Report of the Audit and Risk Committee

GD24-37

Board of Governors Meeting of February 6, 2025

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The following items arise from the Audit and Risk Committee meeting of January 30, 2025. They are presented to the Board of Governors for its information.

I. FOR THE INFORMATION OF THE BOARD OF GOVERNORS

1. External Audit Plan for Fiscal Year 2025 [AD24-13]

The Audit and Risk Committee approved the External Audit Plan for the year ending April 30, 2025, as presented by Deloitte LLP. Deloitte will conduct the audit in accordance with Canadian generally accepted auditing standards. Committee members reviewed new and revised standards, amendments, and proposals taking effect for Fiscal Year 2025 and beyond. The audit fees follow the fee structure approved by the Board of Governors.

2. Report on Policy on Approval of Contracts and Designation of Signing Authority [AD24-18]

The Committee received an update on the activities under the *Policy on the Approval of Contracts and Designation of Signing Authority*, which came into effect on May 1, 2021. The results for the second fiscal quarter (August 1, 2024 – October 31, 2024) were presented to the Committee indicating total compliance in the number of reports submitted.

3. Update on the Implementation of the Recommendations arising from the Internal Audit Report Concerning Asbestos at Macdonald Campus [AD24-20]

The Audit and Risk Committee received an update on the Special Task Force's response to the recommendations from the Internal Audit investigation into the events surrounding the asbestos-related closure of buildings on Macdonald Campus in Winter 2023. The update confirmed that all action items have been completed, ensuring full implementation of the audit recommendations to strengthen asbestos management and related processes across the University.

4. 2023-2024 Report from Risk Advisory and Insurance Services [AD24-16]

The Committee received the Risk Advisory and Insurance Services Annual Report for the period of May 1, 2023, to April 30, 2024. The report confirmed an approximately 4% decrease in the University's insurance premiums, including brokerage costs and fees,

reflecting continued signs of a softening market. This marks a positive shift after nearly a decade of rising premiums.

5. Progress Report on Internal Audits and Update to 2025 Plan [AD24-14]

The Audit and Risk Committee approved an amendment to the Internal Audit Plan for Fiscal Year 2025, adding three new engagements, including a management request for advisory services. The Committee reviewed progress on ongoing and recently completed internal audits and received an update on the status of action items from previous audits.

6. Annual Cybersecurity Report [AD24-15]

The Audit and Risk Committee reviewed the Annual Cybersecurity Report, which highlighted the following key priorities for 2025: modernizing McGill's approach to cybersecurity, developing risk-focused metrics and enhancing operational efficiency. Additionally, the Committee reviewed the CGI Security Assessment Summary, which indicated an overall medium level of IT maturity across key areas, including Cybersecurity, Business Continuity, IT Governance, and Business Applications Tooling. Furthermore, the Committee engaged in discussions on the evolving global cybersecurity landscape for 2024, alongside the year's operational highlights at McGill, including notable events.

7. Other Updates and Reports

- Review of Audit and Risk Committee Terms of Reference [AD24-12]
- Declaration of Compliance for period ended December 31, 2024 [AD24-17]
- Report on Quarterly Financial Results for Fiscal Period Ended October 31, 2024, and Variance Report [AD24-19]

END

February 2025