

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors fulfills the responsibilities of the Audit Committee as set out in the Credit Unions and Caisses Populaires Act (Ontario) (the “Act”) and conducts its affairs in accordance with the requirements of the Act and its accompanying regulations. The Audit Committee also fulfills certain other governance duties related to finance and risk management as prescribed by Board policy.

The Audit Committee, comprised of five members of the Board of Directors, held six meetings during the fiscal year ended September 30, 2023. The Committee meets at least quarterly and arranges its agenda so that, on an annual basis, the following duties are performed and appropriate action taken as a result thereof:

- Serves as the principal communication link between the external auditors and the Board of Directors and, in particular, reviews the terms of engagement and scope of the audit, and reviews the Credit Union’s annual financial statements prior to Board approval for issuance to the members.
- Obtains reasonable understanding of the significant elements of internal controls that are important to safeguarding the assets of the Credit Union, ensuring the accuracy of financial reports, and ensuring compliance with policies and procedures.
- Serves as the Board’s liaison with the internal auditor and reviews the internal audit mandate, work plan and reports.
- Reviews the policies, procedures and controls that relate to legislative compliance, with a particular focus on the requirements for liquidity, capital adequacy and interest rate risk management.

Based on its findings, the Audit Committee issues reports and makes recommendations to the Board of Directors or Senior Management, as appropriate, with respect to the matters outlined above and follows-up to ensure that the recommendations are considered and implemented. During the year, the Audit Committee received full co-operation and support from management to enable it to; complete its annual work plan, play an effective role in improving the quality of financial reporting to the Members and enhancing the overall control structure of **Your Credit Union**.

All significant recommendations made by the Audit Committee have been either implemented or are in the process of being implemented by Management. In addition, there are no matters that the Audit Committee believes should be reported to the Members, nor are there any further matters which are required to be disclosed pursuant to the Act or the Regulations thereto. The Audit Committee had the full co-operation of **YCU**’s senior leadership team. We thank them all for their dedication and commitment to ensuring **YCU** adequately monitors and protects the assets of our members. I also would like to take this opportunity to thank all the members of the committee who worked so diligently this past year to achieve so much – together.

On behalf of the Committee

**Brian Keen**

*Chair of the Audit Committee*

