REPORT OF THE AUDIT COMMITTEE

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Retirement Income Fund Financial Statements for the year ended December 31, 2012	**No**
Western Retirement Plans – Report to the Audit Committee for the year ended December 31, 2012	**No**

FOR APPROVAL

1. **Retirement Income Fund Financial Statements for the year ended December 31, 2012**

Recommended: That the Board of Governors approve the audited financial statements for the University of Western Ontario Retirement Income Funds for the calendar year 2012, as attached in **Annex 1**.

Background:

The Western Retirement Income Funds are individual retirement products administered by the university for former faculty and staff and their spouses. The program was initiated in 2000 and the investments are selected and monitored by the academic and administrative staff pension boards in a manner consistent with the pension plans sponsored by the university. There are currently 351 former faculty and staff for whom the university administers individual Retirement Income Funds. The market value of the accounts amount to $205 million as at December 31, 2012. The university recovers the administrative expenses by charging a flat dollar fee per member per month. Fees are set on a non-profit basis. In 2012 approximately $308,000 was recovered to cover the costs of internal salaries, systems and other non-investment costs. The expenses are outlined in note 9 of the Retirement Income Fund financial statements.

FOR INFORMATION

2. **Western Retirement Plans – Report to the Audit Committee for the year ended December 31, 2012**

The academic and administrative staff pension boards have been delegated authority by the Board of Governors to approve the Master Trust financial statements and the financial statements for each of the pension plans. On May 13, 2013, the Joint Pension Board approved the audited financial statements for the Master Trust, the academic staff pension plan and the administrative staff pension plan. The annual report on the Western Retirement Plans is attached as **Annex 2**.