

Audit & Risk Committee – Terms of Reference

Approved by: Board of Governors

Revised: February 1, 2013; January 30, 2015; October 1, 2015; March 2016; September 27, 2018; March 12, 2020; March 22, 2024

PURPOSE

The Audit and Risk Committee is a Standing Committee of the Lakehead University Board of Governors, with the primary role to assist the Board of Governors in fulfilling its oversight of external financial audits and risk responsibilities in the affairs of the University, and to ensure the establishment of sound policies and practices leading to the long-term sustainability of the University. In order to fulfill its mandate, the Committee has the authority to engage independent advisors if required, after consultation with the Board Chair.

SCOPE

Without limiting the general responsibilities as described above, the Audit and Risk Committee shall:

1. Review with the external auditors and the Vice-President, (Administration and Finance) the auditors' Internal Control Memorandum, and Planning Report in connection with the year-end audit review.
2. Confirm that the University is in compliance with all statutory and regulatory requirements including filing of the Charity Information Return and all employee deductions, GST and HST collections, the Employee Health Tax and other remittances.
3. Review the draft audited statements for all funds with the external auditors and the Vice-President (Administration and Finance).
4. Scrutinize the engagement letter and ensure there is a mutual understanding between Administration and the external auditors as to objectives and the methods to be used to obtain the objectives.
5. Obtain positive assurance from the external auditors that they have received all the co-operation they required from the University officials, and to be satisfied that appropriate action is being taken on any recommendations made by the external auditors.

6. Recommend to the Board approval of the annual audit report and statements accompanied by any comments and/or recommendations of the Audit and Risk Committee.
7. Review and recommend to the Board approval of the Lakehead University Pension Investment Fund audited statements.
8. Recommend to the Board the appointment of external auditors for the succeeding year.
9. Meet at least once each year with the external auditors separately from the Administration and the President of the University.
10. Ensure that appropriate Enterprise Risk Management processes are in place to identify, evaluate, report on and respond to material strategic, financial, operational or reputational risk to the University.
11. Receive and consider regular reports on significant strategic, financial, operational or reputational risks to the University and review the University's risk register at least once a year.
12. Make recommendations to the Board on risk mitigation strategies as appropriate.
13. Monitor progress on risk mitigation strategies.
14. Receive and review the Research Ethics Board Letter of Compliance and Annual Report before distributing to the Board for consideration at its Annual Meeting.
15. Review proposed changes to the Vice-President (Administration and Finance) role or certification prior to Administration making any such changes.
16. Prepare an Annual Report for the Board of Governors.

COMPOSITION

- President of the University (ex officio) (non-voting)
- Vice-Chair of the Board (ex officio)
- Four external members of the Board, one of whom shall be a member of the Finance and Operations Committee

At least two members of the Committee are expected to have relevant experience in financial matters (CPA). The Board should endeavor to ensure that at least one member of the Committee has an appropriate financial designation. Further, all Committee members should be financially literate.

Resources:

- *Vice-President (Administration and Finance)*
- *Associate Vice-President, Financial Services*
- *Director, Risk Management and Access to Information*
- *University Secretary, who shall act as the secretary for the Committee*