McGILL UNIVERSITY **BOARD OF GOVERNORS**

Report of the Audit Committee
GD16-62
Board of Governors Meeting of April 27, 2017

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The following items arise from the Audit Committee meeting of May 12, 2017. They are presented to the Board of Governors for its information.

I.   FOR THE INFORMATION OF THE BOARD OF GOVERNORS

1.   Update on the Process of Call for Tender (CFT) for External Auditor Services

The Committee was informed that a call for tenders for external audit services had been issued and the results are due later this month. A recommendation resulting from a call for tenders will be presented for consideration by the Committee in the fall.

2.   Update on Tri-Agency Financial Monitoring   [AD16-20]

The Committee was informed of ongoing progress following the 2016 Tri-Agency Financial Monitoring Report. The Tri-Agency will conduct a follow-up in 2018.

3.   Declaration of Compliance to April 30, 2017   [AD16-21]

In accordance with the Committee's Terms of Reference, the Committee received a Declaration of Compliance to April 30, 2017. Members were informed that the University was in compliance with all applicable laws and regulations.

4.   Quarterly Financial Results for Fiscal Period Ended January 31, 2017   [AD16-22]

The Committee received a quarterly report on the financial results for the period ended on January 31, 2017, along with a financial summary of construction projects at April 28, 2017.

5.   Progress Report on Internal Audits   [AD16-23]

The Committee received a progress report on internal audits which have been recently completed and those underway. Members were briefed on the status of action items from previous audits carried out by Internal Audit. Audits for which reports have been recently issued include the report on the Accounts Payable Process-Financial Services and the report on Student Housing.

6.   **Internal Audit Plan for Fiscal Year 2018**   [AD16-24]

The Audit Committee, on the recommendation of the Executive Director, Internal Audit, approved the audit plan for fiscal year 2018. 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 and Vice-Principal, Administration and Finance. More specifically, the plan includes audits of Student Services, the Central Budgeting Process, IT Technology and Cloud Computing, Legal Services and McGill Queen's Press.

7.   **Overview of Policy on the Approval of Contracts and Designation**   [AD16-25]
          of Signing Authority

The Committee reviewed the draft of the Policy on the Approval of Contracts and Designation of Signing Authority. The Committee was appraised of changes introduced by the new Policy and provided input. It is anticipated that the Policy will be presented to the Committee for approval in the fall.

8.   **Annual Report on the McGill University Pension Plan**   [AD16-26]

The Committee received the annual report on the McGill University Pension Plan for the fiscal year ended December 31, 2016, as approved by the Pension Administration Committee. The Committee was apprised of the pension plan fund performance and of the actuarial valuation of the Pension Plan completed as of December 31, 2015. Members were apprised that the defined benefit minimum segment of 2.2% of pensionable earnings that was decided upon following the 2015 valuation exercise will continue. Further measures may be required to achieve stability and predictability in funding requirements.

9.   **Annual Report 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's risk exposure is not significant.

10.   **Briefing on the Information Technology Subcommittee and**   [AD16-27]
          Overview of IT Projects

The Committee received a presentation from Governor Ram Panda in his capacity as Chair of the Information Technology Subcommittee of the Building and Property Committee. Mr. Panda presented an overview on the main functions of the new IT Subcommittee and described recent activities, including the Subcommittee's approval of the R2R project, which was subsequently approved by the Board at its April 27, 2017 meeting. Committee members also received a briefing on IT projects funded by the proceeds of the bond issuance that would be developed in the coming years.

11.   **Audit Committee Meeting Dates 2017-18**   [AD16-28]

The Committee received the Audit Committee meeting dates for the 2017-18 governance year.

END
May 2017