

POLICY 2.5 - Retention of Consultants: Audit, Accounting and Tax

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| Policy Category: | Financial |
| Subject: | Retention of Consultants: Audit, Accounting and Tax |
| Approving Authority: | Board of Governors |
| Responsible Officer: | Vice-President (Operations & Finance) |
| Responsible Office: | Financial Services |
| Related Procedures: | Procedures Related to Retention of Consultants: Audit, Accounting and Tax |
| Related University Policies: | N/A |
| Effective Date: | January 24, 2020 |
| Revised: | September 26, 2006, September 20, 2004 |

I. PURPOSE

The purpose of the policy is to define the responsibilities and accountabilities associated with the retention of consultants for audit, accounting and tax services.

II. DEFINITIONS

Non-Audit Services: Audit, accounting or tax services that are outside the scope of the annual financial statement audit of the University or its subsidiaries and related entities.

Prohibited Services: Audit, accounting or tax services that cannot be provided by the University's external auditor as they have been determined to be prohibited by the CPA Code of Professional Conduct for the Chartered Professional Accountants of Ontario, as amended from time to time.

External Auditor: The Auditor appointed annually by the Board of Governors for the University and/or Board of Directors of the related entities.

III. POLICY

- 1.0 The University and its subsidiaries and related entities engage External Auditors to audit their annual financial statements. The external audit fee is approved by the Audit Committee on behalf of the Board of Governors and/or Boards of Directors of the subsidiary and related entities.
- 2.0 During the course of the day-to-day business of the University or its subsidiary and related entities, audit, accounting and tax issues may arise requiring the advice of external consultants. The University or its subsidiaries and related entities may engage its External Auditor to perform Non-Audit Services.

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- 3.0 The University or its subsidiary and/or related entities shall not engage its External Auditor to carry out any Prohibited Service(s).
- 4.0 The Audit Committee will approve a list of Non-Audit Services that are preapproved to commence with the External Auditor. Periodically, the Audit Committee will review the list and preapprove services that are recurring or otherwise reasonably expected to be provided. The preapproved list is located in Appendix 1 of the Procedures related to this policy.
- 5.0 Non-Audit Services falling outside of the preapproved list shall be addressed in accordance with the Procedures related to this policy.
- 6.0 The Audit Committee will be informed annually of the Non-Audit Services for which the University's External Auditor has been actually engaged.