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Terms of Reference

Audit and Finance Committee

The Board of Regents shall appoint an Audit and Finance Committee in accordance with the following terms:

Mandate

The Audit and Finance Committee will provide assistance to the Board in fulfilling its legal, financial, and fiduciary obligations in relation to oversight, reporting, operational and compliance risk. This includes the oversight of a strategic approach to the investing of available funds.

The Committee will ensure that a proactive approach to monitor trends, initiatives and developments within the areas of audit and finance is taken.

Responsibilities

Audit

1. To recommend the appointment of the external auditors and to approve the engaging of other audit specialists as needed.
2. To approve the annual external audit plan, considering scope, timing and deadlines.
3. Review with the internal and external auditors their independence, the scope of their respective duties and the relationship between them.
4. To monitor the application of accounting principles and practices, advising the Board where weaknesses exist and recommending remediation.
5. To establish and monitor, on behalf of the Board of Regents, the internal audit function for the University and to ensure the adequacy of internal control systems. To undertake all other responsibilities as prescribed for the Committee in the Memorial University of Newfoundland Internal Audit Activity Charter including review and approval of the annual internal audit plan. The Internal Audit Activity Charter is attached to these Terms of Reference. Members of the Administration will abstain from voting on any motions related to the internal audit activities.
6. To review and recommend to the Board approval of the statement of risk appetite as articulated by the Administration.

7. To review the University's risk profile and to continually assess the robustness of risk management practices.
8. To set annual audit priorities using a risk-based approach.
9. To ensure statutory compliance and strategic alignment of the University's Separately Incorporated Entities.

Finance

1. Review the financial requirements of the University and its strategies and methods of meeting these requirements.
2. To provide advice to the administration on financial matters and on specific matters relating to financial exigencies.
3. To approve the budget before submission to the Board to determine whether revised budgets are necessary, and to recommend accordingly to the Board.
4. To monitor the financial status of specific activities or projects as the need to monitor is determined from time to time by the Board.
5. To review on behalf of the Board contracts, agreements, deeds or other instruments involving the financial affairs of the University which are to be presented to the Board, and to make recommendations to the Board regarding appropriate action.
6. To recommend to the Board of Regents the appointment of a custodian of the investments and changes in the custodian if deemed advisable.
7. To recommend to the Board of Regents the appointment of investment consultants to assist in portfolio analysis, performance evaluation, investment manager review and such other services as required.

Composition

The Audit and Finance Committee of the Board shall be composed of:

Voting Members

1. Four (4) members from the Board of Regents to be appointed by the Chair of the Board who shall designate one (1) member to be Committee Chair and one (1) member to be Committee Vice-Chair. *To the extent possible, these members should have financial expertise.*
2. The Chair of the Board of Regents;
3. The President and Vice-Chancellor; and,
4. Provost and Vice-President (Academic)

Non-Voting Ex-officio Members

1. Executive Director, University Governance Secretariat
2. General Counsel
3. Other individuals invited by the Committee Chair as necessary

The University Governance Secretariat will assign a non-voting secretary to the Committee.

The appointed members shall serve for two years.

Quorum

Quorum shall be a majority of voting members.

Meetings

The Committee shall normally meet in advance of each regular meeting of the Board.

Special meetings of the Committee shall be held as agreed by the Committee or as called by the Chair of the Committee or of the Board.

Delegated Authorities

- To act on behalf of the Board in the recommended appointment(s) and removal(s) of directors of the following Separately Incorporated Entities (SIEs):
 - Campus Childcare Inc.
 - Canadian Centre for Fisheries Innovation
 - Genesis Group Inc.
 - Memorial University Recreation Complex
- To assume such other responsibilities as may be delegated by the Board.

Reporting and Deliverables

- At least every semester, the committee shall receive a report(s) from the administration, such as from the Office of the Chief Risk Officer, on matters relating to risk and to ensure that the Board is informed of residual risk that is outside the Board risk appetite. This is inclusive of an Annual Report on Risk.
- To review the results of the external auditor's report of the University's financial statements before the report is submitted to the Board for approval, including an in-camera meeting with the external auditor, at which time the vote on the final audit report will be conducted. A subsequent in-camera meeting with the external auditor will also occur following the external audit presentation to the Board of Regents.
- Receive and review the audited financial statements of the University prior to presentation to the Board.
- Receive and review, on a quarterly basis, the performance of the investments and of the investment managers.
- Report any relevant policy and sustainability needs related to the areas of Audit and Finance to the Executive and Governance Committee for consideration.