

## **Executive Responsibilities**

### **TITLE: Chief Executive Officer – Authority, Expectations and Conditions**

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The Board defines the authority, expectations and conditions of the Chief Executive Officer (CEO) related to financial planning, financial management, asset protection, risk management, purchases and contracts and communications.

#### **1. Delegation of Authority**

- 1.1 The Board delegates responsibility to manage the business and operations of the Saskatchewan Health Authority (SHA) to the CEO.
- 1.2 The CEO is authorized to approve or delegate approval of administrative policies, make management decisions and take actions consistent with Board direction and relevant legislation and regulations.
- 1.2 The Board, in consultation with the CEO, may change its policies, thereby shifting the respective responsibilities of the Board and CEO. The result may be a change of degree in administrative latitude or authority given to the CEO.

#### **2. Financial Planning**

##### **2.1 Expectations**

- 2.1.1 The CEO shall present an annual Operational Plan and Financial Health Services Plan for operating and capital expenditures for the approval of the Board.
- 2.1.2 The CEO shall ensure that financial planning for any fiscal period or the remaining part of any fiscal period shall:
  - 2.1.2.1 Align with the Board's approved vision, mission, values, philosophy of care and goals;
  - 2.1.2.2 Contribute to the advancement of priorities established by the Board and by the Ministry of Health; and
  - 2.1.2.3 Support responsible fiscal management.

##### **2.2 Conditions**

- 2.2.1 Present the annual budget for operating and capital expenditures for the approval of the Board which:
  - 2.2.1.1 Contains sufficient information to enable reasonable projection of revenues and expenses, separation of capital and operational items, cash flow analysis and disclosure of significant changes in the financial position;
  - 2.2.1.2 Describes significant planning assumptions and risks; and
  - 2.2.1.3 Complies with financial directions defined by the Board and the Ministry of Health.

#### **3. Financial Management**

##### **3.1 Expectations**

The CEO shall:

- 3.1.1 Adequately and prudently manage the financial resources and assets of the SHA.
- 3.1.2 Ensure that appropriate and effective processes exist for financial management of the SHA's budget.
- 3.1.3 Monitor expenditure and revenue management throughout the fiscal year.
- 3.1.4 Regularly provide information to the Board comparing actual revenue and expenditures to budget and shall report on variances from the budget.
- 3.1.5 Receive, process, or disburse funds using appropriate controls and processes.

### **3.2 Conditions**

The CEO shall:

- 3.2.1 Manage financial resources within the limits established by the annual budget for total operating and total capital expenditures subject to 3.2.4, 3.2.5, 3.2.6, and 3.2.7.
- 3.2.2 The CEO shall inform the Board on financial management issues of materiality or significance (i.e., liability exposure, public profile or future impact) or a major change such as the elimination of a program or service that is significant, prior to executing any agreement or contract related to the issue.
- 3.2.3 The CEO may make individual program and service budget adjustments and reallocations within the fiscal year to address unplanned and/or necessary variations (both increases and decreases) in expenditures and revenues.
- 3.2.4 When program and service expenditure or revenue adjustments and reallocations are material, the CEO shall inform the Board; and
- 3.2.5 When material expenditure or revenue adjustments and reallocations cannot be accommodated within the total approved annual budget for the SHA, the CEO shall require the Board's approval for the change.
- 3.2.6 The CEO shall require the Board's approval to use any internally restricted reserves for other than their designated purpose, except for those that are not significant (e.g. less than \$100,000).
- 3.2.7 The CEO shall require the Board's authorization for procurements greater than \$20,000,000 for single year expenditure commitments, and \$20 million per year to an aggregate of \$60 million for multi-year expenditure commitments.
- 3.2.8 Ensure responsible management of the financial resources and assets of the SHA.
- 3.2.9 Ensure that appropriate and effective processes exist for financial management of the SHA's budget.
- 3.2.10 Monitor expenditure and revenue management throughout the fiscal year.
- 3.2.11 Provide monthly reports to the Board comparing actual revenue and expenditures to budget and report on variances from the budget.

## **4. Asset Protection**

### **4.1 Expectations**

- 4.1.1 The CEO shall ensure that assets are reasonably protected, adequately maintained and are not placed unnecessarily at risk and to the extent possible, ensure the SHA or staff are not exposed to claims of liability.

#### **4.2 Conditions**

The CEO shall:

- 4.2.1 Obtain reasonable insurance against theft, fire and casualty losses, with an appropriate deductible;
- 4.2.2 Obtain reasonable insurance to the appropriate extent against liability losses to Board members, staff and individuals engaged in activities on behalf of the Board;
- 4.2.3 Insure to the appropriate extent against losses due to errors and omissions on the part of Board members or staff;
- 4.2.4 Ensure the SHA is in compliance with insurance requirements as set out in the Regulations.

### **5. Purchases and Contracts**

#### **5.1 Expectations**

- 5.1.1 Ensure that the processes for the purchase of equipment, supplies, services, property leases or clinical agreements are appropriately defined; and
- 5.1.2 The SHA complies with its procurement obligations and guidelines under the various domestic and international trade agreements which it is subject to.
- 5.1.3 Ensure that all SHA contracts including those for clinical or surgical services comply with relevant legislation and regulations, including appropriate reporting to the Board.
- 5.1.4 Keep the Board informed of any significant risks e.g. matters of public sensitivity or irregularities related to purchases and contracts.

#### **5.2. Conditions**

The CEO shall:

- 5.2.1 Approve and sign contracts, agreements, engagements and undertakings (referred to as "Contracts") on behalf of the Board.
- 5.2.2 The dollar value of contracts signed by the CEO shall be within the limits established by relevant legislation, regulations and SHA policies.
- 5.2.3 The approval of contracts by the CEO must be within the limits of the approved operating and capital budgets.
- 5.2.4 The CEO shall notify the Board prior to approving procurements that have material risks or irregularities.
- 5.2.5 The CEO shall receive Board approval prior to acquisition or disposal of real property or leases not contemplated in the Board approved annual plan.
- 5.2.6 The CEO may further delegate signing authority to SHA management personnel.
- 5.2.7 Ensure policies and processes are in place to ensure compliance with all Acts, legislation and regulations that are applicable to the SHA.

### **6. Enterprise Risk Management**

#### **6.1 Expectations**

- 6.1.1 The CEO shall ensure that the organization effectively manages organization-wide risk by identifying, analyzing and evaluating whether the risk should be modified by risk treatment in order to satisfy the organization's risk criteria.

#### **6.2 Conditions**

The CEO shall:

- 6.2.1 Ensure efficient and effective processes and systems are in place to manage all aspects of risk within the organization and to provide reasonable

assurance that the SHA is meeting its objectives while maintaining a safe environment for its patients, staff and public.

- 6.2.2 Ensure that mechanisms are in place to control risk in a systemic way by developing and implementing an enterprise risk management framework and implementation plan.
- 6.2.3 Ensure necessary linkages to existing (and potentially new) working groups and committee structures to effectively manage risk.
- 6.2.4 Ensure that the organization is effectively managing risk by identifying, analyzing and evaluating whether the risk should be modified by risk treatment in order to satisfy the organization's risk criteria.

## **7. Communications**

- 7.1** The Board Chairperson and the CEO are the designated spokespersons for the SHA.
- 7.2** Statements made by the CEO shall align with established Board policy or directions.

**DOCUMENT OWNER:** Chairperson, Governance and Human Resources

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**Revision History:**