

# Audit Committee

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## TERMS OF REFERENCE

Approved by the Board of Governors: October 30, 2024;  
revised June 17, 2025

CÉGEP HERITAGE COLLEGE | 325 CITÉ DES JEUNES BOULEVARD, GATINEAU (QC) J8Y 6T3

## CREATION

In accordance with the Board of Governors Charter, the Board “*may establish any other board committee it deems necessary or advisable.*” The present Terms of Reference define the internal governance of the Audit Committee (hereinafter referred to as the Committee) which include but is not limited to the composition, the jurisdiction and exercise of powers, and the rules of operation.

## COMPOSITION

### Members

The Committee shall comprise of three (3) members appointed by the Board of Governors from among those Board members who do not form part of the student body of the College.

The Director General and Director of Procurement and Financial Services shall serve as non-voting members of the committee, attending meetings to provide information and guidance, as required. They do not form part of the quorum and do not participate in decision making.

## VACANCY

Any member of the Committee may resign by informing the Secretary General in writing. The resignation shall take effect on the day it is received by the Secretary General or as specified in the notice.

In the event of a vacancy, the Board of Governors must proceed with the election of a replacement to take office until the end of the mandate of the current committee at the first regular meeting of the Board of Governors following the vacancy.

Notwithstanding any vacancy, the members of the Committee remaining in office may continue to act, as long as quorum can be met.

## TERM OF OFFICE

Members of the Committee shall serve for one (1) fiscal year.

## ELECTIONS

Elections of the Committee members shall be held at the at the last regular Board of Governors meeting of each fiscal year.

## COMMITTEE CHAIR AND SECRETARY

The Chair of the Committee is to be determined by the Committee members immediately following their appointment at the last regular Board meeting of each fiscal year. In the event of the Chair's incapacity to preside a meeting, the two (2) remaining members may hold the meeting to transact the Committee business.

The Secretary General shall serve as Secretary to the Committee but shall have no voice nor voting privileges.

## JURISDICTION AND POWERS

The Committee:

- a) Is provided timely quarterly financial updates for review and discussion during a Committee meeting;
- b) The Director of Procurement and Financial Services will provide a timely quarterly financial update to the Board of Governors and the Committee may highlight areas of concern requiring further discussion at the Board;
- c) Recommends to the Board of Governors the appointment of an External Auditor from among the members of the professional order of accountants governed by the Professional Code (chapter C-26)<sup>1</sup>;
- d) Ensures that the external auditing of the annual financial report is carried out in accordance with the requirements of the Ministry and the generally recognized auditing standards of the Public Sector Accounting Board;
- e) Meets with the external auditor, usually twice a year to review the financial statements and auditor's report, together with the auditor's observations and recommendations on internal controls;
- f) Performs a review of the College's financial statements;
- g) Makes recommendations to the Board concerning the annual financial reports, the auditor's report and, if appropriate, the College's internal control and practices.

## OVERSIGHT AND ADVICE

- a) The Committee informs itself on an ongoing basis regarding audit matters through reports provided by the Director General, the Director of Procurement and Financial Services and other sector resources.
- b) In financial activities which fall under the authority of the Director General and the Director of Procurement and Financial Services, the Committee considers and evaluates the general manner in which they are conducted.
- c) In such activities the Committee may contribute advice, including its sense of the College Community interest, in regard to how the College can best fulfil its responsibilities.

## MEETINGS

Committee meetings are not public.

### Regular Meetings

The Committee shall convene meetings one (1) week following the submission of the quarterly report to the Ministry. The Committee Chair may determine the time at which regular meetings are held.

Notice shall be given in the form of electronic calendar invitations which shall include the date, time and location of the meeting.

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<sup>1</sup> Article 26.3 of the Act. Refer to [Annex II – Process for the Selection, Appointment, and Yearly Evaluation of the External Auditor](#) and [Annex III – Selection Criteria for the External Auditor](#).

### **Special Meetings**

The Committee Chair may call a special meeting. Notice of any special meeting shall be given by electronic means which shall include the date, time and location of the meeting at least twenty-four (24) hours before the meeting by the Secretary General.

### **Location**

Committee meetings are usually held at the corporate seat of the College unless the Chair decides otherwise.

A regular or special meeting of the Committee may take place by electronic means provided that:

- a) All participants are able to communicate with each other at the same time;
- b) *Mutatis mutandis*, all other provisions contained in the Terms of Reference regarding the notice of meetings, voting and the conduct of Committee meetings have been observed.

### **Quorum**

Quorum for Committee meetings shall constitute a simple majority of the total number of members which must include the Committee Chair. The Director General and Director of Procurement and Financial Services do not form part of the quorum.

### **Attendance by Persons Other Than Committee Members**

The Committee Chair may invite resource persons to attend Committee meetings in an advisory or informational capacity with respect to an item on the agenda.

The Committee Chair may also invite guests to attend a Committee meeting.

### ***In Camera* Sessions**

At the request of two (2) members, the Committee may vote to hold a meeting, in whole or in part, *in camera*.

When Article 12 of the *Act* is invoked, however, the meeting automatically moves *in camera* after employee members have had the opportunity to present their views and have withdrawn from the meeting.

When the meeting sits *in camera*, the Committee Chair must ensure that only authorized individuals are present. These individuals are then required to maintain the confidentiality of the debate. The minutes will report only the Committee's decisions, where applicable.

Notwithstanding, the Committee Chair may invite a person who is not a member of the Committee to attend all, or part of, an *in camera* session.

## **AGENDA OF REGULAR MEETINGS**

In collaboration with the Director General and the Director of Procurement and Financial Services, the Secretary General shall draft the agenda, resolutions and other material for the review of the Committee Chair. Upon approval by the Chair, the Secretary General shall forward to each member of the Committee at least five (5) working days prior to a meeting a written notice of meeting, including the time, date and location, a proposed agenda, and pertinent documents.

During a regular Committee meeting, only those items appearing in the proposed agenda may be dealt with. Additional items may be proposed during the approval of the agenda if the Board Chair deems said items to be of an urgent nature.

## DECISIONS

Decisions of the Committee are taken by a simple majority of votes by the members present unless specified otherwise. Voting shall be by show of hands.

A ruling by the Committee Chair to the effect that a resolution has been adopted or defeated and which is recorded as such in the minutes constitutes *prima facie* evidence of the adoption or defeat of such resolution without requiring evidence of the details and numerical results of votes registered.

### Abstentions

An abstention shall be deemed to be a refusal to express an opinion and not a negative vote. Abstentions shall not be taken into account when calculating the simple majority.

### Recording of Dissent

Any Committee member present at a meeting shall be entitled to have their dissent recorded in the minutes.

## MEETING MINUTES

The Secretary General will record and keep minutes of each meeting of the Committee which shall include:

- the date, location and opening and closing times of the meeting;
- the names of all members, their designations and notations regarding their attendance;
- the names of guests and their affiliations;
- a declaration of quorum;
- all proposals considered at the meeting;
- the result of all votes; and
- all decisions reached by general consensus.

The Committee Chair is exempted from reading the minutes before their adoption, providing that a copy was sent to each member at least five (5) working days preceding the day of the meeting.

The approved minutes shall be signed by the Chair and the Secretary General.

## MEETING PROCEDURES

All Committee meetings shall be carried out in accordance with *Robert's Rules of Order Newly Revised*<sup>2</sup>.

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<sup>2</sup> Refer to [Annex I – Robert's Rules of Order Newly Revised](#).

## **REPORT TO THE BOARD**

The minutes of each meeting of the Committee shall be forwarded to Board members as information in the subsequent Board meeting package by the Secretary General.

## **RECORDS**

The Board of Governors Charter provides that the Committee shall ensure that minutes are kept, recording the resolutions and proceedings of all meetings, as well as supporting meeting documents. Such records shall be kept in the custody of the Secretary General.

## **REVISIONS**

The Committee shall review the Terms of Reference and submit any amendments to the Board of Governors for approval every three (3) years.

## Annex I – Robert's Rules of Order Newly Revised<sup>3</sup>

### Robert's Rules of Order Motions Chart

**Part 1, Main Motions.** These motions are listed in order of precedence. A motion can be introduced if it is higher on the chart than the pending motion.  
§ indicates the section from Robert's Rules.

§	PURPOSE:	YOU SAY:	INTERRUPT?	2ND?	DEBATE?	AMEND?	VOTE?
§21	Close meeting	I move to adjourn	No	Yes	No	No	Majority
§20	Take break	I move to recess for ...	No	Yes	No	Yes	Majority
§19	Register complaint	I rise to a question of privilege	Yes	No	No	No	None
§18	Make follow agenda	I call for the orders of the day	Yes	No	No	No	None
§17	Lay aside temporarily	I move to lay the question on the table	No	Yes	No	No	Majority
§16	Close debate	I move the previous question	No	Yes	No	No	2/3
§15	Limit or extend debate	I move that debate be limited to ...	No	Yes	No	Yes	2/3
§14	Postpone to a certain time	I move to postpone the motion to ...	No	Yes	Yes	Yes	Majority
§13	Refer to committee	I move to refer the motion to ...	No	Yes	Yes	Yes	Majority
§12	Modify wording of motion	I move to amend the motion by ...	No	Yes	Yes	Yes	Majority
§11	Kill main motion	I move that the motion be postponed indefinitely	No	Yes	Yes	No	Majority
§10	Bring business before assembly (a main motion)	I move that [or "to"] ...	No	Yes	Yes	Yes	Majority

**Part 2, Incidental Motions.** No order of precedence. These motions arise incidentally and are decided immediately.

§	PURPOSE:	YOU SAY:	INTERRUPT?	2ND?	DEBATE?	AMEND?	VOTE?
§23	Enforce rules	Point of Order	Yes	No	No	No	None
§24	Submit matter to assembly	I appeal from the decision of the chair	Yes	Yes	Varies	No	Majority
§25	Suspend rules	I move to suspend the rules	No	Yes	No	No	2/3
§26	Avoid main motion altogether	I object to the consideration of the question	Yes	No	No	No	2/3
§27	Divide motion	I move to divide the question	No	Yes	No	Yes	Majority
§29	Demand a rising vote	I move for a rising vote	Yes	No	No	No	None
§33	Parliamentary law question	Parliamentary Inquiry	Yes if urgent	No	No	No	None
§33	Request for information	Point of Information	Yes if urgent	No	No	No	None

**Part 3, Motions That Bring a Question Again Before the Assembly.**

No order of precedence. Introduce only when nothing else is pending.

§	PURPOSE:	YOU SAY:	INTERRUPT?	2ND?	DEBATE?	AMEND?	VOTE?
§34	Take matter from table	I move to take from the table ...	No	Yes	No	No	Majority
§35	Cancel previous action	I move to rescind ...	No	Yes	Yes	Yes	2/3 or Majority with notice
§37	Reconsider motion	I move to reconsider ...	No	Yes	Varies	No	Majority

<sup>3</sup> <https://robertsrules.org/motions.html>.

## **Annex II – Process for the Selection, Appointment, and Yearly Evaluation of the External Auditor**

### **Selection Process**

As defined in the CÉGEP Heritage College Policy #1 Concerning Financial Management, at least every five (5) years the Committee supervises the selection process and makes a recommendation to the Board of Governors regarding the hiring of the External Auditor. The process for the selection of the External Auditor includes:

1. The preparation of the contract conditions governing a call for tenders by invitation as provided by the [\*Act respecting contracting by public bodies \(CQLR c C-65.1\)\*](#).
2. The invitation of tenders from at least three (3) firms of authorized and recognized auditors (CPA) in accordance with Articles 26.3 and 26.4 of the *General and Vocational Colleges Act*.
3. Maintaining the cost of this exercise at a reasonable level, taking into account market prices.
4. The development of the selection criteria to be used (refer to [\*Annex III – Selection Criteria for the External Auditor\*](#)). The evaluation of the proposals received.

### **Appointment**

The Committee recommendation to the Board of Governors regarding the hiring of the External Auditor is to be based on the results of said evaluation prepared by the Director of Procurement and Financial Services. The Board of Governors appoints the External Auditor, in accordance with Article 2.4.5.13 of By-law #1 Concerning the General Administration of the College.

### **Contract Duration and Renewal of Mandate**

In accordance with the *Regulation respecting service contracts of public bodies (CQLR c C-65.1, r 4)*, the duration of the mandate of the External Auditor is one (1) year and is renewable annually in accordance with the provisions of the Yearly Evaluation and without calling for tenders, for a period not exceeding five (5) consecutive fiscal years.

### **Yearly Evaluation**

Each year, following receipt of the External Auditor's report on the financial status of the College, the Committee supervises the evaluation of the work of the External Auditor prepared by the Director of Procurement and Financial Services.

Using the results of said evaluation and other factors as determined by the Committee, the Committee recommends to the Board of Governors the renewal or non-renewal of the mandate of the External Auditor.



## Annex III – Selection Criteria for the External Auditor

### Criterion 1: Professional Experience, Support and Succession Capacity

#### A. PROFESSIONAL EXPERIENCE

The service provider must demonstrate that it has the profile to provide the services expected as part of an independent audit for a public body in the Education network.

The service provider must submit the following documents:

- a brief presentation of the company (include turnover over the last five (5) years and mention at least three (3) major contracts awarded)
- at least two (2) audit mandates in the Quebec public college network, including at least one (1) in a college and at least one (1) audit mandate for a foundation, for the same period.

The bidder must provide the list, indicating the name of the organization, the date of execution for the period and the number of times they have performed audits of financial statements in the following sectors:

- experience in the CÉGEP network
- experience in other educational institutions
- experience in school boards
- experience in Foundations

#### B. SUPPORT

The service provider must demonstrate the ability to support a maximum of 50 hours included in the present tender in order to rule on the interpretations of the various accounting standards likely to have a significant influence on the progress of the mandate. In particular, the Cégep may submit its hypotheses and interpretations of the standards for alignment and validation of the auditor's comfort level with them in a spirit of collaboration.

#### C. SUCCESSION CAPACITY

The service provider must demonstrate its ability to provide back-up in the event of the absence or unavailability of members of the proposed team of auditors.

To this end, the Service Provider shall submit with its tender, the firm's organization chart as well as the number of employees for each category of personnel in order to prove that it has the required back-up capacity.

### Criterion 2: Staff Qualifications

- A. The service provider must propose an experienced team whose qualifications are appropriate to ensure the success of the assignment. The service provider must appoint the required and proposed personnel to carry out the mandate, as follows.
- The partner and manager assigned to the mandate must be members in good standing of the *“Ordre des comptables professionnels agréés (CPA) du Québec”*.

- The partner, the manager and the person in charge of the audit on site must have completed at least two (2) audits in the public college network in Quebec over the past five (5) years, including at least one in a college.
- One (1) of the team members must have audited a foundation.
- All team members must be bilingual, English/French.

For each team member assigned to the contract, the service provider must provide the following information relating to the assignments carried out:

- the name of the College where the assignment was carried out;
- the start and end dates of the assignment.
- Detailed curriculum vitae demonstrating the experience required for this call for tenders:
  - The partner assigned to the mandate (with at least eight [8] years' experience as an auditor).
  - The mandate director (with at least five [5] years' experience as an auditor).
  - The first person in charge of the on-site mandate (with at least three [3] years' experience as an auditor).
  - any additional team members assigned to the project (including the project manager, if other than one of the team members)

Experience in auditing a government body, such as a school board or hospital, is an asset.

- B. The service provider must describe the resources, planning and work carried out for the most recent audit that the firm conducted at a public college in Quebec's education network.

### **Criterion 3: Audit Strategy**

The service provider must describe its audit strategy, including the amount of materiality selected, mentioning:

- the audit approach
- the objectives
- the considerations taken into account
- the criteria used as a basis for deciding to carry out certain audit points

### **Criterion 4: Proposed Work Plan**

The service provider must describe the methodology it intends to use to carry out the mandate.

The description of the proposed work plan must be clear, deemed adequate and must include a description of the audit plan, the personnel assigned and their tasks, a timetable for the assignment and the estimated number of hours for each stage of the audit.

The service provider should address the following points:

#### **1) Detailed Budget**

- Detailed budget by activity
- detailed hours by hierarchical level
- the estimated number of hours

- the hourly rate for billable overtime, if applicable

## 2) Information on the Audit Team

- Organization chart
- detailed information on the team

## 3) Coordination with the Auditing Partners

- Accessibility to partners and technical expertise
- Compliance with fees and deadlines
- Coordination of activities with the College's schedule

<b>Mandate:      Number:</b>										
<b>PART 1</b>										
<b>QUALITY ASSESSMENT</b>	<b>Service Provider A</b>		<b>Service Provider B</b>		<b>Service Provider C</b>		<b>Service Provider D</b>		<b>Service Provider E</b>	
<b>CRITERIA</b> "Acceptable level of performance"	Level achieved		Level achieved		Level achieved		Level achieved		Level achieved	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Criteria 1: Professional Experience, Support and Succession Capacity										
Criteria 2: Qualification of Staff										
Criteria 3: Audit Strategy										
Criteria 4: Proposed Work Plan										
<i>Acceptable bids</i>										
<i>Acceptable bids are those where <b>all</b> criteria have achieved the "acceptable level of performance"</i>										
<b>PART 2</b>										
<b>PRICE EVALUATION</b>	<b>Service Provider A</b>		<b>Service Provider B</b>		<b>Service Provider C</b>		<b>Service Provider D</b>		<b>Service Provider E</b>	
<b>Price submitted*</b> (Acceptable bids only)	\$		\$		\$		\$		\$	
<b>LOWEST PRICE* (FOR AWARD PURPOSES)</b>										