

**Policy Title:** Financial Accountability and Risk Management  
Policy Approver: Board of Governors  
Policy Holder: Board of Governors  
Category: Board Policy  
Original Date: December 2009  
Last Revised: September 2021  
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## Policy Statement

The Yukon University Board Responsibilities policy states that the Board will focus on overall direction, policy, and performance of the University. The Finance, Audit and Risk Committee assists the Board with these responsibilities as required.

## Approval Statement

With the consent of the Board of Governors and approval of the Chair of the Board of Governors, this policy is hereby deemed in effect the 24<sup>th</sup> day of September 2021.



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David Morrison  
Chair, Board of Governors

September 24, 2021

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Date

## 1. PURPOSE

The Finance, Audit and Risk Committee (“Committee”) is appointed by and assists the Board of Governors in its oversight of the finances and risk of the University through:

- financial reporting processes and confirmation of the transparency and integrity of financial reports;
- investment of University funds in accordance with Board approved policies;
- effectiveness of the internal and external audit functions and processes;
- budgeting and financial plans;
- advising on University investments, including the Pension Plan and the Foundation;
- compliance with legal, regulatory and policy requirements; and
- achievement of its strategic direction priorities in relation to financial resources and related matters.

## 2. ACCOUNTABILITY

The Committee is established by the Board (Section 90, University Act) and is accountable to the Board through the Chair of the Committee.

## 3. MEMBERSHIP

The Committee shall consist of up to five (5) voting members of the Board of Governors and the University President.

Board members are appointed by the Board for a term of three years and may be reappointed for a further term(s) at the discretion of the Board.

Committee members will have or develop a working familiarity with finance and accounting practices and preferably at least one Committee member will have accounting or related financial management expertise.<sup>1</sup>

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<sup>1</sup> All members should be financially literate and at least one member should have accounting or related financial management expertise. Financial “literacy” signifies the ability to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement, and the ability to ask probing questions about the corporation’s financial risks and accounting. “Expertise” signifies past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background that results in the individual’s financial sophistication.

The Chair of the Committee will be appointed by the Board Chair from among the voting members of the Committee.

#### **4. MEETINGS**

The Committee will meet at least four times per year, plus one joint FARC/Pension Committee meeting. Meetings are usually held before each scheduled Board of Governor’s meeting. Meetings of the Committee are closed to the public when in-camera.

All meetings of the Committee are called by the Committee Chair at his or her discretion. The preference is for meetings to be held in person; however, business of the Committee may be conducted electronically as needed. A member participating in a meeting by such means is deemed for all purposes to be present at that meeting. If a Committee member is not able to participate in a meeting, that member can speak to the Committee Chair in advance of the meeting so that the Committee Chair can share the member’s perspective at the meeting. That member may also submit written comments or documentation to the Committee Chair or Secretary to the Board in advance of the meeting.

A majority of the members of the Committee shall form a quorum.

Every Committee meeting agenda will include an opportunity for members to declare any conflict of interest in accordance with the Board of Governors Code of Conduct policy (BOG 5.0)

The Secretary to the Board will be responsible for providing governance and administrative support to the Committee, including taking minutes at Committee meetings. Minutes of a Committee meeting will be provided to the Committee at least seven days in advance of the next regularly scheduled Committee meeting. Once approved, the minutes will be included in the consent agenda of the next Board meeting for information.

#### **5. RESPONSIBILITIES**

The Committee is responsible for overseeing the effectiveness of the following:

- (a) Financial reporting

- review, understand, approve and recommend for approval the University's annual financial statements to the Board of Governors;
  - review and approve changes in accounting policy;
  - review significant transactions for reasonableness;
  - review, understand and approve on behalf of the Board of Governors the annual financial statements for the Yukon University Pension Plan.
- meet with the external auditor to:
  - review the audit plan, including approach to evaluating internal control prior to the annual audit;
  - review the audit findings report, including the audit report;
  - monitor and assess the auditor's performance;
  - review the auditor's dealings with management and follow-up with management on any areas requiring corrective action.

(b) Internal controls:

- through discussions with management and the External Auditors, obtain reasonable assurance that Yukon University has implemented appropriate systems of internal control:
  - over financial reporting and that these systems are operating effectively;
  - to ensure compliance with its policies and procedures and that these systems are operating effectively;
  - and, to identify, monitor, mitigate and report significant financial or operational risk exposures and that these systems are operating effectively.
- receive and review regular enrolment reports, monitor trends, and in consultation with Senate, set and establish enrolment limits as required;
- review Senate decisions requiring Board approval, and specifically within this context, approve on behalf of the Board the establishment of scholarships, bursaries and other awards as may be recommended by Senate except where it decides to refer the matter to the Board for further consideration.

(c) Risk management:

- review and understand the significant risks facing the University;
- gain reasonable assurance as to the process followed in setting risk tolerances and appetites for the University in strategic direction priorities and goals, including the appropriate involvement of the Board in this process;

- oversee and gain reasonable assurance as to the University's risk management system and process, including effective processes in place to identify, monitor, report and manage material risks, and an effective and healthy risk culture;
- co-ordinate the designating of specific risks' oversight responsibility among the other Board Committees, and a process for receiving and integrating this oversight;
- receive regular reports from management on the levels of insurance coverage along with an assessment of the adequacy thereof;
- Review issues that have the potential to impact student health, safety and wellness.

(d) Investment governance:

- review, approve and monitor compliance with investment policies in relation to invested assets of the University and make recommendations for approval to the Board, as applicable;

(e) Pension governance:

- gain reasonable assurance that the pension plan is sustainable, including reviewing Actuarial reports and forecasts of pension funding positions periodically;
- review and monitor compliance with governance level pension policies, including a Statement of Investment Principles and Policies (SIPP) with risk tolerances and parameters;
- consider and consult on significant strategic or risk-related issues related to pensions, including working with the Pension Committee, and making recommendations for approval to the Board, as applicable;
- receive reports from the Pension Committee, providing input while respecting the Committee's responsibility to deal with pension investment management, selecting and monitoring advisors and managers and stewarding these funds on behalf of the beneficiaries.

(f) Budgeting and financing plans:

- review periodical budget targets, and gain reasonable assurance that the University is achieving its strategic direction priorities with regard to financial resources and related matters;
- review interim financial performance of the University on at least a quarterly basis;
- review and recommend for Board approval the University's annual operating budget and review yearly budget projections;

- review and recommend to the Board for approval, tuition fees, ancillary fees and any other mandatory fees for students;
- review the funding/financing element of the University's annual and/or multiyear capital budget;
- review the University's debt management program and policies as required;
- review and recommend to the Board new external debt obligations.

(g) compliance with legal, regulatory and policy requirements:

- on an annual basis, review :
  - a) material litigation and any other legal matters that could have a significant impact on the financial statements or the University's reputation,
  - b) compliance with applicable laws and regulations, and
  - c) conflict of interest disclosures.
- review and follow-up with management to ensure corrective action is taken for the:
  - audit reports from Government/Funding Agencies.
- review and recommend to the Board of Governors the execution of contracts which meet the criteria for Board of Governors approval under the Document Execution/Contract Signing Authority Policy approved by the Board.
  - provide oversight of the university's non-academic misconduct system and related policies and procedures to ensure they promote student health and safety.

## 6. REPORTING

The Committee will report its discussions to the Board of Governors by distributing the minutes of its meetings, and where appropriate, by oral report to the Board of Governors with respect to every major matter considered since the last meeting. All Board members shall receive a copy of the agenda and back up materials and are invited to attend any/all Committee meetings.

The Chair of the Committee will provide oral or written reports of its proceedings at the Board meeting following each meeting of Committee. If there is no action item or crucial information, written reports from the Committee can be included in the consent agenda without an oral report.

## **7. RESOURCES**

The Vice President Finance and Administration and the Director of Finance are resources to the Committee. The Executive Advisors will attend all meetings of the Committee. The Chair may, at his or her discretion, also invite guests to attend meetings as resources, as required. For greater certainty, such resources are not members of the Committee.

The Committee has the authority, with consent of the Chair of the Board of Governors, to retain professional advisors as the Committee deems necessary to carry out its duties.

## **8. POLICY REVIEW**

The Committee will review its policy annually at the first meeting of the Committee in the respective Board year and report their findings to the Board of Governors. The Board will review and recommend any proposed changes for approval.

## **9. EVALUATION**

At the discretion of the Committee Chair, the Committee may assess its own performance at any time.

Notwithstanding any Committee self-evaluation, the annual Board self-evaluation will include an assessment of the Financial Accountability and Risk Management Committee.