Approval Date: 06-24-2026

Effective Date: 06-24-2026

Review Date: 06-24-2031

Supersedes: 02-25-2026

Terms of Reference
Audit and Finance Committee

The Board of Regents shall appoint an Audit and Finance Committee in accordance with the following terms:

Mandate

The Audit and Finance Committee will provide assistance to the Board in fulfilling its legal, financial, and fiduciary obligations in relation to oversight, reporting, and enterprise risk management. This includes the oversight of a strategic approach to the investing of available funds and consistent monitoring of the institution's financial status.

The Committee will ensure that a proactive approach to monitor trends, initiatives, and developments within the areas of audit and finance is taken.

Responsibilities

Audit

1. To ensure the University's cooperation with the external auditor, whether the Auditor General or an external auditor appointed under the *Memorial University Act*, facilitating a transparent and comprehensive audit process that meets statutory requirements.
2. To recommend engaging audit specialists as needed.
3. To monitor the application of accounting principles and practices, advising the Board where weaknesses exist and recommending remediation.
4. To establish and monitor, on behalf of the Board of Regents, the internal audit function for the University, assure its independence and to ensure the adequacy of internal control systems and that the University Internal Auditor has direct access to the Committee meetings through in-camera sessions, as needed. To undertake all other responsibilities as prescribed for the Committee in the Memorial University of Newfoundland Internal Audit Activity Charter, including reviewing and approving the annual internal audit plan. The Internal Audit Activity Charter is attached to these Terms of Reference. Members of the Administration will abstain from voting on any motions related to the internal audit activities.
5. To review and recommend to the Board approval of the statement of risk appetite as articulated by the Administration.

6. To review the University's risk profile and to continually assess the robustness of risk management practices.
7. To assess the annual internal audit priorities using a risk-based approach.
8. To ensure statutory compliance and strategic alignment of the University's Separately Incorporated Entities.

Finance

1. Review the financial requirements of the University and its strategies and methods of meeting these requirements.
2. To provide advice to the administration on financial matters and on specific matters relating to financial exigencies.
3. To approve the budget before submission to the Board to determine whether revised budgets are necessary and to recommend accordingly to the Board.
4. To monitor the ongoing financial health of the University.
5. To monitor the financial status of specific activities or projects as the need to monitor is determined by the Board.
6. To review on behalf of the Board contracts, agreements, deeds, or other instruments involving the financial affairs of the University, which are to be presented to the Board, and to make recommendations to the Board regarding appropriate action.
7. On recommendation of the Investment Sub-Committee, recommend and/or revise for recommendation to the Board, the appointment of a custodian of the investments and changes in the custodian if deemed advisable.
8. On recommendation of the Investment Sub-Committee, recommend and or revise for recommendation to the Board the appointment of investment consultants to assist in portfolio analysis, performance evaluation, investment manager review, and such other services as required.
9. To oversee the Investment Sub-Committee and ensure its activities align with the University's financial strategies and objectives.

Composition

The Audit and Finance Committee of the Board shall be composed of:

Voting Members

1. At least four (4) members from the Board of Regents to be appointed by the Chair of the Board, who shall designate one (1) member to be Committee Chair and one (1) member to be Committee Vice-Chair. *To the extent possible, these members should have financial expertise;*
2. The Chair of the Board of Regents;
3. The President and Vice-Chancellor;
4. Provost and Vice-President (Academic).

Non-Voting Ex-officio Members

1. Executive Director, Office of the Board of Regents;
2. General Counsel;
3. Other individuals invited by the Committee Chair as necessary.

The Office of the Board of Regents will assign a non-voting secretary to the Committee.

The appointed members shall serve for two years.

Quorum

Quorum shall be a majority of voting members.

Meetings

The Committee shall normally meet in advance of each regular meeting of the Board.

Special meetings of the Committee shall be held as agreed by the Committee or as called by the Chair of the Committee or of the Board.

Delegated Authorities

- To recommend to the Board the appointment(s) and removal(s) of directors of the following Separately Incorporated Entities (SIEs):
  - Campus Childcare Inc.
  - Canadian Centre for Fisheries Innovation
  - Genesis Group Inc.
  - Memorial University Recreation Complex
- To oversee the SIEs and report to the Board on matters within the Committee's responsibilities, as necessary.
- To assume such other responsibilities as may be delegated by the Board.

Reporting and Deliverables

- Receive annually in April the Risk Management Report, which will highlight institutional and operational risk management at the university including how it is managed and mitigated; and an overview of the university's insurance portfolio for the current year.
- Receive annually in October the Protective Services Report which will include a summary of incidents on Memorial's campuses, trends; as well as emergency management events and training.
- Receive and review the audited financial statements of the University prior to presentation to the Board.
- Receive and review annually the Financial Accountability Framework report.
- Receive and review the financial performance of the University against the budget and key performance indicators, including:
  - Quarterly reports and forecasts assessing the projected financial position at year-end.

    - Approving an annual five-year financial projection to guide long-term planning and decision-making.
- Receive and review, on a quarterly basis, the performance of the investments and of the investment managers.
- Report any relevant policy and sustainability needs related to the areas of Audit and Finance to the Executive Committee for consideration.
- Receive and review Internal Audit reports prior to their provision to the Board.