

3.5 Protection of Assets and Prioritization of Disbursements

Executive Limitations

Version Number	Description of Changes	Effective Date
1	Initial release	1997-11-26
2	Revision	2001-06-27
3	Revision	2003-10-22
4	Revision	2011-02-23
5	Revision	2012-07-19
6	Revision	2017-06-20
7	Revision	2018-06-19
8	Revision	2020-09-23
9	Comprehensive revision	2026-09-30

Purpose

To ensure that HGH's assets — financial, physical, intellectual, information, and reputational — are protected, maintained, and used prudently; that purchasing is fair, open, and competitive; and that the organization's information and data are safeguarded against threats, including cyber threats. This policy establishes the executive limitations within which the CEO must operate with respect to the protection of assets and the prioritization of disbursements.

Scope

This policy applies to the protection and maintenance of HGH's assets, insurance, purchasing and procurement, banking, borrowing, and the granting of security interests, internal controls, investments, information security, and business continuity. It is to be read together with Policy 3.1 – Financial Planning and Budgeting, Policy 3.2 – Financial Condition and Operational Performance, Policy 3.15 – Risk Management, Policy 1.2 – Board of Directors' Code of Conduct (conflict of interest), the Emergency and Disaster Management Corporate Policy, and the Cyber Security Incident Response Plan.

Monitoring: Annually (October)

Guiding Principles

3.5.0 The CEO shall not allow the corporate assets of Hawkesbury and District General Hospital (HGH) to be unprotected, inadequately maintained, or unnecessarily risked.

3.5.0.1 Stewardship of Assets: HGH's financial, physical, intellectual, information, and reputational assets are protected, maintained, and used prudently.

3.5.0.2 Fair, Transparent Procurement: Purchasing follows fair, open, and competitive processes consistent with the Broader Public Sector Procurement Directive, and protects against conflict of interest.

3.5.0.3 Information Security and Business Continuity: HGH safeguards its information and data assets against cyber and other threats, and maintains the capacity to continue essential services during disruptions.

3.5.0.4 Board Control of Financial Commitments: Banking arrangements, borrowing, and the granting of security over the assets of the organization remain under the direct authority of the Board.

3.5 Protection of Assets and Prioritization of Disbursements

Executive Limitations

Definitions

Approval Authority Schedule (AAS): The schedule identifying, for each functional procurement role, the authorities permitted to approve procurements at different dollar thresholds. Under the Broader Public Sector Procurement Directive, the AAS must be approved by the Board of Directors.

Broader Public Sector (BPS) Procurement Directive: The Ontario directive establishing procurement rules and competitive thresholds for hospitals and other broader public sector organizations.

Corporate Assets: The financial, physical, intellectual, information and data, and reputational assets of HGH.

Cyber Security Incident Response Plan: HGH's plan for detecting, responding to, and recovering from cybersecurity incidents, aligned with the Emergency and Disaster Management Corporate Policy.

Non-Competitive Procurement: A procurement conducted without a competitive process, permitted only where an exemption, exception, or non-application clause under an applicable trade agreement applies, and supported by documentation approved in advance and approved by an appropriate authority within HGH.

Security Interest: Any mortgage, charge, pledge, lien, or other encumbrance granted over the assets of the Corporation as security for an obligation.

Vendor of Record (VOR) Arrangement: A procurement arrangement, including those managed by Supply Ontario, that BPS organizations must use wherever possible and appropriate, regardless of procurement value.

Procedure

Accordingly, the CEO:

- 3.5.1** Shall not fail to insure the assets of the organization against theft and casualty losses for an amount equivalent to replacement value, and against liability losses to Board members, staff, and the organization itself, in an amount equal to or greater than the average for comparable health-related organizations.
- 3.5.2** Shall not allow unbonded personnel access to material amounts of funds.
- 3.5.3** Shall not subject plant and equipment to improper wear and tear or to insufficient maintenance.
- 3.5.4** Shall not unnecessarily expose the organization, its Board, or its staff to claims of liability.
- 3.5.5** Shall not make any purchase for which normally prudent protection against conflict of interest has not been provided, consistent with HGH's conflict-of-interest framework and the Supply Chain Code of Ethics adopted under the Broader Public Sector Procurement Directive.
- 3.5.6** Shall not tolerate the purchase of goods and non-consulting services other than in accordance with HGH's internal purchasing policy and the thresholds established in the Broader Public Sector Procurement Directive, which currently require:
 - a)** \$10,000 up to but not including \$139,000 — invitational competitive procurement, with a minimum of three suppliers invited to bid;
 - b)** \$139,000 or more — an open competitive process.
- 3.5.7** Shall not tolerate the purchase of consulting services other than in accordance with HGH's internal purchasing policy and the thresholds established in the Broader Public Sector Procurement Directive, which currently require:
 - a)** \$0 up to but not including \$139,000 — an invitational or open competitive process;
 - b)** \$139,000 or more — an open competitive process.

	Board of Directors Policy	V.9	Page 3/4
3.5 Protection of Assets and Prioritization of Disbursements Executive Limitations			

- 3.5.8** Shall not authorize a non-competitive procurement other than where an exemption, exception, or non-application clause under an applicable trade agreement applies, and without the supporting documentation having first been completed and approved by the appropriate authority.
- 3.5.9** Shall not reduce the overall value of a procurement, including by dividing a single procurement into multiple procurements, in order to circumvent the competitive procurement thresholds or the approval requirements of the Approval Authority Schedule.
- 3.5.10** Shall not fail to present the Approval Authority Schedule to the Board for approval and shall not fail to bring forward for Board approval any non-competitive procurement of consulting services valued at \$1,000,000 or more.
- 3.5.11** Shall not engage at any time a lobbyist to provide lobbyist services to the hospital and shall not circumvent that prohibition by using any person or entity to hire a lobbyist to provide lobbyist services to the hospital, consistent with the *Broader Public Sector Accountability Act, 2010*.
- 3.5.12** Shall not discourage purchases from a supplier located inside the organization's catchment area, provided that doing so is consistent with the non-discrimination requirements of the Broader Public Sector Procurement Directive and applicable trade agreements.
- 3.5.13** Shall not fail to retain all procurement documentation in a recoverable form for a period of seven years.
- 3.5.14** Shall not fail to protect the organization's intellectual property, information, and data assets — in all formats — from loss, unauthorized access, cyberattack, or significant damage, consistent with the *Personal Health Information Protection Act, 2004* and HGH's information-security policies.
- 3.5.15** Shall not allow technology service disruptions that place patient safety, clinical operations, regulatory compliance, or organizational viability at unacceptable risk, and shall not fail to maintain documented and tested business continuity, disaster recovery, and cyber recovery capabilities, with defined recovery objectives for all critical services that prioritize the restoration of clinical services.
- 3.5.16** Shall not receive, process, or disburse funds that do not meet HGH's policies and procedures related to internal controls, including the segregation of procurement duties required by the Broader Public Sector Procurement Directive.
- 3.5.17** Shall not receive, deposit, negotiate, or disburse funds of the Corporation other than through signing officers designated by resolution of the Board, with the financial institution designated by the Board, and in accordance with the Approval Authority Schedule and HGH's internal control policies.
- 3.5.18** Shall not borrow funds, establish or draw upon any credit facility or line of credit, or grant any mortgage, charge, pledge, or other security interest over the assets of the Corporation, other than within limits and on terms approved in advance by the Board, and shall not fail to report to the Board on the status of any outstanding borrowing or credit facility as part of the quarterly financial reporting cycle established under Policy 3.2.
- 3.5.19** Shall not invest other than in accordance with HGH's corporate investment and liquidity policies, whose objectives are to preserve capital in real terms and to optimize the rate of return within acceptable risk levels.
- 3.5.20** Shall not endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.
- 3.5.21** Shall not fail to maintain, regularly test, and review a Cyber Security Incident Response Plan — aligned with the Emergency and Disaster Management Corporate Policy and the organization's business-continuity strategy — and

3.5 Protection of Assets and Prioritization of Disbursements

Executive Limitations

shall not fail to notify the Board promptly of any critical cybersecurity incident or major information or privacy breach, in accordance with the risk escalation protocol established under Policy 3.15.

- 3.5.22** Shall not fail to provide the Board, at least annually, with an attestation confirming that the testing and review cycles of the Cyber Security Incident Response Plan have been completed and that proactive follow-up is maintained to ensure organizational preparedness. This attestation is delivered through the annual Risk Management Monitoring Report presented each May to the Finance and Planning Committee, in accordance with Policy 3.15.

References (Legislation, regulation, supporting and HGH-related documents)

- ❖ **Public Hospitals Act, R.S.O. 1990, c. P.40, and Regulation 965**
- ❖ **Broader Public Sector Accountability Act, 2010, S.O. 2010, c. 25** (procurement; lobbyist prohibition)
- ❖ **Broader Public Sector Procurement Directive (Ontario)**
- ❖ **Buy Ontario Procurement Directives**
- ❖ **Personal Health Information Protection Act, 2004 (PHIPA), S.O. 2004, c. 3, Sched. A**
- ❖ **HGH Corporate By-laws (June 26, 2024), section 9.3** (Banking and Borrowing)
- ❖ **HGH Corporate Investment Policy; HGH Liquidity Policy**
- ❖ **HGH Business Continuity Plan; HGH Disaster Recovery Plan**
- ❖ **HGH Emergency and Disaster Management Corporate Policy**
- ❖ **HGH Cyber Security Incident Response Plan**
- ❖ **HGH Risk Management Monitoring Report** (vehicle for the attestation required under 3.5.23)
- ❖ **Guide to Good Governance (OHA) – 4th Edition** — Chapter 3 (Insurance Protection; Procurement and Contracts; Investment Policy; IT oversight; risk management to protect assets)
- ❖ **Accreditation Canada – Governance Standards (HSO A1001:2022)** — Standards 3.1.9, 3.1.10, 3.5.7, and 3.5.8
- ❖ **Policy 1.2 – Board of Directors' Code of Conduct** (conflict of interest)
- ❖ **Policy 2.1 – Delegation to the CEO** (sections 2.1.9 – 2.1.11)
- ❖ **Policy 3.1 – Financial Planning and Budgeting**
- ❖ **Policy 3.2 – Financial Condition and Operational Performance**
- ❖ **Policy 3.15 – Risk Management** (and its Appendix A – Risk Escalation Protocol)