



**BOARD OF GOVERNORS
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF JUNE 18, 2018
PUBLIC SESSION
1:00 p.m. – 2:25 p.m., ERC 3023**

Attendees: Nigel Allen (Chair), Stephanie Chow, Steven Murphy, Dietmar Reiner, Mary Simpson

Staff: Becky Dinwoodie, Craig Elliott, Cheryl Foy, Justin Gammage, Pamela Onsieng

Regrets: Fardan Ali, Doug Allingham, Jeremy Bradbury

Guests: Bobbi-Jean White (KPMG), Mike Eklund (teleconference), Christine McLaughlin

1. Call to Order

The Chair called the meeting to order at 1:01 p.m.

2. Agenda

Upon a motion duly made by S. Chow and seconded by D. Reiner, the Agenda was approved as presented.

3. Conflict of Interest Declaration

There were no conflict of interest declarations.

4. Approval of Minutes from April 26, 2018

Upon a motion duly made by D. Reiner and seconded by S. Murphy, the Minutes were approved as presented.

5. Chair's Remarks

The Chair welcomed S. Murphy to his second committee meeting. The Chair noted a full agenda, including a presentation from the university's auditors.

6. President's Remarks

The President updated the committee on the progress of the Vaso's Field upgrade. The next project set to become shovel ready is the moving ground plane (MGP).

6.1 Moving Ground Plane Update

The President provided an update on the status of public funding for the installation of the MGP. The university is doing its best to get the project shovel ready so that we are ready to go if and when the remaining funding is obtained. The President gave the committee an overview of the installation project. He also discussed the benefits of the installation of the MGP, including advancement to education and research. The change in provincial government does not affect the provincial funding allocated to the MGP installation. The President responded to questions from committee members.

7. Finance

7.1 Fourth Quarter Financial Reports

P. Onsiong presented the financial reports for 2017-2018. The university ended the year with a \$13M surplus, which is close to what was forecast after the third quarter results. She reviewed the components that made up the surplus, including grants, tuition, student ancillary fees, and other. P. Onsiong also reviewed the reconciliation of the financial statements with the audited financial statements.

The Chair noted that if the information being reported sounds familiar, it is because the committee has been updated regularly throughout the year.

SIRC Building

P. Onsiong summarized the SIRC Building project costs. KPMG completed an audit of the SIF funding for SIRC and no concerns were raised.

MGP

By the end of May, the university has received \$600,000 of \$1.5M of provincial funding for the MGP installation.

P. Onsiong also provided an overview of the university's cash flow and the 10-year forecast. She answered the committee's questions.

7.2 New Building Project

C. Elliott discussed the key aspects of the new building presentation that was included in the meeting material. He also outlined the RFP process for awarding the design-build contract, which the Board approved in March.

(M. Simpson joined the meeting at 1:20 p.m.)

7.3 SIRC Building Project

C. Elliott reported that KPMG completed the audit of the SIF funding and we are awaiting receipt of the report. He also advised that electric car charging stations have been installed outside of the SIRC Building, as well as 61 Charles Street. The university has switched two of its cars for electric vehicles (one used by Facilities and the other by Paragon Security). There was a discussion regarding the demand for the charging stations and whether the university is planning to expand its fleet of electric vehicles. There was also a discussion regarding the risks associated with the installation of charging stations. The charging stations are located in high visibility locations.

8. Investment Committee Oversight

8.1 Quarterly Report: Statement of Investment Policies (SIP)

S. Chow reported that the portfolio is continuing to perform well. She discussed the most recent educational session, which focused on Blockchain and Cryptocurrency. Although it is not a strategy the university should consider at this time, it is important to continue to learn about it as it could become a strategy to consider in the future.

S. Chow presented the Investment Committee's recommendation to amend the SIP to add a market neutral strategy to the university's investment strategy, which would provide downside protection in the event of a recession.

Upon a motion duly made by S. Chow and seconded by S. Murphy, pursuant to the recommendation of the Investment Committee, the Audit and Finance Committee recommended for approval by the Board of Governors the amendments to the SIP, as presented, to allow future investment in Market Neutral Equity funds and enable timely recommendations by the Investment Committee regarding portfolio allocations.

9. Risk, Compliance & Policy

9.1 Annual Risk Management Report

C. Foy presented the third annual risk report. The Board previously adopted six measures that would give them a sense of the university's progress in risk management. Every year, the university reports on those six measures and sets out the priorities for the following year.

Overall, the university made good progress this year. The Senior Leadership Team has had great discussions focused on risk management and the Board Retreat considered strategic risk. Risk management is continuing to be incorporated into other planning processes (e.g. budget, space working group). The Risk Management Committee is very engaged and a key contributor. The university will continue to work on embedding risk management into its culture by developing risk management objectives.

It is important to continue to monitor key foundational risks. There is unpredictability in our financial environment and increasing compliance obligations continues to be a challenge. Last year, the lack of a business continuity plan was identified as a foundational risk and is no longer identified as such since much progress in developing a plan has been made.

D. Reiner commented that a lot of great work has been done. His comment was echoed by M. Simpson.

9.2 Annual Policy Review & Compliance Update

C. Foy delivered a presentation summarizing the annual policy and compliance review. She reviewed this year's metrics, which have been tracked since 2014. The university has experienced an increase in the uptake of policy support, which is indicative of a positive adoption of the Policy Framework.

C. Foy discussed the policy progress made from 2016-2018, including the key policy objectives. She highlighted the completion of the By-law Review and evaluation of the Policy Framework. She noted there is a backlog of reviewing older policy instruments, for which the Policy Advisory Committee is responsible.

C. Foy also presented the metrics for FIPPA compliance over 2017-2018. There was a brief discussion regarding how many appeals to the IPC are actually successful. She responded to questions from the committee. The university continues to adapt its internal practices to deal with inadvertent privacy breaches (e.g. setting up internal share sites so material is not distributed widely).

C. Foy summarized the Records Management activities for 2017-2018 and the status of objectives. Due to the loss of a resource, there are constraints on the resources available to advance the Records Management objectives. The university is continuing to build the Contract Management Database (CMD). Research was the top priority as the biggest producer of contracts. Other activities can be tracked in the CMD (e.g. certificates of insurance, policy review schedule, etc.). There was a brief discussion regarding whether the CMD could also be used to identify and track risks.

9.3 Annual Insurance Report

C. Foy presented the annual insurance report. She reviewed the CURIE policies and coverage, and discussed her experience on the CURIE Advisory Board. C. Foy confirmed the university's liability coverage for team coaches and/or doctors. She also reviewed the university's policies with Marsh and Sutton. She explained the insurance layering concept and clarified that CURIE provides our primary insurance coverage, as well as excess. She explained that universities are self insured through CURIE (a reciprocal exchange). C. Foy ended by reviewing the areas of focus for 2018-2019.

10. Other Business

11. Adjournment

There being no other business, upon a motion duly made by S. Chow and seconded by M. Simpson, the public session of the meeting adjourned at 2:06 p.m.

Becky Dinwoodie, Secretary