

Audit Committee Terms of Reference

(As approved by the Board, 14 May 2005 and amended on 12 October 2007 & 10 May 2008)

Purpose

The Audit Committee is a Standing Committee of the Board of Governors responsible for ensuring that appropriate controls and accountabilities exist within the University with respect to finance and areas of material risk, including but not limited to, environmental issues and health and safety. The Committee's primary responsibilities are to monitor that:

- The University's financial reporting processes are sound; and
- The external audit functions are competently performed; and
- appropriate processes are in place to identify, report and control areas of significant risk to the University; and
- There exists an avenue of communication among the External Auditor, management, and the Board of Governors.

Composition

The Audit Committee shall consist of four governors appointed by the Board, none of whom shall be a University employee. Audit Committee members must be financially literate, with the ability to read and understand the University's financial statements. Two members shall constitute a quorum of the Audit Committee. The chairperson of the Audit Committee shall be appointed from the Committee by the Committee on an annual basis. The Committee may appoint non-Governors, non-voting members as necessary to provide expertise or task-related support. The Audit Committee may invite such employees of the University as it may see fit from time to time to attend meetings of the Committee to assist in the discussion and consideration of matters before the Committee.

Frequency of meetings

Generally, two to four meetings per year (see Appendix attached)

Responsibilities

1. Meet, at least, annually with the External Auditor to review the general scope and procedures of the audit and to discuss any specific areas requiring special emphasis.

2. Review all relevant financial statements and proposed reports of the External Auditors, along with management's response, and approve a recommendation to the Board of Governors.
3. Determine the appropriateness of the accounting policies and reporting procedures used.
4. Follow up with the senior administrative staff of the University on any areas requiring corrective action.
5. Approve in advance any proposed work to be done by the External Auditor and the related fees.
6. Establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal controls, risk management, or auditing matters, and establish procedures for the confidential submission by employees of the University of concerns regarding accounting, auditing, or risk management matters.
7. Ensure that appropriate compliance processes and controls are in place to identify, manage and monitor the University's risk.
8. Monitor the expenses of the Chief Executive Officer.
9. Table a report on the Annual Audit to the Board of Governors for its consideration at the Annual Meeting.
10. Recommend the appointment or reappointment of the External Auditors to the Board of Governors and recommend approval of their fees.
11. Establish and maintain lines of communication as well as an effective working relationship among Committee members
12. Establish and maintain lines of communication and an effective working relationship with the External Auditors and management and promote open communication among these groups.
13. Ensure that members of the committee receive appropriate financial orientation and that training to enhance financial literacy is made available.
14. Perform any other tasks assigned to it by the Board of Governors.
15. Conduct its affairs and inquiries in accordance with current best practices for Audit Committees generally.

APPENDIX

AUDIT COMMITTEE MEETING SCHEDULE

(Meeting dates and agendas are given as a guide.)

1. June/July:
 - Approval of annual financial statements
 - Receive Management letter from Auditors
 - Report from Management on any outstanding litigation

2. September/October:
 - Approve Pension Fund Financial Statements
 - Receive and agree on fees for Audit
 - Agree on recommendation of Appointment of

(Prior to Annual Meeting of the Board)

Auditors to the Board

- Year-to-date Financial Report
- Report from Management on any outstanding litigation

3. February/March:

- Approve Audit Plan
- Report from Management on any outstanding litigation
- Year-to-date Financial Report

At every meeting, an opportunity will be given for private meetings with Management and External Auditors.

The Associate Vice-President, Finance and Treasurer will provide quarterly summaries to the Audit Committee on the business expenses for the Chief Executive Officer.

Any member of the Audit Committee can request the Chair to call a meeting.