BOARD OF GOVERNORS
AUDIT & FINANCE COMMITTEE (A&F)

Minutes of the Public Session of the April 23, 2026 Meeting
via Videoconference
2:00 p.m. - 3:18 p.m.

Governors Present:

Susanna Zagar, Chair	Carla Carmichael	Mitch Frazer
Laura Money, Vice-Chair	Joe DeSario	Steven Murphy
Nolan Bederman	Cynthia Domjancic	

Regrets:
Laura Elliott

Staff and Guests:

Kirstie Ayotte	Sandra Grouette (Secretary)	Brad MacIsaac
Nicola Crow	Krista Hester	Jennifer MacInnis
Jackie Dupuis	Lori Livingston	Sarah Thrush

1. **Call to Order and Land Acknowledgement**
The Chair called the Public Session of the Audit & Finance Committee (A&F) Meeting to order at 2:00 p.m. and C. Domjancic provided their personal Land Acknowledgement.

2. **Agenda**
Upon a motion duly made by N. Bederman and seconded by J. DeSario, the Agenda was approved as presented, including approving and receiving the Consent Agenda and its contents.

3. **Conflict of Interest Declaration**
None declared.

4. **Chair's Remarks**
The Chair recognized Administrative Professionals Day, expressing appreciation for the essential contributions administrative staff make to the University's operations. They also acknowledged National Volunteer Appreciation Week, highlighting gratitude for volunteers and emphasizing the personal value and community impact of volunteerism has been personally enriching with volunteering the source of their greatest pride.

5. **President's Remarks**
The President provided context for the following budget agenda item, emphasizing the growing importance of AI across all areas of academic activity. He shared that the University is shifting

from isolated AI initiatives to a coordinated, institution-wide approach spanning teaching, learning, assessment, and research, while ensuring appropriate supports for faculty and students. The President noted the need to balance innovation with academic quality and integrity, and to address both opportunities and risks associated with AI, including student preparedness and ethical considerations. He advised that advancing these changes will require targeted investments in faculty support, curriculum redesign, infrastructure, and new approaches to assessment.

The President further shared that the budget is positioned as disciplined and forward-looking, with a focus on financial stability amidst external uncertainty, modest tuition increases, and evolving government funding. Ongoing cost management and strategic investment are required to address structural pressures and support long-term priorities, including strengthening the University's leadership position in AI within a global context.

In response to a question about any institutional resistance to AI adoption, the President responded that whilst some resistance is evident, this is typical during periods of technological change. He emphasized that a measured, values-based approach with appropriate safeguards is helping broaden engagement and support adoption over time.

6. Finance

6.1 2024-2025 University Financial Accountability Framework* (I)

B. MacIsaac updated A&F on the 2024-2025 Ministry of Colleges, Universities, Research Excellence and Security (MCURES) Financial Accountability Framework report received in March, noting the University remains in a medium risk category, largely due to the longstanding debenture. He advised that the mitigation strategy remains to repay this debt commitment.

In response to a question, B. MacIsaac advised that in accordance with the Framework, as the University has been in the medium risk category for 3 years, the MCURES' risk escalation protocol will take effect which will mean the University will be in the high-risk category next March, resulting in an external review. He reported that the University is advocating along with the Council of Ontario Universities to MCURES to include a qualitative assessment that may allow institutions demonstrating progress such as debt repayment, to remain in medium risk, which may negate the necessity of an external review.

It was also noted that the previous medium risk transfer payment funding has ended and is now rolled into the new broader provincial funding formula.

6.2 2026-2029 Budget Approval* (M)

L. Livingston provided context for the budget, reminding Governors about the new provincial funding model that includes investment across all colleges, universities and Indigenous Institutions implemented over a four-year period, and modest tuition increases, to support short-term financial stability. She cautioned that ongoing economic uncertainty and inflationary pressures are expected to offset some of these gains. As a result, she advised that the budget balances priorities related to ongoing fiscal sustainability, with the Institution meeting the moment by strategically optimizing this period of increased funding to support long-term priorities, including institutional growth and required investments in infrastructure and services.

S. Thrush presented the enrollment plan underpinning the budget, highlighting strong recent performance, including significant year-over-year growth, intake targets exceeded, and retention improvement. She shared that future projections reflect the Differentiated Growth 2.0 strategy, which targets domestic market gains, new program development, and expansion into non-traditional and reskilling and upskilling markets. S. Thrush also advised that conservative enrollment targets are recommended to manage volatility and support stable budget planning.

B. MacIsaac provided an overview of the proposed budget, noting it is prepared on a modified cash basis and reflects a balanced position with a projected $48M increase in revenue, primarily from tuition and government grants. Revenue and expense distributions remain relatively stable, with labour continuing to represent the largest cost driver.

He shared that investments are focused on strategic priorities, including AI, system transformation, faculty and staff hiring, student financial aid, and deferred capital needs. He noted that the University is leveraging funding to advance capital projects and campus development while maintaining a positive cash flow and planning for modest reserve growth. He highlighted that the budget emphasizes continued enrollment growth to offset long-term declines in the proportion of government funding, alongside prudent risk management related to infrastructure, financial sustainability, and maintaining academic quality.

L. Livingston emphasised that the provincial funding increase presents a rare opportunity to advance strategic priorities while maintaining financial sustainability. She emphasised this was a defining moment for the University with the budget supporting continued enrollment growth, investments in academic excellence, student support, and faculty and staff, while expanding campus infrastructure to accommodate current needs and future growth. She also stressed that the recent provincial funding announcement was a once in a decade plus investment, hence the importance of seizing the moment.

During the ensuing discussion, Governors asked about key budget sensitivities, planning for salary inflationary increases, deferred maintenance risks, and planned AI investments and outcomes.

B. MacIsaac identified enrollment – particularly first-year, international intake and inflationary pressures as the primary budget sensitivities, noting these are mitigated through conservative assumptions and contingency planning. For deferred maintenance risks, a long-term capital plan was outlined, which along with regular asset reviews and increased near-term investment will help manage risks such as service disruption and rising future costs. Regarding AI, it was highlighted that investments in academic programming, the role of the School of Artificial Intelligence, as well as AI's broader integration into teaching, learning, and operations, enabled the positioning of AI as both a strategic priority and a driver of future efficiencies and student demand.

Upon a motion duly made by C. Domjancic and seconded by L. Money, that pursuant to management's recommendation, the Audit & Finance Committee hereby recommends to the Board of Governors the approval of the 2026-2027 budget, and the approval in principle of the budgetary projections for 2027-2029.

7. Risk Management

7.1 Annual Risk Report* (I)

J. Dupuis provided highlights from the Annual Risk Report. She shared that the University made significant progress in advancing its enterprise risk management framework, with stronger integration of risk practices across the Institution and improved clarity of roles, controls, and accountability. She advised that risk maturity is increasing, supported by more effective and consistently applied controls, with notable progress in areas such as cybersecurity, insurance optimization, and the transition to a comprehensive business continuity framework.

Looking ahead, she reported that priorities include testing and refining continuity plans, enhancing data-driven oversight, reducing duplication, strengthening governance, and finalizing key risk indicators, all in support of institutional growth and operational resilience.

A question was raised regarding why enrollment and student experience were reflected as higher risks in the risk heat map despite strong performance. It was clarified that the ratings consider not only current outcomes but also potential impact, likelihood, and time horizon. It was further emphasized that these areas are not of immediate concern but are intentionally highlighted to ensure continued strategic focus and oversight by leadership and the Board.

8. Consent Agenda* (M)

The Chair confirmed that the contents of the Consent Agenda were approved and received under Agenda Item #2.

8.1 Public Session Minutes of the February 19, 2026 Meeting* (M)

8.2 Investment Oversight: Annual Endowment Disbursement* (M)

8.3 Compliance Reports:

8.3.1 Annual Compliance Report* (I)

8.3.2 Fighting Against Forced Labour and Child Labour in Supply Chains Annual Report* (M)

9. Adjournment (M)

There being no other business, and upon a motion duly made by N. Bederman the Public Session of the A&F Committee Meeting adjourned at 3:18 p.m.

Sandra Grouette, Assistant University Secretary