

<b>Number:</b>	FIN-311
<b>Title:</b>	External Audit
<b>Person responsible for enforcement:</b>	Vice-Rector, Administration
<b>Entered into force:</b>	April 25, 2018
<b>Approved:</b>	April 25, 2018 by the Board of Governors <i>This document replaces all previous regulations on this subject.</i>
<b>Exception:</b>	No exception to this regulation without prior written authorization from the Board of Governors

*In this document, the masculine form is used without prejudice and for conciseness purposes only.*

## 1. Objective

This regulation defines the operating framework for conducting external audits.

## 2. Definition

An audit is an official inspection of an organization's financial statements or other financial information, typically performed by a professional accountant independent of the organization being audited.

## 3. Regulation

### 3.1 Selection of external auditor

The selection of the external auditor is part of the hiring or reappointment process. Thus, the University strives to obtain the quality of services to which it is entitled and to prevent any problems related to the various aspects of the external auditor's work or to his independence from the University's administration.

3.1.1 When mandated by the Board of Governors, the Audit Committee will issue a call for tender for external professional audit services with the following mandate:

- develop the terms of reference for a tender invitation;
- issue a tender invitation to at least three (3) recognized, accredited firms of auditors;
- evaluate the bids received;
- recommend an external auditor to the Board of Governors.

3.1.2 The selection of the external auditor is made no later than the regular meeting following the approval of the financial statements for the previous fiscal year.

3.1.3 The University is not required to select the lowest bid and will choose based on the following criteria:

- knowledge of the statutes and regulations related mainly to universities;
- quality and allocation of human resources available to perform the assigned mandate;
- ability to provide services in both official languages;
- experience in auditing the financial statements of universities and/or other public or parapublic agencies;
- methods of work and value of proposed samplings;
- relevance and accuracy of bids submitted;
- proposed costs for fulfilling the mandate.

### 3.2 Annual assessment of external auditor

- 3.2.1 Each year, once the auditor's report is filed, the Audit Committee is mandated to:
- assess the external auditor's work;
  - recommend the renewal or non-renewal of the external auditor's mandate to the Board of Governors.
- 3.2.2 The assessment of the external auditor's work is based on the following criteria:
- knowledge of the statutes and regulations primarily related to universities;
  - the ability to meet deadlines and take into account the constraints of the University in achieving the overall activities relating to the audit;
  - quality and quantity of human resources used to execute its mandate;
  - methods of work and value of samplings used;
  - flexibility and availability;
  - competence, discretion and ease of communication of staff assigned to the audit;
  - clarity of presentations and quality of reports;
  - cost required to perform the audit mandate.

### 3.3 Duration and periodic renewal of mandate

The external auditor's mandate is for a term of three (3) years. It may be renewed, subject to the assessment of the auditor's work by the Board of Governors, for a term not exceeding three (3) years without a call for tender.

### 3.4 Restrictions

Persons who cannot act as the University's external auditor:

- a. a member of the Board of Governors;
- b. a member of the University staff;
- c. a person who is related to or is dependent on a person in article a. or b.;
- d. a person who, during the fiscal year in which the audit is conducted, has, directly or indirectly, personally or through an associate somewhere, any interest or commission in a contract with the University or in relation to such a contract, or who derives any benefit from such a contract, unless his connection with the contract arises from the practice of his profession as an auditor.