

Board Special Resolution I.8:

Audit & Investment Committee

Terms of Reference

Category: Board of Governors

Approval: Board of Governors

Responsibility: University Secretary

Date: December 12, 2008, Revised October 1, 2010, Revised June 22, 2012, Revised June 21, 2019

The Audit & Investment Committee is responsible for monitoring results of external audits and ensuring that appropriate financial controls are in place. The Committee monitors the University's legislative compliance and maintains a watching brief on statutory and accountability requirements. The Committee is also responsible for recommending Board investment policy and for monitoring the performance of the University's investments.

In its audit role, the Committee receives reports on the results of the general accounts, pension, enrolment, interim and other external audits, reviews the annual audit plan and fees, reviews the independence of the auditors and meets with the external auditors privately at least once per year.

The Committee reviews and recommends for Board approval the University's annual financial statements, the annual pension plan financial statements¹ and the appointment of the University's external auditors. The Committee may make recommendations concerning internal financial controls, request additional reports from the administration or auditors on matters of concern, or may require a meeting with legal counsel to seek advice on a major audit-related issue. The Committee may determine subjects for internal audits or review/consulting assignments by the auditors or others.

The Committee receives from management quarterly certifications of remittances and the University's ability to pay wages and benefits. The Committee monitors the University's overall compliance with legislation and other regulatory and government accountability requirements, and reports to the Board of Governors on these periodically. It may make recommendations on the type of statutory compliance reporting that the Board should receive.

The Committee will assess and monitor risks related to its responsibilities for audit and statutory compliance matters.

In its investment role, and in compliance with regulatory and contractual requirements, the Committee reviews and recommends for the approval of the Board of Governors: investment policies and procedures, and annual distribution policies.

¹ To the extent that Trent University continues to be the administrator of the University's pension plan(s).

To the extent that Trent University continues to be the administrator of the University's pension plan(s), the committee shall oversee the financial health, provisions, administration and governance of the employee pension plans, including:

- review the actuarial valuations of the pension plans including dates for filing with regulatory authorities;
- monitor the assets, liabilities and funded status of the pension plans and Supplemental Retirement Arrangement. The audited pension plan financial statements are provided to the Committee for information;
- recommend to the Board the appointment of the actuary for the pension plans.

The Board delegates to the Audit & Investment Committee responsibility for the appointment of the custodian/trustees and investment managers for the investment funds held by the University, with the requirement that such decisions be made in accordance with the pension plan texts (if applicable) and be reported to the full Board in a timely manner. The Committee may also assist the administration with the selection of investment performance appraisal services.

The Committee assesses and monitors risks related to its specific responsibilities for investments.

All voting members of the Committee will be individuals who are external to the University (non-employees, non-students) and with the majority of members who are financially literate² and independent from the auditors. Members of the Board will form a majority of members of the Committee.

Composition:

- Chair of the Board, (ex officio, voting)
- President (consultant, non-voting)
- such other external (at-large) members of the Board as the Board considers appropriate, one of whom will chair the committee; and
- Such other members from the external community as the Board considers appropriate, who are not members of the Board (voting)
- Vice-President Finance and Administration (consultant, non-voting)
- Associate Vice-President Finance (consultant, non-voting)
- University Secretary (consultant, non-voting)

² For the purpose of this resolution, an individual is financially literate if he or she has a working knowledge of institutional investments, and/or the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the University's financial statements.