



**Policy Name:** Audit Committee  
Terms of Reference

**Policy Type:** Governance Process

**Number:** GP-5.1

**Date Approved:** January 27, 2007

**Date Revised:**

1. Products

- 1.1. Liaison on behalf of the board, with the statutory external auditor or any other external or special auditor authorized by the board, including:
  - Determination of the scope and extent of the proposed examination.
  - Review and analysis of the Auditor General's report on management's internal control, significant reporting issues and judgments made in connection with the preparation of the financial statements.
  - Review of management's response to issues raised by the Auditor General
- 1.2. Monitoring on behalf of the board, the independence and performance of the statutory auditor.
- 1.3. Resolution of any disagreements that may arise between management and the Auditor General.
- 1.4. A mechanism for the confidential receipt, retention and treatment of complaints regarding accounting or audit matters.
- 1.5. Report for the board on the results of discussions with the Auditor General related to the adequacy of the board's policies in the area of finance, including:
  - Related party transactions
  - Alternative treatments of financial information within Canadian GAAP that have been discussed with management, ramifications of the alternative disclosures and treatments and the treatments preferred by the Auditor General
- 1.6. A self-monitoring report on the appropriateness of the board's own spending, based on criteria in the board GP policy on board expenses, including periodic random audit of the board members' expense accounts.

2. Authority

- 2.1. The committee has no authority to change or contravene board policies.
- 2.2. The committee has authority to spend funds required for travel to meetings if meetings are required. No authority to spend or commit other organization funds.
- 2.3. The committee has authority to use staff resource time normal for administrative support around meetings.
- 2.4. The Committee has the authority to engage outside advisors on matters requiring specialist knowledge, at a cost not to exceed \$2,500.
- 2.5. The Committee does not have authority to instruct the President or any other staff member, other than to request information required in the conduct of its duties or call for the presence of other academic or administrative offices as required.
- 2.6. The Committee has the authority to meet independently with the organization's external auditors.

3. Composition

- 3.1. The Committee shall be composed of two or more public Board members as appointed by the Board annually. Committee members shall (a) have a basic understanding of finance and

accounting and (b) be able to read and understand fundamental financial statements of the breadth and complexity of the issues that can reasonably be expected to be raised by the College's financial statements. At least one member of the Audit Committee shall have accounting or related financial management expertise.

3.2. The Committee shall appoint a Chair from among its members.