Report of the Audit and Risk Committee
Part II GD24-59

Board of Governors Meeting of May 22, 2025

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The following items arise from the Audit and Risk Committee meeting of May 9, 2025. They are presented to the Board of Governors for its consideration.

I. FOR DECISION BY THE BOARD OF GOVERNORS

1. Declaration of Compliance to the Quebec Treasury Board [AD24-34]

The Audit and Risk Committee considered a recommendation to approve, and recommend for approval by the Board of Governors, the signature and submission of the annual declaration to the Quebec Treasury Board Secretariat ("QTB") for FY2025 in which the University declares that it has complied with the relevant reporting obligations relating to public procurement contracts governed by the *Act respecting contracting by public bodies and its regulations* ("Act"). McGill's Policy on the Approval of Contracts and Designation of Signing Authority provides that the Board of Governors is responsible for the annual signing of the declaration of compliance which must be submitted to the QTB no later than June 30 of each year. The scope and form of the declaration is prescribed by a mandatory template appended as Annexe 3 to the QTB's *Directive de Reddition de Comptes en gestion contractuelle des organisme publics* ("Directive"). As the title of the Directive implies, the scope of the declaration focuses on the University's compliance with "reporting requirements" under the Act. Most notably, these reporting requirements concern:

1. The filing of governmental forms documenting certain specific decisions in relation to procurement contracting processes, attesting to the accountability of the University's executives; and
2. The publishing of predefined contract information on the government's public contract website (SEAO).

Following review and discussion, the Audit and Risk Committee approved and recommended for approval, the signature and submission of the *Annex 3 Déclaration du Dirigeant de l'Organisme* for FY2024 attached as Appendix A.

Be it resolved that the Board of Governors, on the recommendation of the Audit and Risk Committee, authorize the Vice-President (Administration and Finance) to sign Annex 3 of the Directive concernant la reddition de comptes en gestion contractuelle des organismes publics *and any related documents, on behalf of the Board of Governors.*

Be it further resolved that the Board of Governors, on the recommendation of the Audit and Risk Committee, approve the submission of a declaration of compliance to the Quebec Treasury Board in the form of Annex 3 of the Directive concernant la reddition de comptes en gestion contractuelle des organismes publics.

II. FOR THE INFORMATION OF THE BOARD OF GOVERNORS

1. Progress Report on Internal Audit Engagements [AD24-23]

The Committee received a progress report on internal audits which had been recently completed or are still ongoing. Members were also briefed on the status of action items from previous audits carried out by Internal Audit and the internal audit plan for FY2024.

2. Internal Audit Engagement Plan for Fiscal Year 2026 [AD24-24]

The Audit and Risk Committee reviewed and approved the Internal Audit Engagement Plan for Fiscal Year 2026 subject to the clarifications and considerations raised during its discussion. The engagements include reviews of infrastructure project risk, IT security, and the governance of the Faculty Club, as well as a follow-up on the development of a collusion and corruption risk management framework.

During its discussion, the Committee suggested the addition of two further engagements to the FY2026 Plan: one assurance mandate on the accreditation and certification process for academic programs, and one advisory mandate on human resources practices related to workforce transformation. A third proposed topic, Horizon McGill financial delivery, was merged into an existing assurance engagement. With these additions, the FY2026 Internal Audit Engagement Plan now includes a total of 14 engagements: 9 assurance and 5 advisory. Internal Audit will present an updated version of the plan in fall 2025, following further consultation and reassessment of risk priorities.

3. Annual Report on Policy on the Disclosure of Wrongdoing [AD24-28]

The Audit and Risk Committee received, for information, the annual report on the Policy on the Disclosure of Wrongdoing, covering the period from April 1 to November 29, 2024. This marks the final reporting cycle under the University's internal disclosure framework, following amendments to Quebec's whistleblowing legislation that came into effect on November 30, 2024.

As of that date, public bodies, including McGill, are no longer responsible for receiving disclosures internally. The University's Policy has been suspended pending formal repeal, and future disclosures under the Act must be submitted directly to the Public Protector of Quebec (*Protecteur du citoyen*). The role of Designated Officer has been replaced by that of Ethics and Integrity Officer, a function now assumed by the Secretary-General.

During the reporting period, one disclosure was received and investigated. The matter was assessed as falling outside the scope of the Policy, as it was made for personal reasons rather than in the public interest. No other actions or referrals were required. The Committee noted that this legislative change does not affect other University policies and processes relating to misconduct, discrimination, harassment, or other matters governed by separate frameworks. The Committee received the report as described herein. The full report is available upon request.

4. Declaration of Compliance for the period ended April 30, 2025 [AD24-29]

In accordance with its Terms of Reference, the Audit and Risk Committee received the Declaration of Compliance for the period ended April 30, 2025. The Declaration, which included signed reports by the responsible senior administrators, generally confirmed the University's compliance with applicable laws and regulations.

5. Renewal of Delegation of Authority Concerning Non-Audit Services For FY2026 [AD24-35]

The Audit and Risk Committee approved, on the recommendation of its Chair, a delegation authorizing the Vice-President (Administration and Finance) to approve, for fiscal year 2026, the submission of proposals from the University's external auditor for the provision of specialized services other than those related to the auditing of the financial statements ("non-audit services" or "NAS") subject to the following ratio requirements below, and on the condition that (i) the fees for such do not exceed $100,000, excluding taxes, per proposal, and (ii) the non-audit services do not require an audit opinion:

- Ratio of Audit fees and audit related fees to Total Fees must exceed 0.5
- Ratio of Audit fees and tax compliance to NAS fees must exceed 1.0
- Ratio of Audit fees and audit related to Tax Compliance and NAS fees must exceed 1.0

6. Other Updates and Reports

- Climate Risk Assessment [AD24-21]
- Audit and Risk Committee Meeting Dates 2025-2026/2026-2027 [AD24-27]
- Report on Authorized Contracts over $6 million for FY2025 [AD24-30]
- Report on the Delegation of Authority and Approval of Contracts [AD24-31]
  Report on FY2025 Q3 for and Variance Report [AD24-32]
- Confirmation of approval of University's Annual Corruption and Collusion Risk Management Plan required by Quebec Treasury Board [AD24-33]
- Campus Update Verbal Update

END
May 2025

DÉCLARATION DU DIRIGEANT DE L'ORGANISME PUBLIC SUR LA FIABILITÉ DES DONNÉES ET DES CONTRÔLES

Université McGill

Au Secrétariat du Conseil du trésor,

Les renseignements transmis au Secrétariat du Conseil du trésor et les informations publiées dans le système électronique d'appel d'offres conformément à la Loi sur les contrats des organismes publics (RLRQ, chapitre C-65.1) ou aux règlements, politiques et directives pris en vertu de cette loi sont sous ma responsabilité. La présente déclaration atteste de la fiabilité des données, de l'information et des explications qui y sont présentées.

Le 1er juillet 2015, l'Université McGill s'est doté de lignes de conduite pour une meilleure gestion des processus contractuels, tel que requis par l'article 24 de la Directive concernant la gestion des contrats d'approvisionnement, de services et de travaux de construction des organismes publics. La dernière mise à jour des lignes internes a eu lieu le 7 mars 2025.

Le 30 avril 2025, l'Université McGill a adopté son plan de gestion des risques en matière de corruption et de collusion dans les processus de gestion contractuelle, tel que requis par l'article 4 de la Directive concernant la gestion des risques en matière de corruption et de collusion dans les processus de gestion contractuelle.

Au cours de la période du 1er avril 2024 au 31 mars 2025, j'ai maintenu des systèmes d'information et des mesures de contrôle fiables de manière à assurer l'intégrité et le respect de la conformité, en matière de gestion contractuelle, conformément à la Loi sur les contrats des organismes publics de même qu'aux règlements, politiques et directives prises en vertu de cette loi.

Je déclare exercer les fonctions de dirigeant de l'organisme conformément au 2e alinéa de l'article 8 de la Loi sur les contrats des organismes publics.

Je déclare, au mieux de mes connaissances et en toute bonne foi, que toute l'information requise a été transmise au Secrétariat du Conseil du trésor, conformément à la Directive concernant la reddition de comptes en gestion contractuelle des organismes publics, et que celle-ci ainsi que les informations publiées dans le système électronique d'appel d'offres pour la période du 1er avril 2024 au 31 mars 2025 sont fiables.

_____
Fabrice Labeau
Signataire délégué par le Conseil des Gouverneurs
Signé en date du _____, à Montréal