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**Audit & Risk Committee Terms of Reference**

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**1. Authority**

Pursuant to Article 4.3 of the Bylaws, the Governors shall appoint annually an Audit and Risk Committee.

**2. Mandate / Purpose**

This committee adheres to the Bylaws of St. Mary's University. The Audit and Risk Committee is established to assist the Board in fulfilling its oversight responsibilities in the areas of:

- 2.1. Financial reporting and disclosure
- 2.2. Internal control systems
- 2.3. Risk management
- 2.4. Compliance with laws and regulations
- 2.5. Ethical conduct and integrity

**3. Chairperson and Membership**

3.1. The Committee shall be composed of the Chair, and at least two other Governors, the President, the Vice President of Finance & Administration, and an external member at the discretion of the Chair. All members shall be confirmed by the Board of Governors.

3.2. Core Qualifications for Committee Members

- 3.2.1. Independence
  - Members shall not be employed by the University.
  - Members shall be independent of university management to avoid conflicts of interest.
- 3.2.2. Financial Literacy
  - Members shall possess a strong understanding of financial statements, accounting principles, and audit processes.
  - At least one member must have professional accounting designation or financial expertise.
- 3.2.3. Governance Experience
  - Prior experience on boards or committees, particularly in governance, finance, or audit roles.
  - Familiarity with fiduciary responsibilities and risk oversight.

Approval Authority	Responsible Office	Effective Date	Date Last Revisited	Review Frequency
Board of Governors	Governance & Nominating Committee	December 4, 2025		Annual

#### **4. Limits on Authority**

The Committee does not have decision-making authority except where, and to the extent that, such authority has been expressly delegated or assigned by the Board in these Terms of Reference or by a resolution of the Board.

#### **5. Reliance on Management and Experts**

The Committee may enlist the assistance of any member of the University and any professional that it deems useful in its work. Prior to engaging any professional services, the Committee must obtain Board approval.

#### **6. Limitations on Committee's Duties**

In contributing to the Committee's work, each member of the Committee shall be obligated only to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. No Committee member is subject to a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Governors are subject.

#### **7. Meetings**

The Committee shall meet at least two times per year, with additional meetings scheduled as necessary. Meetings are convened by the Chair, who also sets the agenda. A record of documentation shall be kept and distributed by the Governance Officer. A quorum shall consist of a majority of members.

#### **8. Decision-Making Process**

The Committees will vote on motions with a simple majority required. The Chair shall only vote in the event of a tie. All members of this committee shall be voting members, yet the Office of the President shall have only one vote when both the President and Vice President of Finance & Administration are present. All Committee motions serve as recommendations to the Board of Governors.

#### **9. Reporting to the Board**

The chair will provide a written and/or verbal report for each Board Meeting and as required.

#### **10. Annual Work Plan**

The Committee shall develop and approve an annual work plan to be provided to the Board for information.

#### **11. Review of Terms of Reference**

The Committee shall review its Terms of Reference annually and recommend any necessary revisions to the Board of Governors for approval.