

Audit and Risk Committee Terms of Reference

Mandate

The Audit and Risk Committee (“the Committee”) strives to strengthen and enhance the Board of Governors’ roles and responsibilities and is advisory to the Board. The Committee provides objective advice and recommendations to the Board on the adequacy and functioning of the University’s integrity and accuracy of the University’s annual financial statements, internal and external audit functions, related policy, control frameworks and processes, safe disclosure policy and frameworks, risk management, as well as legal and regulatory compliance.

Composition

Upon the recommendation of the Board Chair, the Committee shall be comprised of:

1. Committee Chair (voting)
2. Board Chair (ex-officio, voting)
3. Board Vice Chair (ex-officio voting)
4. Committee Chair of the Finance, Property and Investment Committee
5. President (ex-officio, non-voting)
6. Chancellor (ex-officio, voting)
7. No fewer than two (2) Members of the Board (voting), two of whom should be financially literate or be financial experts.

The Committee Chair will be appointed as per the Board Bylaws and must be a financial expert.

Financial expert is defined as someone who may have all or some of the following: an education and experience as a public accountant, auditor or principal financial officer, comptroller, or principal accounting officer; a professional certification in accounting or audit; experience in preparing, auditing, analyzing or evaluating audited financial statements of comparable institutions; experience with internal accounting controls; and/or an understanding of audit committee functions. The Board Chair will determine if a member meets this definition.

Board members who are appointed as student, non-academic or academic representatives, shall not sit on the Audit and Risk Committee.

Resources

The Office of University Governance shall also act as a resource to the Committee, specifically relating to governance, logistics, and record keeping for the Committee. Additional resources to the committee are the President and Vice-Presidents, and General Counsel, as required. The university auditor shall also serve as a resource to the Committee.

If the Board or Committee determines that an External Advisor or an External Committee Member with a particular expertise is needed to participate on a Committee, the Board may choose to appoint such persons.

Duties and Responsibilities

The Committee shall fulfill the following duties and responsibilities in keeping with the Committee Mandate:

A. Control Environment, Financial Reporting and Disclosure

1. In consultation with administration, external auditors, and the university auditor, ensure the integrity of the University's control environment, including Information Technology Management controls (ITM) and Internal Financial Controls (IFC).
2. Meets with the administration, external auditors, and the university auditor, in separate in-camera sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.
3. Review the draft report from the Auditor General of Alberta and the University's draft annual consolidated financial statements and recommend for approval to the Board.
4. In relation to the Grant MacEwan University Foundation, review the Grant MacEwan University Foundation's draft annual financial statements and recommend for approval to the Grant MacEwan University Foundation Board of Directors.
5. Receive annual reports on information technology security, ITM controls and privacy and approve administration's plans to mitigate identified risks.
6. Receive an annual report of management attestation on the adequacy and operating effectiveness of the University's internal control environment and approve administration's plans to mitigate identified risks.
7. Receive, as information, a quarterly report on all tender exemptions.

B. Internal Auditors

1. Ensure that an internal audit function is in place and continually assess the independence, objectivity and resources needed to effectively carry out the function.
2. Approve the appointment or removal of the university auditor.
3. Review and approve the Internal Audit Charter.
4. Review and approve a risk-based annual Internal Audit Plan.
5. Receive periodic reports on findings and recommendations from Internal Audit and modify the annual Internal Audit Plan as required.
6. Receive periodic reports on management's action plans for implementing recommendations from Internal Audit, including management attestations of recommendations which will not be implemented.

C. External Auditors

1. Review the audit plan and results of the external audit.
2. Receive and review all status reports relating to the recommendations of the external auditor.
3. After consultation with the external auditor, recommend for approval to the Board the annual financial statements.

D. Enterprise Risk Management

1. Approve the Enterprise Risk Management framework and provide continuous oversight. Keep the Board apprised of significant changes in risk levels and emerging risk and opportunities.

2. Review the Strategic Risk Register on an annual basis and report to the Board regarding strategic risks, both financial and non-financial, the tolerance for such risks, and the steps taken by administration to monitor and mitigate these risks.
3. Receive from administration an annual report confirming adequate insurance coverage is in place.
4. As required, review the status of recommendations prepared by external and internal auditors together with administration responses and resolutions.

E. Legal and Regulatory Compliance

1. As required, review any legal and regulatory matters that could have a significant impact on the University and the University's compliance with key applicable laws and regulations.
2. As required, review any relevant legislative changes, litigation and compliance matters, disclosures received under the Public Interest Disclosure Act or other safe disclosure frameworks, major transactions, and projects underway in the Office of the General Counsel.

F. Policy and Other Matters

1. Review and approve changes to existing University policies relating to the Committee's mandate as set out in the University's Policy Document Framework and identified in Appendix A.
2. Review and recommend new University policies relating to the Committee's mandate.
3. Consider risks associated with items before the Committee and make recommendations to the Board.
4. Consider other matters at the request of the Board.

Workplan Development

The Committee will develop an annual workplan for recommendation to the Board of Governors for approval.

Accountability

The Committee shall report its discussion to the Board by maintaining minutes of its meetings and providing an oral report at each Board meeting.

Terms of Reference Review

The Committee will review its Terms of Reference annually and recommend to the Board of Governors any required changes.

Approved: October 12, 2023

Next Review: October 2024

Policies delegated to the Audit and Risk Committee for approval

- Internal Controls
- ITM Governance and Management
- Information Security and Identity Management
- Technology Management
- Fraud and Irregularities

History

06.15.2023	MOTION # Policy delegation approved by the board.
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