



# Audit, Finance and Risk Committee Terms of Reference

Category:	Governance
Number:	
Last revised:	April 12, 2015
Owner:	Audit, Finance and Risk Committee
Approved by:	Board of Governors
Contact:	Chair of the Audit Finance and Risk Committee

## Authority

The Board of Governors of the First Nations University of Canada created the Finance, Audit and Risk Committee under the authority of the *First Nations University of Canada Act*.

## Mandate

The Board's Audit, Finance and Risk Committee provides oversight and makes recommendations regarding the University's:

- internal control and risk management systems,
- external audit process,
- annual financial audited statements and annual report,
- operations forecast submissions to the provincial government,
- PSPP submissions to the federal government,
- annual budget,
- quarterly financial statements for First Nations University of Canada,
- quarterly financial statements of the Board of Governor's expenses,
- compliance with legal, statutory, and regulatory requirements,
- long-range physical asset planning (including asset preservation and renewal),
- major capital projects,
- facilities-related policies and procedures,
- operations and maintenance,
- scholarships and endowments, and
- contract services.

- reviewing federation or partnership agreements, memoranda of understanding, and protocols with other educational entities,

## Composition

- Three (3) members of the Board (minimum)
- Chair of the Board (ex-officio, non-voting member)

## Resource People

The First Nations University of Canada:

- President
- Secretary to the Board
- Vice President Academic
- Associate Vice President Academic
- Senior Financial Officer

## Term of Office

Two years

## Duties

### Committee Management

- a. Annually — review and recommend for Board approval a work plan that ensures the committee's duties and responsibilities are scheduled and achieved.
- b. After each committee meeting — report committee information and make recommendations as appropriate to the Board.
- c. As required — meet separately with external auditors or independent advisors on audit, finance, and risk matters.
- d. As required — address any other matter properly referred to the committee by the Board.

# FIRST NATIONS UNIVERSITY OF CANADA

## External Auditors

The external auditors report directly to the Audit, Finance and Risk Committee.

- a. Annually — review the terms of the external auditors' engagement and the audit plan (including the assurance of independence, a different lead auditor at least every five years, and the appropriateness and reasonableness of the proposed audit fees and any unpaid fees).
- b. Annually — receive and review the draft annual audited financial statements, the contents of management letters and other reports from the auditor, and any other reports of management that accompanies published financial statements and report on these matters to the Board.
- c. Annually — review and recommend for Board approval the annual audited financial statements of the University.
- d. As required - review and recommend for Board approval management's nominations for the appointment of the external auditors.
- e. As required — review engagements for significant, unbudgeted, non-audit services to be provided by consultants (including auditors engaged as consultants). Consider the potential impact of such services on the independence of the auditors.
- f. As required — facilitate a positive working relationship between management and the auditors. Review any problems experienced by the auditors when they perform an audit (including any restrictions imposed by University management or significant accounting issues where there was a disagreement with University management). Oversee the resolution of disagreements between University management and the auditors.
- g. As required — meet in camera with the auditor for a part of any meeting where audited financial statements and reports from the auditor are considered.

## Financial Oversight

- a. Annually — review for information the University's annual funding application (Operations Forecast) submission to the provincial government.
- b. Annually — review for information the University's annual funding application (PSPP) submission to the federal government.
- c. Annually — review and recommend for Board approval management's recommendations for the University's annual budget, as well as any material changes to the approved budget.
- d. Annually — oversee and monitor the post-audit or management letter containing the auditor's recommendations and University management's response.
- e. Annually — ensure University management has secured property and liability insurance coverage. Report insurance coverage to the Board.

## FIRST NATIONS UNIVERSITY OF CANADA

- f. Annually – determine the maximum amount to be spent annually from endowment accounts and review report on awards and scholarships.
- g. At each committee meeting — review and recommend for Board approval quarterly financial statements.
- h. At each committee meeting – receive and review a summary of contract services.
- i. As required — review the expense report summaries of University officers and executives.
- j. As required — ensure significant accounting and financial reporting changes (including those suggested by professional and regulatory bodies) are adopted as required into the University’s accounting and financial reporting policies and procedures.
- k. As required — with University management and the auditor when necessary, review significant financial reporting issues that arise during the fiscal period (including the method by which the issues were resolved).
- l. As required — establish and maintain procedures for the receipt, retention, and treatment of University employees’ confidential, anonymous submissions regarding questionable accounting or auditing matters.
- m. As required — review and approve all material related-party transactions.

### Risk Management Oversight

Annually, with University management:

- a. Review the University’s method of reviewing and identifying major risks in the University’s businesses, facilities and strategic directions, including the University’s risk management and evaluation process (evaluations and guidelines relating to environment, health and safety matters). When necessary, consult with and review the recommendations of the Occupational Health and Safety Committee.
- b. Review the University’s strategies and practices for assessing, managing, preventing and mitigating risks (including transfer of risk, insurance coverage and financing strategies).
- c. Review the University’s annual insurance report (including the risk retention philosophy and resulting uninsured exposure).
- d. Review the University’s loss prevention policies, risk management programs, disaster response and recovery programs, business continuity plan, and corporate liability protection programs all members of the Board.
- e. As required, recommend to the Board litigation action by FNUniv. Once litigation action is initiated, oversee the pending and ongoing litigation in order to assess potential settlement costs.

- f. Oversee governance of and receive quarterly reports on staff pension plans.
- g. As required — review and recommend to the Board management’s recommendations to enter into federation or partnership agreements, memoranda of understanding, or protocols with other educational entities.

## Meetings and Quorum

- The Finance, Audit and Risk Committee meets at least four times a year.
- The Chair of the Finance, Audit and Risk Committee or the Chair of Board may call a meeting.
- Quorum is half plus one of the voting committee members.
- The University’s Secretary to the Board records the minutes of the meeting and circulates them to the members of the committee for their comments and approval.

## Reporting Requirements

- The University’s Secretary to the Board sends the committee’s meeting minutes to the Board before the next regular Board meeting.
- The Chair of the Audit, Finance and Risk Committee (or a designate) provides an oral or written report on the outcomes of the committee meeting at the next regular meeting of the Board.