

Board Committee Charter	AUDIT COMMITTEE
Approved by the Board of Trustees	April 28, 2011
Amendments approved by the Board of Trustees	February 13, 2014; October 1, 2015; June 23, 2016; June 21, 2018; June 27, 2019, June 25, 2020; October 1, 2020, June 23, 2022; June 27, 2024

1.	Mandate
	<p>The mandate of the Audit Committee (“Committee”) is to assist the Board in its monitoring of the University’s:</p> <ul style="list-style-type: none"> a. financial reporting and disclosure; b. risk management; c. compliance with applicable laws and regulations; and d. external and internal audit functions.
2.	Composition
	<p>The Committee is appointed annually and consists of the following:</p> <ul style="list-style-type: none"> a. The Chair-Elect (or, when there is no Chair-Elect, the Vice- Chair); b. A minimum of 4 additional community Trustees, one of whom shall serve as Chair; c. Officers of the University may not serve as members of the Committee, however, the President and Chair of the Board shall be invited guests to Committee meetings. d. A member of the Committee other than the Chair-Elect or Vice-Chair is prohibited from being a member of the Financial Planning and Investment Committee. e. At least one member of the Committee shall have a Chartered Professional Accountant (CPA) designation. f. All members of the Committee shall have the ability to read and understand financial statements that present a breadth and level of complexity comparable to those of the University sector, though nothing in this Charter is intended or may be construed to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all board members are subject. g. Collectively, the Audit Committee shall endeavour to have among its members the skills, literacy and acumen to meet a minimum cyber and information security understanding or threshold. This may be attained by individuals or collectively, through professional designations and accreditation or expertise and experience in overseeing cyber and information security operations and risks.
3.	Responsibilities

In fulfilling its mandate, the Audit Committee shall have the following responsibilities:

3.1 *Financial Reporting and Disclosure*

A. Financial statements

- a. review the University's annual financial statements with management and the external auditors to gain reasonable assurance that the financial statements present fairly, in all material respects, the financial position of the University, in accordance with Canadian accounting standards for not-for-profit organizations;
- b. make recommendations to the Board regarding the approval of the audited financial statements;
- c. review fund financial statements of the University's Pension Plan and make recommendations to the Board regarding the approval of the Pension Plan financial statements;
- d. review with management and the external auditors the financial statements of the University's related organizations, where applicable;
- e. review audit reports from external auditors;
- f. review the representation letter provided to the external auditors and any additional representations required by the Committee;

B. Financial disclosure

- g. review all public disclosure documents containing audited financial information;
- h. review the procedures for the review of the University's disclosure of financial information extracted or derived from the University's financial statements in order to satisfy itself that such information is fairly presented;
- i. review with management and the external auditors significant estimates and reserves;

C. Accounting Policies

- j. review with management and the external auditors the appropriateness of the University's significant accounting policies and financial reporting disclosures to ensure they are in accordance with Canadian accounting standards for not-for-profit organizations, and report thereon to the Board; and
- k. review any change in significant accounting policies, financial reporting disclosures and significant estimates and assumptions and recommend either independently to the Board for approval or by way of recommending the audited financial statements to the Board for approval.

<p>3.2</p>	<p><i>Risk Management</i></p> <p><i>Enterprise Risk Management</i></p> <p>The Committee shall gain reasonable assurance that risks of the University under the purview of the Board of Trustees are being effectively managed and mitigated by:</p> <ul style="list-style-type: none"> a. Ensuring an adequate and effective risk management program is in place, which is appropriate for the university environment and the academic mission of the University; b. Monitoring and reviewing the effectiveness of the risk management program; c. Reviewing on an annual basis the insurance coverages maintained by the University, as approved by the Financial Planning and Investment Committee. <p><i>Information and Cyber Security</i></p> <ul style="list-style-type: none"> a. Monitoring and reviewing reports, strategies, and plans regarding information and cyber security-related risks; b. Receives assurance that the University’s information and cyber security mitigation plans are reasonable and effective to achieve desired outcomes. <p><i>Risks related to Committee mandate</i></p> <p>The Committee shall gain reasonable assurance that risks related to its mandate are being effectively managed and mitigated by reviewing the University’s strategies, policies and plans for addressing such risks.</p> <p><i>Financial Controls and Control Deviations</i></p> <ul style="list-style-type: none"> a. regularly assess the University’s system of internal financial controls and the University’s control environment to gain reasonable assurance that such controls are effective and efficient and assist the Board in assessing whether management has created a culture of integrity and an effective control environment throughout the organization; b. review the plans of the internal and external auditors to gain reasonable assurance that the combined evaluation and testing of internal financial controls is comprehensive, coordinated and cost-effective; and c. receive reports from management, the external auditors, the Internal Auditor and the University’s legal advisors on all significant deviations or indications/detection of fraud and the corrective activity undertaken in respect of such matters.
<p>3.3</p>	<p>Compliance with Laws and Regulations</p> <ul style="list-style-type: none"> a. review reports from management and others (e.g. internal and external auditors, legal counsel, chief risk officer) with respect to the University’s compliance with laws and regulations and gain reasonable assurance that the University’s compliance-related policies, procedures and programs are effective, sufficient and appropriate and that appropriate coordination among external audit, internal audit and legal counsel exists; b. review with management, external auditors, chief risk officer, and University legal counsel any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or the business and affairs of the University, or on the compliance policies of the University, and the manner in which these matters have been disclosed in the financial statements; c. review reporting from the Safe Disclosure program, including an annual report summarizing the number, nature and disposition of disclosures.

3.4	<p><i>External Auditors</i></p> <ol style="list-style-type: none"> a. recommend to the Board the appointment of the external auditors, the remuneration and the terms of engagement of the external auditors; b. if necessary, recommend to the Board the removal of the current external auditors and replacement with new external auditors; c. review the performance of the external auditors annually or more frequently as required; d. receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the University; e. approve all requests for non-audit services above the threshold of \$50,000 to be performed by the external auditors for the University and its related organizations before such work is engaged. Management may engage the external auditors for non-audit services below the threshold of \$50,000, upon assessment of independence, provided that it is reported to the Audit Committee; f. review with management and the external auditors the timing and the process for implementing any rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner; g. review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the external audit can be coordinated with internal audit activities and the materiality levels which the external auditors propose to employ; h. meet regularly with the external auditors in the absence of management to determine, <i>inter alia</i>, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee; i. establish effective communication processes with management and the University's internal and external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee; and j. oversee the work of the external auditors and the resolution of disagreements between management and the external auditors with respect to financial reporting.
3.5	<p><i>Internal Audit</i></p> <ol style="list-style-type: none"> a. approve the Internal Audit Charter; b. approve the annual work plan of Internal Audit; c. review the reports of Internal Audit on engagements in the annual Internal Audit work plan; d. review and approve the reporting relationship of the Internal Auditor to ensure that an appropriate segregation of duties is maintained and that the Internal Auditor has an obligation to report directly to the Committee on matters set out in the annual work plan, irrespective of their other reporting relationships; and approve the appointment, replacement, reassignment or dismissal of the Internal Auditor.

3.6	<p><i>Policies</i></p> <p>The Committee shall review and make recommendations to the Board regarding the approval, amendment or repeal of any University policy relating to its mandate.</p>
3.7	<p><i>Other Responsibilities</i></p> <ul style="list-style-type: none"> a. review annually the expenses of the Chair of the Board, Board members and the President and Vice-Chancellor for the purpose of gaining reasonable assurance as to the reasonableness of such expenses; b. review in advance the appointment of the Vice President, Administration; c. request reports from management on any matters that, in the Committee's discretion, fall within the Committee's duties;
4.	<p>Meetings</p>
	<p>Meetings of the Audit Committee are closed to members of the public.</p> <p>The Committee shall normally meet four times a year, at the call of the Chair, or at the request of the external auditors.</p> <p>At each meeting of the Committee, the members of the Committee shall meet in private session with the external auditors, as required; with management; and with the Committee members only. The Committee shall meet in private session with the Internal Auditor and Chief Risk Officer as often as it deems necessary, but in any event, no less than twice per year.</p> <p>Meetings are held in accordance with the Board and Board Committee Meeting Procedures.</p>