

Policy Number:	1.1.1 Accounting Methods
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Relevant Statutory / Regulatory

Linkages:

Policy Statement (Intent and Scope)

King's University College (King's) will maintain its financial transactions in a manner consistent with Canadian accounting standards for not-for-profit organizations as outlined by the Chartered Professional Accountants of Canada, the requirements of the Province of Ontario, and as per any separate funding agreements. King's will employ such internal controls as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

1. Accounting records will separate out the revenues and assigned costs in a manner consistent with the Council of Ontario Universities' guidelines.
2. The financial activity of King's will be subject to an annual external audit with an April 30th year-end.

King's is committed to an audit process that is objective, effective and independent. This depends upon oversight by the Board through the Finance Committee (Audit Committee), regular competitive tendering and auditor rotation.

1. **Term of Engagement:** An audit firm will be engaged for a period not exceeding **5 years**.
2. **Assessment of Auditor Performance:** The Finance Committee (Audit Committee) will establish clear criteria to evaluate the audit firm on a yearly basis with respect to effectiveness, independence, performance, and value-add.
3. **Appointment/Reappointment Process:** The Finance Committee (Audit Committee) will undertake a competitive tender process every **5 years**, or earlier if circumstances change. Selection criteria include experience, industry expertise, performance record, and cost.
4. **Rotation of Lead Auditor:** Where the audit firm is reappointed for a second 5-year term, the lead engagement partner will rotate in order to ensure a fresh perspective.
5. **Rotation of Audit Firm:** Where the audit firm is engaged for a **second 5-year term**, there will be an automatic rotation at the **10-year** mark. In other words, the maximum continuous term for an audit firm is **10 years** to maintain independence and objectivity.
6. **Independence:** Kings will not engage the auditor for non-audit services in order to preserve independence.

Monitoring Report Requirements (Frequency, Content, etc.)

The President, or designate, will provide audited financial statements to the Finance and Investment Committee and to the Board of Directors annually and will update the Finance Committee on a quarterly basis with year to date results and variances from budgeted activities.

Annually audited statements will be undertaken by the Finance and Investment Committee and presented to the Board and at King's Annual General Meeting.

Approved at October 30, 2024 meeting of King's Board of Directors.