

**Secretariat**

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The following items arise from the Audit Committee meeting of May 10, 2016. They are presented to the Board of Governors for information.

**I. FOR THE INFORMATION OF THE BOARD OF GOVERNORS****1. Annual Correspondence to University Fund Managers [AD15-22]**

Following the Committee's discussion at the January 2016 meeting regarding the introduction of an annual correspondence to University Fund Managers, the administration shared with members of the Audit Committee a draft letter which will be sent annually to Fund Financial Managers (FFM) to highlight the responsibilities of the stewardship of the funds entrusted to them.

**2. Declaration of Compliance to April 30, 2016 [AD15-23]**

In accordance with the Committee's terms of reference, members received a quarterly declaration of compliance to April 30, 2016. Members were informed that the University was in compliance with all applicable laws and regulations.

**3. Report on Quarterly Financial Results for Fiscal Period Ended January 31, 2016 and Variance Reports [AD15-24]**

The Committee received a quarterly report on the financial results for the period ended on January 31, 2016 and variance reports. Also presented was a financial summary of construction projects at April 30, 2016.

**4. Tri-Agency Monitoring Review and Assessment Report [AD15-25]**

The Committee received a briefing on the preliminary report that was issued by the Tri-Agency which included their findings from their site visit on February 15-18, 2016. Next steps in this ongoing monitoring process include the release of a full-report and the establishment of a timeline for the implementation of findings.

**5. Progress Report on Internal Audits [AD15-26]**

The Committee received a progress report on internal audits which have been recently completed and those underway. Audits that were conducted and for which reports have been recently issued include those for the Academic Personnel Office and Procurement. Audits that are currently in progress include those for Secretariat, IT Project Management

and Intellectual Property. Committee members were also briefed on the status of action items from previous audits carried out by Internal Audit.

**6. Internal Audit Plan for Fiscal Year 2017** [AD15-27]

The Audit Committee, on the recommendation of the Executive Director, Internal Audit, approved the proposed audit plan for fiscal year 2017. The plan includes a more risk-based approach and a focus on administrative units reporting to the following senior administrative offices: Office of the Provost and Vice-Principal, Academic, Vice-Principal, Administration and Finance and Vice-Principal, Communications and External Relations.

**7. Annual Report on the McGill University Pension Plan** [AD15-28]

The Committee received a report on the McGill University Pension Plan for the period ended December 31, 2015. Despite the strong returns of pension plan assets in 2015, pension liabilities are anticipated to increase compared to the 2012 valuation exercise. Results of the 2015 actuarial valuation exercise are expected in the near future.

**8. Annual Report on Claims and Risk Exposure from the General Counsel**

In accordance with the terms of reference of the Audit Committee, members received an annual report on current claims and overall risk exposure. Overall, it was noted that the University risk exposure is not significant.

**9. Review of Audit Committee Terms of Reference** [AD15-29]

In accordance with the Committee's terms of reference, the Audit Committee was asked to review and recommend revisions to its terms of reference as part of the revision process. The changes highlighted to the Committee reflected modifications intended to clarify the Committee's role and responsibilities.

The Audit Committee reviewed its terms of reference and recommended revisions to the Nominating, Governance and Ethics Committee.

**10. Audit Committee Meeting Dates 2016-17** [AD15-30]

The Secretary-General presented the 2016-17 Audit Committee meeting dates.