

**Board of Governors
AUDIT & RISK COMMITTEE**

DATE: Thursday 6 October 2022
TIME: 8:50 a.m. – 11:00 a.m., via Microsoft Teams

IN CAMERA SESSION

| | | ACTION |
|------|-----------------------|---------------|
| 8:50 | 1. Committee Convenes | Discussion |

OPEN SESSION

| | | |
|------|--|-------------|
| 9:00 | <u>Consent Agenda</u> [†] Motion: To receive for information items 2, 3 and 4 below. | Decision |
| | 2. Execution against Audit Committee Work Plan* | Information |
| | 3. Internal Audit Dashboard* | Information |
| | 4. Minutes of the 13 July 2022 Meeting* and Business Arising | Decision |

attached/to be distributed

Please convey regrets to Diana Goncalves at d3goncalves@uwaterloo.ca

30 September 2022

Sarah Willey-Thomas
Associate University Secretary

† Note: To allow the committee to complete a number of matters quickly and to devote more of its attention to major items of business, the agenda has been divided between items that are to be approved and/or received for information by consent and those that are to be presented individually for discussion and decision and/or information.

A consent agenda is not intended to prevent discussion of any matter by the committee, but items listed under the consent sections will not be discussed at the meeting unless a committee member so requests. Committee members are supplied with the appropriate documentation for each item and all items will be approved by means of one omnibus motion. The committee will then move immediately to consideration of the items on the regular agenda.

Audit & Risk Committee, Board of Governors, University of Waterloo
Execution against Work Plan

| Task | Frequency | Oct 2019 | Jan 2020 (Info Session) | Mar 2020 | Jul 2020 | Oct 2020 | Jan 2021 | Mar 2021 | Jul 2021 | Sept 2021 | Jan 2022 | Mar 2022 | Jul 2022 | Oct 2022 |
|---|--|------------------|----------------------------|------------------|------------------|------------------|----------|------------------|------------------|------------------|----------|------------------|------------------|------------------|
| Delegation of authority from Board to Board Executive Committee re: approval of audited financial statements | Annual | | | ✓ | | | | ✓ | | | | ✓ | | |
| Audited Financial Statements | Annual | | | | ✓ | | | | ✓ | | | | ✓ | |
| Appointment of External Auditors | Annual | ✓ | | | | ✓ | | | | ✓ | | | | |
| Review Litigation | Annual | | | | ✓ | | | | ✓ | | | | ✓ | |
| External Auditors Management Letter | Annual, as required | | | | ✓ ¹ | | | | ✓ ¹ | | | | | |
| Internal audit reports received | As Available | ✓ | | ✓ | N/A | N/A | | N/A | | | | ✓ | ✓ | ✓ |
| Observation Summary (IA) | Each meeting ² | ✓ | | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| in camera meetings with: external auditors internal auditors (including re: risk) management (including re: risk) committee | Each meeting ² Each meeting ² Each meeting Each meeting | ✓ ✓ ✓ ✓ | | • ✓ ✓ ✓ | ✓ ✓ ✓ ✓ | ✓ ✓ ✓ ✓ | | ✓ ✓ ✓ ✓ | ✓ ✓ ✓ ✓ | ✓ ✓ ✓ ✓ | | • ✓ ✓ ✓ | ✓ ✓ ✓ ✓ | ✓ ✓ ✓ ✓ |
| External Auditors Plan and Fees | Annual | ✓ | | | | ✓ | | | | ✓ | | | | ✓ |
| Internal Auditors Plan and Fees | Annual | | | ✓ | | | | ✓ | | | | ✓ | | |
| Statutory Compliance | Annual | ✓ | | | | • ₃ | | ✓ | | | | ✓ | | |
| Executive Insurance Policy | Annual | ✓ | | | | • ₃ | | ✓ | | ✓ | | | | ✓ |
| Services beyond approved financial audit | Each meeting | ✓ | | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | | ✓ | | |
| Report on Health, Safety and Environment Compliance | Annual | | | | ✓ | | | ✓ | | | | ✓ | | |

| Task | Frequency | Oct 2019 | Jan 2020 (Info Session) | Mar 2020 | Jul 2020 | Oct 2020 | Jan 2021 | Mar 2021 | Jul 2021 | Sept 2021 | Jan 2022 | Mar 2022 | Jul 2022 | Oct 2022 |
|---|------------------|----------|-------------------------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|
| Report on Emergency Response Framework | Annual | | • | ✓ | | | | ✓ | | | | ✓ | | |
| Institutional Risk Assessment Report | Semi-annual | ✓ | | ✓ | | | | ✓ | | ✓ | ✓ | | ✓ | |
| Review of Institutional Risk Appetite Statement | Annual | | | ✓ | | | | ✓ | | ✓ | | | | |
| Committee self-assessment | Annual | | | ✓ | | | | ✓ | | | | ✓ | | |
| Committee terms of reference (review) | Annual | ✓ | | | | ✓ | | | | ✓ | | | | ✓ |
| Annual objectives / topics | Annual | | | ✓ | | | | ✓ | | | | ✓ | | |
| Critical Services Reviews | Every five years | | | | | | | | | | | | | |

¹ No management letter for that year.

² Except January Meeting – January Meeting is for internal staff (no auditors).

³ The revised statutory compliance report will be delivered at a meeting in 2021. The insurance coverage report, which is complementary to the statutory compliance report, will be delivered at the same meeting.



The University of Waterloo

June 2022 – September 2022 internal audit dashboard as at September 29, 2022

Project status – 2021/2022 Internal audit plan

| 2021-2022 Audit plan projects | Percent complete | Est. timeframe | Report issued |
|----------------------------------|------------------|--------------------|--|
| Student Services Review | 100% | March to September | ● <input checked="" type="checkbox"/> |
| Digital Teaching and Learning | 100% | October to January | ● <input checked="" type="checkbox"/> |
| Lifecycle Learning | 100% | October to January | ● <input checked="" type="checkbox"/> |
| Health and Safety Program Review | 100% | June to September | ● <input checked="" type="checkbox"/> |

Project status – 2022/2023 Internal audit plan

| 2022-2023 Audit plan projects | Percent complete | Est. timeframe | Report issued |
|--|------------------|-----------------------|--|
| Counselling Services Audit | 100% | June to September | ● <input checked="" type="checkbox"/> |
| Payroll System Audit | 20% | September to December | ● <input type="checkbox"/> |
| Third Party Vendor Management Compliance Audit | 20% | January to March | ● <input type="checkbox"/> |
| Research Infrastructure ¹ | 0% | TBD | ● <input type="checkbox"/> |

Legend: ● On track ● Deferred ● Delayed ● Not Started

Comments

¹Research Infrastructure review was determined with consideration to the institution’s risk environment and objectives as the fourth project to be completed by Internal Audit for FY 22/23.

Upcoming activities September 2022 to January 2023

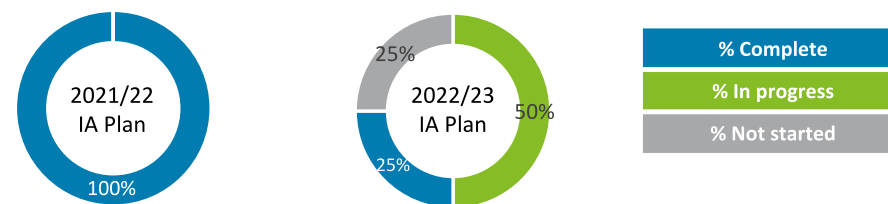
- Commence fieldwork activities for Payroll Systems Audit
- Commence fieldwork activities for Third Party Vendor Compliance Audit
- Commence planning activities for Research Infrastructure Review

Other activities

- Observation follow-ups and validation (quarterly)
- Monthly meetings with management to discuss projects and progress of IA plan
- Internal Audit Plan refresh

Project status – 2022/2023 Internal audit plan

% Completion of 2021-22 and 2022-23 Internal Audit Plans



| Internal Audit Reporting | Draft (days) | Management comment (days) | Issue final to Management (days) | Issue final Audit Committee (days) |
|--------------------------|--------------|---------------------------|----------------------------------|------------------------------------|
| Objective | 7 | 14 | 10 | 24 |
| Performance | 2 | 18 | 3 | 26 |

Board of Governors
AUDIT & RISK COMMITTEE
Minutes of the Wednesday 13 July 2022 Meeting
[in agenda order]

Present: Teresa Fortney, Russell Hiscock (chair), John Saabas

Regrets: Nyla Ahmad, Michael Ashmore, Kevin Strain

Secretariat: Diana Goncalves, Sarah Willey-Thomas

Guests/Resources: Carson Brett, Vivek Goel, Sarah Hadley (6), Patricia Hancock (6), Blaine Hertzberger, Dennis Huber, Karen Jack, Alice Raynard, Aneesa Ruffudeen, James Rush

Organization of Meeting: Russell Hiscock took the chair and Sarah Willey-Thomas acted as secretary. The secretary advised that a quorum was not present. The meeting continued informally with ratification of motions to take place electronically after the meeting.

OPEN SESSION

There was a motion to approve item 2 and receive items 3 and 4 for information. Hiscock and Fortney. Approved via electronic vote following the meeting.

2. MINUTES OF 10 MARCH 2022 AND BUSINESS ARISING

The minutes were reviewed as distributed. There was no business arising. Hiscock and Strain. Approved via electronic vote following the meeting.

3. EXECUTION AGAINST AUDIT & RISK COMMITTEE WORK PLAN

The execution against the audit committee work plan was received for information.

4. INTERNAL AUDIT DASHBOARD

The internal audit dashboard was received for information.

With no further business in open session, the committee convened in confidential session.

14 July 2022

Sarah Willey-Thomas
Associate University Secretary