the area being assessed.