

Audit Committee Terms of Reference

*(As approved by the Board, 14 May 2005
and amended on 12 October 2007, 10 May 2008 & 22 June 2012)*

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 ensure that:

- The University's financial reporting processes are sound; and
- The external audit functions are competently performed; and
- There are appropriate processes in place to identify, report and control areas of significant risk to the University; and
- There exists an avenue of communication among the external auditors, 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, there will be two to four meetings per year. Special meetings of the committee shall be convened whenever requested by a committee member in writing to the Chair of the Audit Committee.

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. Approve the Audit Plan and related fees as provided by the external auditor.
3. Review all University financial statements and audited reports, the Audit Findings report, and the Management Letter.
4. Approve a recommendation of financial statements to the Board of Governors.
5. Follow up with the senior administrative staff of the University on any areas requiring corrective action as a result of the audit.
6. Include, at least annually, an in camera session with the external auditors.
7. Review all pertinent accounting policies of the University.
8. 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.
9. Ensure that appropriate compliance processes and controls are in place to identify, manage and monitor the University's risk.
10. Monitor the expenses of the President.
11. Table a report on the Annual Audit to the Board of Governors for its consideration at the Annual Meeting.
12. Recommend the appointment or reappointment of the external auditor to the Board of Governors and recommend approval of their fees.
13. Establish and maintain lines of communication as well as an effective working relationship among Committee members.
14. Establish and maintain lines of communication and an effective working relationship with the external auditor and management and promote open communication among these groups.
15. Ensure that members of the committee receive appropriate financial orientation and that training to enhance financial literacy is made available.
16. Perform any other tasks assigned to it by the Board of Governors.
17. Conduct its affairs and inquiries in accordance with current best practices for Audit Committees generally.
18. Develop an annual work plan for the Audit Committee.