

COMMITTEE REPORT

SESSION:

Public
Non-Public

ACTION REQUESTED:

Decision
Discussion/Direction
Information

TO: Academic Council

DATE: March 26, 2024

PRESENTED BY: Brad Maclsaac, Vice-President, Administration

SUBJECT: Finance Policy Projects – New and Revised Policy Instruments

COMMITTEE MANDATE:

Under the Policy Framework and the University’s Act, the Board of Governors has a “duty to consult” on “all academic, research, service and institutional policies”.

BACKGROUND/CONTEXT & RATIONALE:

On November 30, 2022, the Auditor General of Ontario released a Value-for-Money Audit that recommended additional controls be set in place that document Ontario Tech’s existing practices with respect to Debt Management and Capital Projects. The Finance Department has prepared new (capital, debt) and revised (contract, signing authority) policies that respond to these recommendations.

Capital Project Policy

The University invests in capital infrastructure that are fundamental to achieving the University’s mission as a higher education institution. The objective of this policy is to support the development of Ontario Tech’s infrastructure by ensuring a best practice approach to planning, design, and implementation with consideration of the value and risk associated with investment. This policy puts in writing the general practice Ontario Tech has in place noting we will be moving to greater transparency by developing a five-year rolling Asset Management Plan.

Debt Management Policy

The University currently has a set of debt guidelines which it has complied with since 2016/17 as part of its due diligence and focus on minimizing risk and reducing its cost of capital. We are now formalizing these guidelines with this new Debt Management Policy. This policy will provide a framework for all University's external borrowing and lend the University assuming debt at levels that continue to promote its financial operations and sustainability.

Contract Management and Signing Authority Policy and Procedure.

As part of an effort to consolidate and simplify the University's policy library, the Office of the General Counsel and Finance Department have undertaken to revise and merge the Contract Management Policy, Signing Authority Policy and related procedures. The proposed drafts combine the following policy instruments into a single combined policy (Contracts Management and Signing Authority Policy) and a single combined procedure (Signing Authority Procedure):

- Contract Management Policy
- Signing Authority Policy
- Expenditure Signing Authority Procedures
- Legal Commitments Signing Authority Procedures

Most of the direction in the policy instruments remains substantively the same, with some important exceptions set out in appendix 3. These policy instruments are integral to the Capital Project Policy, and we expect the simplification will render them more usable.

COMPLIANCE WITH POLICY/LEGISLATION:

These new and revised policies will maintain existing processes while enhancing transparency, and formalizing what were previously internal guidelines. The Debt Management Policy complies with generally accepted accounting principles (GAAP) for not-for-profit organizations. Taken together, these policies will ensure a clear, transparent process that allows for the highest standard of governance.

CONSULTATION AND NEXT STEPS:

Presented to:

- Policy Advisory Committee – Policy Assessment
 - Contract Management & Signing Authority Policy (October 30, 2023)
 - Signing Authority Procedure (October 30, 2023)
 - Debt Management Policy (February 2, 2024)
 - Capital Project Policy (February 2, 2024)
- Administrative Leadership Team – Consultation (March 12, 2024)

- University on-line Consultation (March 13 - 26, 2024)
- Academic Council – Consultation (March 26, 2024)
- Audit and Finance Committee – Policy Deliberation (April 11, 2024)
- Board of Governors – Policy Approval (April 18, 2024)

SUPPORTING REFERENCE MATERIALS:

Appendix 1: Capital Project Cover Memo and Policy

Appendix 2: Debt Management Cover Memo and Policy

Appendix 3: Contract Management and Signing Authority Cover Memo & Policy & Procedures

Appendix 4: Current Policy & Procedures black-lined (for reference only)