



BOARD OF GOVERNORS
Audit & Finance Committee

Wednesday, June 16, 2021

1:00 p.m. to 4:00 p.m.

[Videoconference](#)

Toll-Free: +1.888.240.2560 Meeting ID: 827 828 802

Members: Laura Elliott (Chair), Stephanie Chow, Douglas Ellis, Mitch Frazer, Dale MacMillan, Steven Murphy, Dietmar Reiner, Roger Thompson

Staff: Becky Dinwoodie, Cheryl Foy, Les Jacobs, Lori Livingston, Brad Maclsaac, Pamela Onsiong

AGENDA

No.	Topic	Lead	Allocated Time	Suggested Start Time
	PUBLIC SESSION			
1	Call to Order	Chair		
2	Agenda (M)	Chair		
3	Conflict of Interest Declaration	Chair		
4	Chair's Remarks	Chair	10	1:05 p.m.
5	President's Remarks	Steven Murphy	5	1:15 p.m.
6	Finance			
6.1	Fourth Quarter Financial Reports* (U)	Pamela Onsiong	15	1:20 p.m.
7	Investment Committee Oversight	Stephanie Chow	15	1:35 p.m.
7.1	Quarterly Report			
7.2	Amendments to Statement of Investment Policies* (M)			
8	Project Updates* (U) – questions only	Brad Maclsaac	5	1:50 p.m.
9	Risk, Compliance & Policy	Brad Maclsaac & Cheryl Foy	25	1:55 p.m.
9.1	Financial Control Policies* (M): (a) Signing Authority Policy (b) Expenditure Signing Authority Procedure (c) Legal Commitments Signing Authority Procedure			
9.2	Annual Risk Management Report* (D)			
No.	Topic	Lead	Allocated Time	Suggested Start Time

D – Discussion

M – Motion

P – Presentation

U – Update

* Documents attached

10	Consent Agenda (M):	Chair	5	2:20 p.m.
10.1	Minutes of Public Session of Meeting of April 14, 2021*			
10.2	Annual Board Report*			
11	For Information:			
11.1	Annual Reports: (a) Insurance* (b) Compliance* (c) Policy* (d) Privacy*			
12	Other Business	Chair		
13	Adjournment (M)	Chair		2:25 p.m.
BREAK			10	
	NON-PUBLIC SESSION (material not publicly available)			2:35 p.m.
14	Call to Order	Chair		
15	Conflict of Interest Declaration	Chair		
16	President's Remarks	Steven Murphy	5	2:35 p.m.
17	Audit			
17.1	Audit Findings Report* (U)	KPMG	15	2:40 p.m.
17.2	Draft Audited Financial Statements 2020-2021* (M)	KPMG/ Pamela Onsiong	15	2:55 p.m.
17.3	Internally Restricted Funds* (M)	Pamela Onsiong	5	3:10 p.m.
17.4	<i>In Camera</i> session with KPMG (all staff members to leave)	KPMG	20	3:15 p.m.
	KPMG Departs			
18	Annual Risk Management Report* (D) (confidential aspects)	Cheryl Foy	10	3:35 p.m.
19	Consent Agenda (M):	Chair	5	3:45 p.m.
19.1	Minutes of Non-Public Session of Meeting of April 14, 2021*			
20	For Information:			
20.1	Confidential Attachments to Annual Insurance Report*			
21	Other Business			
22	<i>In Camera</i> Session (M)		10	3:50 p.m.
23	Termination (M)			4:00 p.m.

Ontario Tech University

2020/21 Operating Summary for the year ended March 31, 2021 (in '000 s)

April 1, 2020 - March 31, 2021									
	Total Annual Budget	3rd Quarter Y/E Forecast	Actuals	Fav. (Unfav.) Actuals vs. Budget		Fav. (Unfav.) Forecast vs Budget		Fav. (Unfav.) Actuals vs. Forecast	
				\$	%	\$	%	\$	%
Revenue									
Grants	81,023	81,555	84,871	3,848	5%	533	1%	3,316	4%
Tuition	68,629	80,666	81,773	13,145	19%	12,037	18%	1,108	1%
Student Ancillary	10,732	11,211	11,380	649	6%	479	4%	170	2%
Other	13,821	9,735	9,758	(4,063)	-29%	(4,086)	-30%	23	0%
Total Revenue	\$ 174,204	\$ 183,167	\$ 187,783	\$ 13,579	8%	\$ 8,963	5%	4,616	3%
Expenditures									
Academic	75,118	76,431	76,228	(1,110)	-1%	(1,313)	-2%	203	0%
Academic Support	34,359	34,478	33,564	795	2%	(119)	0%	914	3%
Administrative	27,562	26,211	28,404	(842)	-3%	1,351	5%	(2,193)	-8%
Sub-total	\$ 137,039	\$ 137,120	\$ 138,196	\$ (1,157)	-1%	(81)	0%	\$ (1,076)	-1%
Purchased Services	12,314	11,599	11,707	607	5%	715	6%	(109)	-1%
Total Ancillary/Commercial	7,580	6,027	6,344	1,236	16%	1,553	20%	(317)	-5%
Debenture Interest Expense	9,745	9,745	9,745	(0)	0%	-	0%	(0)	0%
Total Operating Expenses	\$ 166,678	\$ 164,491	\$ 165,993	\$ 685	0%	\$ 2,187	1%	\$ (1,502)	-1%
Operating Contribution	\$ 7,526	\$ 18,676	\$ 21,790	\$ 14,264	190%	\$ 11,150	148%	\$ 3,114	17%
Expenses disclosed on the Balance Sheet									
Capital Expenses funded from Operations	2,171	6,894	5,833	(3,662)	-169%	(4,723)	-218%	1,061	15%
Principal Repayments - debenture/leases	7,539	7,539	7,539	(0)	0%	0	0%	(0)	0%
Total Net Surplus	(2,183)	4,243	8,418	10,602	-486%	6,426	-294%	4,175	98%
Other disclosure: funded through PY reserves									
New Building	\$ 20,008	\$ 19,800	\$ 20,756	(748)	-4%	208	1%	(956)	-5%

Reconciliation to Y/End GAAP FS:

	\$
Operating Contribution	21,790
Items not budgeted:	
Externally funded research revenues	13,313
Externally funded research expenses	(11,692)
Non-cash transactions:	
Amortization of capital assets	(23,090)
Amortization of deferred capital contributions	9,612
Unrealized gain on investments	4,948
Life insurance policy	1,595
Revenues accounted as DCC on the balance sheet	(1,332)
Excess revenues over expenses - as per GAAP Financial Statements	\$ 15,145

2020/21 Operating Summary

The net operating surplus for the year, after capital expenses, debenture and lease payments, is \$8.4M against a \$2.2M original approved budget deficit, and a \$4.2M net forecast surplus reported at the end of the 3rd quarter.

At the end of the 3rd quarter, better than expected enrolment had resulted in an upside in both tuition and tuition ancillary fees forecast. However, the ongoing pandemic has led to a longer than expected physical closure for most of the campus premises. Whilst this resulted in base building cost savings (e.g. janitorial services and utilities) in the current year, it adversely impacted our commercial revenues such as ACE, food services, parking and rental income from the Arena and Campus Fieldhouse.

Actual net surplus is favourable \$4.2M to the 3rd quarter forecast, and is mainly attributable to unexpected COVID support funding from the Ministry in March 2021.

Subject to Board approval, actual surplus for the year will be internally restricted for future commitments (i.e. as per contract agreements, student fee protocols), and for specific purposes that will allow the University to continue to support operational challenges whilst also setting aside funds to invest in strategic initiatives related to priorities in learning re-imagined and “sticky campus”.

Below are the variances of the year-end forecast to the approved budget:

Enrolment

FTE's	2019/20 Actual	2020/21 Approved Budget *	3rd Quarter Forecast	2020/21 Actual	Actual vs Budget
Undergraduate					
Domestic	7,901	7,152	8,290	8,291	1,139
International	461	365	495	521	156
Graduate					
Domestic	430	382	453	443	61
International	177	263	199	193	(70)
Total FTE's	8,969	8,162	9,437	9,449	1,287

* 2020/21 approved budget reflects the uncertainty around the global pandemic and its anticipated impact on enrolment projections.

Current eligible undergraduate and graduate enrolment projection is within the + / - 3% of the University's corridor midpoint. Core Operating Grant remains flat as under the funding formula implemented by the Ministry in 2017 -18, the funding for domestic students for the current year remains at the 2016 – 17 level.

2020/21 Operating Summary (continued)

The pivot to online learning last spring and the successful transition to the hybrid model, have resulted in a higher than budgeted enrolment. Actual domestic undergraduate and graduate at 8,734 FTE are 1,200 FTE (~16%) more than anticipated, with increases seen across all faculties. Actual total enrolment for the year at 9,449 FTE are 480 FTE (~5%) more than the prior year 2019/20 enrolment, with a higher number of returning students, offset by a decrease of 6% in first-year domestic intake which will have a flow-through financial impact in the next 4 years.

Revenues analysis

Total **actual revenues** are favourable \$13.6M against the approved budget.

Operating grant

- (i) Forecast was flat against budget.
- (ii) **Actual grant is favourable \$3.3M to forecast** due to unexpected COVID support funding of \$4.8M from MCU in March 2021, of which \$2.5M is recognized in the current year and remainder will be recognized in Q1 of the next fiscal year.

Tuition fees

- (i) Better than expected enrolment resulted in a forecast upside of \$12.0M at the end of the 3rd quarter.
- (ii) Additionally, **actual is \$1.1M positive to forecast**, and is mostly attributable to program mix.

Other revenues

- (i) **Forecast and actual at \$4.1M lower than budgeted**, mostly attributable to a decrease in our commercial revenues for ACE, food services, parking, rental income from the Arena and Campus Fieldhouse, as a result of the longer than expected closure of most of the campus facilities (the approved 2020/21 budget assumed a partial return to campus for September 1, 2020).

The decrease in “Other revenues” is offset by a corresponding net decrease in expenses of \$1.6M (see Total Commercial under “Expenses” section below).

Expenses

Total **actual operating expenses** and capital are net \$3.0M unfavourable to budget.

Academic units

- (i) Forecast was \$1.3M unfavourable to budget due to increases in part-time labour, including sessionals, and various operating expenses, associated with higher than expected enrolment.
- (ii) Actual spending to forecast is favourable by \$0.2M.

2020/21 Operating Summary (continued)

Academic support units

- (i) Forecast spending was projected to be in line with total approved budgets.
- (ii) **Actual spending is favourable \$0.9M** and includes \$0.5M underspending in the Registrar's office (recruitment, delay of project, and general expenses due to covid).

Administrative units

- (i) Forecast was favourable \$1.3M to budget at the end of the 3rd quarter due to \$1.2M of base building cost savings, release of \$1.0M of operational reserves which will not be utilized in the current year, offset by \$0.4M increase in legal fees and other variances, none of which is material.
- (ii) **Actual spending is unfavourable \$2.2M** to forecast, mostly attributable to an additional \$1.2M for student bad debt expense, and \$0.2M loss in investment in Ontario Tech Talent.

Total Commercial Expenses

- (i) Forecast was \$1.6M favourable to budget due to cost savings directly attributable to the decrease in revenues for ACE, food services, parking, daycare and rental income from the Arena and Campus Fieldhouse (see Other revenues under "Revenues" section above).
- (ii) **Actual is unfavourable \$0.3M to forecast**, mostly attributable to ACE expenses as a result of increased client work and repairs and maintenance to the facility.

Capital Expenses funded from Operations:

- (i) Forecast was \$4.7M unfavourable to budget, and included \$2.7M investment in the ACE MGP (Moving Ground Plane) to cover for project costs not funded by external grant, \$1.0M IT investment to support the current and future hybrid learning platform and for the purchase of laptops for faculty and staff, and \$0.7M in facilities infrastructure for projects that have been put on hold for the last 2 years due to budget constraints.
- (ii) **Year-end results are \$1.0M favourable to forecast**, comprising mostly of underspending in IT capital and in various infrastructure projects that were not completed in the current year.

New Building

In addition to the operating spending, the University has invested \$20.8M in the new A5 building in the current year. Funding for the new building is through a combination of restricted reserves, \$5.0M contribution from the University's Student Union and an external loan of up to \$25.0M.



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Audit & Finance Committee
DATE: June 16, 2021
FROM: Investment Committee
SUBJECT: Revised Statement of Investment Policies

COMMITTEE/BOARD MANDATE:

The board is responsible for governing and managing the financial affairs of the university.

The Investment Committee is responsible for overseeing the management of the university's investments (Funds) in accordance with the university's Statement of Investment Policies (SIP). This includes, but not limited to: reviewing on an annual basis the SIP and making appropriate recommendations to the Audit and Finance Committee, and maintaining an understanding of applicable legal and regulatory requirements and constraints.

We are seeking the committee's recommendation of the revisions to the SIP for Board approval to ensure more flexibility to respond to market changes without a reduction in accountability.

BACKGROUND/CONTEXT & RATIONALE:

In winter 2021 a new Vice President Administration was appointed to the university. As a primary strategic action the Investment Committee asked for a review of the SIP and Asset Class Management documents to ensure there was enough flexibility to respond to the evolving market. As noted by one member it seemed like the investment manager would recommend a change that would take months to activate as we need numerous levels of approval. Further to these conversations, in May 2021 a survey was sent to all committee members to help outline the overall investment objective with a keen eye on assessing their opinion of institutional risk appetite as a university official. Based on these collection points the attached changes in Appendix A are being proposed.

The overall investment objective is to obtain the best possible total return on investments that is commensurate with the degree of risk that Ontario Tech is willing to assume in obtaining such return. Management worked to merge the SIP and Asset Class Management Strategy to ensure maximum flexibility with minimal changes. The following bullet points highlight the changes made to each section and the rationale for each:

- Section 6.1: The asset mix table has been fully replaced with a new version that breaks down fixed income and equity allocations by strategy/region, provides target allocations and ranges, as well as the relevant benchmark to be used for each asset class. We have set ranges such that more conservative asset classes (bonds) have a tighter lower band and a broader upper band. This table effectively replaces the entire Asset Class Management Procedures Document.

As each company has their own funds it is important to note we have just left in the asset class rather than specific funds so the policy applies no matter who the investment manager is. The specific funds will still be outlined in the quarterly reports.

- Section 6.3: added a new item (d) that specifies a minimum requirement for currency hedging in bonds. This is important as most non-Canadian bond exposure should be hedged.

As a reminder, in our current allocation the only non-CAD bond exposure is through the Core Plus bonds which can include tactical exposures to non-CAD bonds.

- Section 6.4: revised item (c) to increase the minimum market capitalization from \$100MM to \$1B. This level is still lower than any small cap exposure we would have in a PH&N portfolio, which averages \$3B, but is much better than \$100MM which falls more in the speculative range of equity investments.
- Section 6.4: removed the reference to Emerging Market not exceeding 10% of market value as this has already been taken care of in the asset mix table in section 6.1. Very important to avoid repetitions because if one instance is missed during a subsequent revision, it can create confusion.
- Section 6.5: for alternatives we have refreshed the section to ensure the investment manager has the ability to allocate up to 20% of the portfolio; however, as these are seen as riskier investments an “offering memorandum” outlining associated risks, fees and expenses must be provided to the committee prior to any such investment being made in the portfolio.
- Section 11: Proxy Voting is an important component of a holistic ESG approach, so the expectations from the manager in this regard should be articulated.

IMPLICATIONS:

These changes are intended to make the SIP document fully functional on a standalone basis. The genesis for the proposed changes is to enhance the ability of our investment managers to execute our tactical asset and strategy mix shifts in a timely fashion while ensuring that we don't breach the risk-reward framework that the Committee operates within.

NEXT STEPS:

- June 16 - Audit & Finance Committee for recommendation
- June 24 – Board of Governors for approval

MOTION for CONSIDERATION:

- *That pursuant to the recommendation of the Investment Committee, the Audit & Finance Committee hereby recommends the proposed amendments to the Statement of Investment Policies, as presented, for approval by the Board of Governors.*

SUPPORTING REFERENCE MATERIALS:

Appendix A – revised SIP

Appendix A - Proposed Revised SIP:

1.0 Purpose

The purpose of this Statement of Investment Policies (“SIP”) is to define the management structure governing the investment of non-expendable (endowed) - university funds, and to outline the principal objectives and rules by which assets will be managed. The assets will be managed in accordance with this Statement and all applicable legal requirements. Any investment manager (“Manager”) or any other agents or advisor providing services in connection with assets shall accept and adhere to this Statement.

2.0 RESPONSIBILITIES**2.1 Board of Governors**

The Board of Governors (“the Board”) of the university has responsibility and decision-making authority for these assets. ~~The Board has the responsibility to govern these assets and has chosen to appoint members of the Audit and Finance Committee to sit on the Investment Committee.~~

As part of its fiduciary responsibilities, the Board will:

- appoint members ~~of the Investment Committee in consultation with the~~ to sit on Audit and Finance Committee;
- receive the Audit and Finance Committee’s recommendations with respect to the SIP and approve or amend the SIP as appropriate;
- review all other recommendations and reports of the Audit and Finance Committee with respect to the Fund and the selection, engagement or dismissal of professional investment managers, custodians and advisors, and take appropriate action.

2.2 Audit & Finance Committee

~~As part of its fiduciary responsibilities, the Audit and Finance Committee will:~~

- ~~receive the Investment Committee’s recommendations with respect to the SIP and make recommendations to the Board for the selection, engagement or dismissal of professional investment managers, custodians and advisors, as appropriate;~~
- ~~review all other recommendations and reports of the Investment Committee, including recommendations with respect to the investments within the Fund, and recommendations to amend the Asset Class Management Strategy and approve such recommendations and receive such reports.~~

2.3 Investment Committee

The Investment Committee (the Committee) consists of a minimum of three (3) external governors.

The Committee may delegate some of its responsibilities to agents or advisors. In particular, the services of a custodian (the “Custodian”) and of one or more investment managers (the “Manager”) may be retained. As part of its fiduciary responsibilities, the Audit and Finance Committee will:

The Investment Committee will have an active role to:

- ~~formulate recommendations to the Audit and Finance Committee regarding the investments in the Fund;~~
- maintain an understanding of legal and regulatory requirements and constraints applicable to these assets;
- review the SIP ~~and the Asset Class Management Strategy~~, on an annual basis, and make appropriate recommendations to the ~~Audit and Finance Committee~~ Board of Governors;
- ~~provide regular reports to the Audit and Finance Committee;~~
- formulate recommendations to the ~~Audit and Finance Committee~~ Board of Governors regarding the selection, engagement or dismissal of professional investment managers, custodians and advisors.
- oversee the Fund and the activities of the Manager, including the Manager’s compliance with their mandate and the investment performance of assets
- ensure that the Manager is apprised of any amendments to their mandate; and
- inform the Manager of any significant cash flows.

2.42.3 Investment Manager(s)

The Manager is responsible for:

- Selecting securities within the asset classes assigned to them, subject to applicable legislation and the constraints set out in this Statement;
- Providing the Committee with quarterly reports of portfolio holdings, ~~and~~ a review of investment performance, ~~and facilitating~~ future strategy discussions and recommending appropriate changes to the investment portfolio; (see Section 7-8 on “Reporting and Monitoring”);

- Attending meetings of the Committee at least once per year to review performance and to discuss proposed investment strategies;
- Informing the Committee promptly of any investments which fall outside the investment constraints contained in this Statement and what actions will be taken to remedy this situation; and
- Advising the Committee of any elements of this Statement that could prevent attainment of the objectives.

3.0 PORTFOLIO OBJECTIVES

3.1 Investment Policy

The Investment Policy outlines the university's investment objectives and risk guidelines. Investment objectives are defined in the context of Total Return which is defined as the sum of income and capital gains from investments.

3.2 Investment Objectives

The overall investment objective is to obtain the best possible total return on investments that is commensurate with the degree of risk that the university is willing to assume in obtaining such return. In general, the university's investment decisions balance the following objectives:

- generate stable annual income for the funds' designated purpose;
- preserve the value of the capital;
- protect the value of the funds against inflation; and
- maintain liquidity and ease of access to funds when needed

Stable annual incomes are an essential part of the disbursement process, and facilitate the forecast of spendable income each year. The investment object for non-expendable (endowment) funds is to generate a total return that is sufficient to meet obligations for specific purposes by balancing present spending needs with expected future requirements. The total return objective must take into consideration the preservation of endowment capital, and the specific purpose obligations according to donor wishes.

All endowment funds are to be accumulated and invested in a diversified segregated or pooled fund of Canadian and foreign equities and fixed income securities. These funds must be structured to optimize return efficiency such that the return potential is maximized within the organization's risk tolerance guidelines. The Manager is expected to advise the Committee in the event that the pooled fund exhibits, or may exhibit, any significant departure from this Statement.

4.0 GENERAL GUIDELINES

The university uses the investment pool method, except that in those instances where funds are precluded under agreement or contract from being pooled for investment purposes. The acquisition of specific investment instruments outside of authorized investment pools, requires the approval of the Chief Financial Officer and one of either President or VP External Relations.

All securities shall be registered in the University Of Ontario Institute of Technology's name; or in the name of a financial institution that is eligible to receive investments under the University Of Ontario Institute Of Technology's Investment Policy.

The university may or may not directly or internally manage any portion of its endowed funds.

External investment managers and/or advisors shall be selected from well-established and financially sound organizations which have a proven record in managing funds with characteristics similar to those of the university.

The university shall maintain separate funds in the general ledger for endowment fund donations. Within these funds, the university shall maintain accurate and separate accounts for all restricted funds.

Investment income, capital gains and losses on the sale of equities and securities, and the amortization of premiums and discounts on fixed term securities earned on endowment funds accrue to the benefit of the endowment accounts and are distributed to capital preservation, stabilization and distribution accounts annually.

5.1 **AUTHORIZED INVESTMENTS**

5.2 **Investment Criteria**

Outlined below are the general investment criteria as understood by the Committee. The list of permitted investments includes:

(a) Short-term instruments:

- Cash;
- Demand or term deposits;
- Short-term notes;
- Treasury bills;
- Bankers acceptances;
- Commercial paper; and
- Investment certificates issued by banks, insurance companies and trust companies.

(b) Fixed income instruments:

- Bonds;

- Debentures (convertible and non-convertible); and
- Mortgages and other asset-backed securities.

(c) Canadian equities:

- Common and preferred stocks;
- Income trusts; and
- Rights and warrants.

(d) Foreign equities:

- Common and preferred stocks;
- Rights and warrants; and
- American Depository Receipts and Global Depository Receipts.

(e) Alternative investments:

- Direct Real Estate Equity: commercial investment grade income-producing real estate

(f) Pool funds, closed-end investments companies and other structured vehicles in any or all of the above permitted investment categories are allowed.

5.3 **Derivatives**

The Fund may use derivatives, such as options, futures and forward contracts, for hedging purposes, to protect against losses from changes in interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment.

5.4 **Pooled Funds**

With the approval of the Committee, the Manager may hold any part of the portfolio in one or more pooled or co-mingled funds managed by the Manager, provided that such pooled funds are expected to be operated within constraints reasonably similar to those described in this mandate. It is recognized by the Committee that complete adherence to this Statement may not be entirely possible; however, the Manager is expected to advise the Committee in the event that the pooled fund exhibits, or may exhibit, any significant departure from this Statement.

5.5 **Responsible Investing**

The Board has a fiduciary obligation to invest the Fund in the best interests and for the benefit of the university.

The Board recognizes that environment, social, and governance (ESG) factors may have an impact on corporate performance over the long term, although the impact can vary by industry. Best practices suggest that incorporating ESG factors in the investment process is prudent and aligned with the university's social commitment.

Given the fact that the university uses the investment pool method, it is not practical for the Committee to directly engage individual companies on ESG related issues, either through dialogue or by filing shareholder resolutions. Subject to its primary fiduciary responsibility of acting in the best interests of the university and its stakeholders, and within the limits faced by an investor in externally managed pooled funds, the Committee will incorporate ESG factors into its investment process through the following methods:

(a) **Manager Selection and Reporting**

The integration of ESG factors in the investment process will be a criterion in the selection, management and assessment of the Manager.

The Committee will require the Manager to provide regular and annual reporting on the incorporation of formal ESG factors in the management of their portfolios.

(b) **Engagement**

Since the university does not directly invest in companies, proxy voting is delegated to the Manager. The Committee will encourage the Manager to incorporate into their proxy voting guidelines policies that encourage issuers to increase transparency of their ESG policies, procedures and other activities, and also to bring to the Committee's attention any significant exposure through the Fund to a particular company, industry or nation that is facing a material ESG issue.

6.0 RISK GUIDELINES

All investment of assets must be made within the risk guidelines established in this Statement. Prior to recommending changes in investments, the Manager must certify to the Committee that such changes are within the risk guidelines. For the purposes of interpreting these guidelines, it is noted that all allocations are based on market values and all references to ratings reflect a rating at the time of purchase, reviewed at regular intervals thereafter. In the event that the portfolio is, at any time, not in compliance with either the ranges or ratings profile established in this Statement, such non-compliance will be addressed within a reasonable time after the Manager or Committee has identified such non-compliance.

6.1 Asset Mix and Ranges

Table 6.1

Table 6.1

<u>Asset Class</u>	<u>Strategic Target</u>	<u>Range</u>	<u>Benchmark (Total Return)</u>
<u>Cash & short-term</u>	<u>0%</u>	<u>0% – 10%</u>	<u>FTSE 30-Day T-Bill Index</u>
<u>Fixed Income</u>	<u>35%</u>	<u>25% – 45%</u>	
<u>Core Plus Bonds</u>	<u>20%</u>	<u>15% - 35%</u>	<u>FTSE Canada Universe Bond Index</u>
<u>Mortgages</u>	<u>15%</u>	<u>0% - 25%</u>	<u>FTSE Canada Short Term Overall Bond Index</u>
<u>Equities</u>	<u>55%</u>	<u>45% - 65%</u>	
<u>Canadian</u>	<u>20%</u>	<u>10% - 30%</u>	<u>S&P/TSX Capped Composite Index</u>
<u>Global *</u>	<u>30%</u>	<u>20% - 45%</u>	<u>MSCI World Net Index (\$C)</u>
<u>Emerging Market Equities</u>	<u>5%</u>	<u>0% - 10%</u>	<u>MSCI Emerging Markets Net Index (\$C)</u>
<u>Alternatives</u>	<u>10%</u>	<u>0% - 20%</u>	
<u>Direct Real Estate</u>	<u>10%</u>	<u>0 - 15%</u>	<u>Canada CPI (seasonally adjusted) + 4.0%</u>
Asset Class		Range	
Cash & Short Term		0–10%	
Fixed Income		20–50%	
Canadian Equities		–15–30%	--
Global Equities		25–45%	
Alternatives		0–20.0%	

- ❖ Global equities will have, on average, a 50% to 60% exposure to US equities.

Investment of assets must be within the asset classes and ranges established in Table 6.1. ~~A more detailed breakdown of asset classes, strategic targets, ranges, and benchmarks is maintained in the university’s Asset Class Management Strategy.~~

6.2 Cash and Cash Equivalents

Cash and cash equivalents must have a rating of at least R1, using the rating of the Dominion Bond Rating Service (“DBRS”) or equivalent.

6.3 Fixed Income

- (a) Maximum holdings of the fixed income portfolio by credit rating are:

Credit Quality	Maximum in Bond ¹	Minimum in Bond ¹	Maximum Position in a Single Issuer
Government of Canada ²	100%	n/a	no limit
Provincial Governments ²	60%	0%	40 %
Municipals	25%	0%	10%
Corporates	75 %	0%	10%
AAA ³	100%	0%	10%
AA ³	80%	0%	5%
A ³	50%	0%	5%
BBB	15%	0%	5 %
BB and less	20 %	0%	2 %

¹ Percentage of portfolio at market value; ² Includes government-guaranteed issues; ³ Does not apply to Government of Canada or Provincial issues

- (b) Maximum holdings of the fixed income portfolio, other than Canadian denominated bonds as illustrated in 6.3 (a), by asset type:
 - 20% for asset-backed securities;
 - 60% for mortgages or mortgage funds;
 - 20% for bonds denominated for payment in non-Canadian currency; and
 - 10% for real return bonds.

- (c) All debt ratings refer to the ratings of Dominion Bond Rating Service (DBRS), Standard & Poor’s or Moody’s.

- ~~(e)~~(d) No less than 80% of non-Canadian dollar denominated bonds should be hedged back to the Canadian dollar.

6.4 Equities

- (a) No one equity holding shall represent more than 15% of the market value of the assets of a single pooled fund.
- (b) There will be a minimum of 30 stocks in each equity (pooled fund) portfolio.
- (c) No more than 5% of the market value of an equity portfolio (pooled fund) may be invested in companies with a market capitalization of less than ~~\$100 million~~ 1 billion at the time of purchase
- (d) Illiquid assets are restricted to 10% of the net assets of the Fund.
- ~~(d)~~ Emerging market holdings will not exceed 10% of the total portfolio value.
- (e) Foreign equity holdings can be currency hedged to a maximum of 50%

6.5 Alternative Assets

- (a) Illiquid assets shall not constitute more than ~~15~~20% of the total portfolio.

- (b) Alternative investment solutions have the potential to enhance fixed income returns, reduce equity risk, reduce portfolio volatility and improve portfolio efficiency. They typically require a longer investment horizon, are less liquid, and when considered in isolation may be deemed more risky than other securities. The associated risks, fees and expenses are detailed in a document called an Offering Memorandum which the manager is responsible for providing to the ~~Investment-~~ appropriate Committee prior to any such new investment being made in the portfolio.

7.0 PERFORMANCE EXPECTATIONS

7.1 Portfolio Returns

The portfolio is expected to earn a pre-fee rate of return in excess of the benchmark return over the most recent four-year rolling period. Return objectives include realized and unrealized capital gains or losses plus income from all sources. Returns will be measured quarterly, and calculated as time-weighted rates of return. The composition of the benchmark is developed from the asset mix outlined in this Statement and more specifically described in the Asset Class Management Procedures, Appendix A.

In order to meet the university’s disbursement requirements, investments need to earn a minimum level of income, measured over a four year rolling market cycle. The minimum recommended level is defined as the sum of the following items:

Minimum disbursement requirement	3.5%
Investment management fees	0.5%
Capital preservation amount	<u>2.0%</u>
Minimum Rate of Return	<u>6.0%</u>

Note: The disbursement requirement and capital preservation amounts will be reviewed, and updated as required.

8.0 REPORTING & MONITORING

8.1 Investment Reports

Each quarter, the Manager will provide a written investment report containing the following information:

- portfolio holdings at the end of the quarter;
- portfolio transactions during the quarter;
- rates of return for the portfolio with comparisons with relevant indexes or benchmarks; Compliance report;

8.2 Monitoring and Recommendations

At the discretion of the Committee as required, the Manager will meet with the Committee regarding:

- the rate of return achieved by the Manager;
- the Manager's recommendations for changes in the portfolio;
- future strategies and other issues as requested.

The agreement with the Manager or any Custodian will be reviewed by the committee on a four year cycle. This review could include a Request for Proposal for these services.

8.3 Annual Review

It is the intention of the university to ensure that this policy is continually appropriate to the university's needs and responsive to changing economic and investment conditions. Therefore, the Committee shall present the SIP to the ~~Audit and Finance Committee, and through that Committee to the~~ Board, along with any recommendations for changes, at least annually.

9.0 STANDARD OF CARE

The Manager is expected to comply, at all times and in all respects, with the code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute.

The Manager will manage the assets with the care, diligence and skill that an investment Manager of ordinary prudence would use in dealing with all clients. The Manager will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent Investment Manager.

The Manager will manage the assets in accordance with this Statement and will verify compliance with this Statement when making any recommendations with respect to changes in investment strategy or investment of assets.

The Manager will, at least once annually, provide a letter to the Committee confirming the Manager's familiarity with this Statement. The Manager will, from time to time, recommend changes to the SIP to ensure that the SIP remains relevant and reflective of the university's investment objectives over time.

10.0 CONFLICT OF INTEREST

All fiduciaries shall, in accordance with the university's Act and By-laws and policies on conflict of interest, disclose the particulars of any actual or potential conflicts of interest with respect to the Fund. This shall be done promptly in writing to the Chair of the ~~Investment~~ Audit & Finance Committee. The Chair will, in turn, table the matter at the next Board meeting. It is expected that no fiduciary shall incur any personal gain because of their fiduciary position. This excludes

normal fees and expenses incurred in fulfilling their responsibilities if documented and approved by the Board.

11.0 PROXY VOTING RIGHTS

Proxy voting rights on portfolio securities are delegated to the Manager. The Manager is expected to maintain, and produce upon request, a record of how voting rights of securities in the portfolio were exercised. The Manager will exercise acquired voting rights in the best interests of the unit holders of the pooled fund.



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

Financial Impact Yes No

Included in Budget Yes No

TO: Audit and Finance Committee (A&F)

DATE: June 16, 2021

PRESENTED BY: Brad Maclsaac, VP, Administration

SUBJECT: Capital Projects Update – ACE Moving Ground Plane and New Building (A5)

COMMITTEE/BOARD MANDATE:

In accordance with its Terms of Reference, A&F is responsible for overseeing the financial affairs of the university, which includes ensuring fiscal responsibility and providing oversight for major capital projects, auxiliary operations, and structures.

We are providing the committee with an update on the status of the ACE Enhancement Project and the new building (A5).

BACKGROUND/CONTEXT & RATIONALE:

A5 is proceeding as planned for an opening in fall 2021. As previously noted the project was delayed in the beginning due to ground water levels; but, the revised scheduling is on track. To mitigate COVID concerns some construction was pulled forward (i.e. wiring and wall enclosure) noting we may incur delays later depending on regional restrictions. While we had a COVID related delay we are still on track for end of August occupancy. Since the last report we have **completed awarding all sub-contracts** and are on budget.

ACE MGP has incurred major delays due to COVID restrictions. At the April 2021 BoG meeting a report was submitted outlining the project history. A revised timeline and

budget was accepted at that time. The university has successfully completed the assembly of the machine thanks to a virtual walk through with technical leaders, the hiring of a local mechanical company and the staff at ACE facility. MTS has been able to cross the border for systems check, while it was delayed two weeks we are still on track to bring the full team over in mid-June. June/ July will focus on the controls, wiring and integration with functional commissioning planned for August. The full commissioning is planned for September 2021 and first run in October 2021.

RESOURCES REQUIRED:

No additional resources required. We will closely monitor any changes to each project due to COVID restrictions.

CONSULTATION:

For the ACE MGP operations plan there were consultations with the ACE Management Committee to look at options (i.e. delay, maximizing virtual work and minimizing numbers on campus) and the Pandemic Response Team (i.e. on-site working requirements).

NEXT STEPS:

An update will be provided at the next meeting of A&F.

SUPPORTING REFERENCE MATERIALS:

- PowerPoint summaries for month ending May 2021 attached

ACE Enhancement Project



Monthly Project Update

MAY 2021

BoG – Schedule Approval Tracking

Milestones	Nov-18	Nov-19	Apr-21	Actual	Variance Explanation
Building Modification	Jul-19	Jul-19	Jul-19	Aug-19	
Integration Phase I	Dec-19	Mar-20	Mar-21	Mar-21	delayed contract signing & increased turntable upgrades
Integration Phase II	Mar-20	Sep-20	Sep-21		increased engineering requirements

Upcoming Activities

	Description	Begin Date	End Date	Act Begin	Act End	Comments
Phase I	assembly & functional operation	3-Feb-21	14-Mar-21	15-Feb-21	18-Mar-21	moved to virtual installation. Late start has no delay on end date
Phase II A	systems check & validation	3-May-21	21-Jun-21	11-May-21		MTS Arrives May 11, due to COVID international crossing logistics ACE, Western, & MTS currently in process
Phase II B	controls integration & debug	21-Jun-21	31-Jul-21			ACE, Western, & MTS
Phase III	Functional Commissioning	1-Aug-21	7-Aug-21			confirm all elements of the system working & training
Phase IV	Final Commissioning	25-Sep-21	2-Oct-21			Calibration (ACE/Ontario Tech & Aiolos)
Phase V	First Test Run	3-Oct-21	9-Oct-21			Test operation of the system with Multimatic vehicles

Health & Safety

- No incident to report this period

Change Control:

- Nothing to report this period

Procurement Summary:

- Nothing to report this period

Financial Summary:

- Total Actual Cash Flow to date \$15.4 M
- Project estimated cost at completion \$16.525M

A&F Roll up Financial Report as of 31 May 2021

Sources of Funds - Cash Flow						
Description	2019 Nov Funding	Actual Total Todate	May 2021	Funding at Completion	Balance Funding To date	Comments
FEDDEV	\$ 9,465,000	\$ 9,228,383	\$ -	\$ 9,465,000	\$ 236,617	2.5% yet to received on project completion
PROVINCIAL	\$ 1,500,000	\$ 1,350,000	\$ -	\$ 1,500,000	\$ 150,000	10% to be released upon project completion
MAGNA	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	commitment fulfilled
ONTARIO TECH (Announce Contribution)	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -	commitment fulfilled
ONTARIO TECH (Loan to ACE)	\$ 2,510,000	\$ 2,510,000	\$ 178,294	\$ 2,510,000	\$ -	commitment fulfilled
THE GREENBRIAR FOUNDATION	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -	commitment fulfilled
GA HAYBALL FOUNDATION		\$ 225,000	\$ -	\$ 225,000	\$ -	commitment fulfilled
ACE INTERNAL (ERF/ Research Fund)		\$ 165,000	\$ -	\$ 165,000	\$ -	commitment fulfilled
ONTARIO TECH (Additional Loan to ACE)		\$ 349,696	\$ 140,342	\$ 1,060,595	\$ 710,899	Additional funding approved
Totals	\$ 15,075,000	\$ 15,428,079	\$ 318,636	\$ 16,525,595	\$ 1,097,516	
Uses of Funds - Cash Flow						
Description	Original Budget	Actual Total Todate	May 2021	Estimate at Completion**	Variance / Cost Increase	Variance Explanation
Moving Ground Plane Integration into CWT	\$ 3,350,000	\$ 5,553,791	\$ 86,027	\$ 6,331,276	\$ 2,981,276	Obsolete controls, more complex turntable integration design and build. Repair to MGP & Turntable modifications.
Aerodynamic Enhancements Required for MGP	\$ 2,540,000	\$ 2,336,835	\$ 194,211	\$ 2,316,795	\$ (223,205)	Value engineered design - ride height simplification
Acoustics	\$ 845,000	\$ 709,606	\$ 2,381	\$ 782,225	\$ (62,775)	Competitive market & covid impact from Germany
Precision Measurement Capability	\$ 1,850,000	\$ 1,086,588	\$ -	\$ 1,086,588	\$ (763,412)	In-house design and build
Chamber Modifications	\$ 630,000	\$ 706,655	\$ -	\$ 706,655	\$ 76,655	System requires more process air and vacuum
Base Building Modifications	\$ 3,645,000	\$ 3,418,789	\$ -	\$ 3,418,756	\$ (226,244)	Competitive market and deletion of Storage Building
Engineering and Project Management	\$ 2,000,000	\$ 1,615,815	\$ 36,017	\$ 1,883,300	\$ (116,700)	Re-engineering contingency amount move to MGP Integration, 12 mos extension of Project team
				\$ -		
Totals	\$ 14,860,000	\$ 15,428,079	\$ 318,636	\$ 16,525,595	\$ 1,665,595	

New Building Project



Monthly Project Update MAY 2021

New Building Update – weekly tracker

A5 Building Construction Schedule Tracking						
Work Description	Planned Start	Planned Completion	Actual Start	Actual Completion	Comment	Progress Tracking
Mechanical Room installation at 5F	Dec-04-20	Jul-23-21	Dec-04-20		Piping, instrumentations and electrical on-going	
Metal Cladding system	Feb-08-21	Jun-18-21	Jan-19-21		Metal cladding install at southwest elevation	
4F Painting first coat	May-03-21	May-20-21	Apr-28-21		First coat painting on going	
3F Ceiling Installation	May-15-21	Jun-26-21	May-04-21		Ceiling Frame installation on going	
4F Ceiling Installation	May-18-21	Jul-04-21	May-18-21		Ceiling Frame installation on going	
LL Floor Finishes	May-03-21	Jul-28-21	Apr-26-21		Carpet & Resilient floor completed, Washroom tiles and epoxy on going	
1F Floor Finishes	May-06-21	Jul-06-21	May-03-21		Carpet & Resilient floor completed, Washroom tiles on going	
2F Floor Finishes	May-12-21	Jun-14-21	May-10-21		Carpet, Epoxy & washroom tiles on going	
3F Floor Finishes	Jun-02-21	Jul-16-21	May-17-21		Carpet and washroom tiles on going	
4F Floor Finishes	Jul-02-21	Jul-27-21	May-24-21		Washroom tiles on going	
5F Floor Finishes	Jul-14-21	Jul-27-21				
Door and Hardware					Door installation on going at all levels	

New Building Update

Construction Achievements (31 May 2021)

- Boarding and taping works at 4F-5F completed
- First coat painting at 3F completed, on-going at 4F
- Fire protection system at 5F completed, sprinkler heads on going
- Electro-mechanical rough-in completed, IT infrastructures on going
- Mechanical equipment installation at LL completed, 5F on going
- Exterior insulation & metal cladding on-going at south and southwest elevation
- Elevator installation on-going
- Carpet, ceramic tiles, epoxy & polishing concrete on-going LL to 3F
- Ceiling installation completed at LL, on-going at 1F to 3F
- Stone installation started at the north & west elevation
- Door and hardware installation commenced
- Piping connection to tunnel commenced

Forecast Schedule

Next Period Plan

- Equipment and piping connection continues at 5F and Tunnel
- Electro-mechanical fixtures installation continues
- IT infrastructure installation continues
- Audio-Video and Surveillance System installation commence
- Floor and ceiling finishes continues
- Painting works continues
- Exterior wall finishes continues
- Elevator installation continues
- Procurement of owner's furnishing & equipment continues
- SPA amendments approval related to landscaping

Overview

- Building occupancy anticipated to be end August 2021
- Baseline schedule is currently on track
- Productivity closely monitored during this covid-19 situation

Northeast Elevation



South Elevation



West Elevation





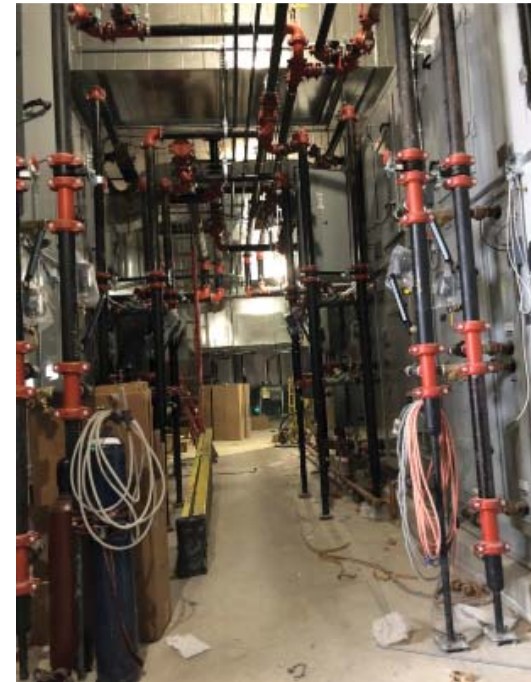
← 3F wall linking to ERC demolished

Mechanical room Louver installation →



← Tie-in connection at the Tunnel

5F Mechanical works →





← Classroom finishing works at 3F

Washroom at LL
→



← Door & Hardware installation

Ceiling & Wall installation at 2F →



Health & Safety

- No incidents since last report

Change Control:

- Change Order #9, deletion of IT rack, \$7.8K credit
- Change Order #10, add sink to 4F Nursing Studio, \$41K

Procurement Summary:

- Final Cleaning, awarded, Tri-Clean Building Services, \$31K
- Donor Wall Display unit, procured, BAS Incorporated, \$28K
- Telephone units, procured, Run DLJ, \$20K
- UPS, procured, Encompass Power Solution, \$21K

Financial Summary:

- Total committed amount to date \$46.2M
- Total project cash outflow to date \$31.6M

A&F Roll up Financial Summary as of 31 May 2021

PROJECT FINANCIAL SUMMARY REPORT FOR MONTH ENDING				MAY 2021			
Sources of Funds - Cash flow							
	Total Funding	Committed Todate	Actual YTD May 2021	May 2021	Required Funding till Completion	See Notes	
Ontario Tech	\$ 48,000,000	\$ 47,501,820	\$ 31,092,530	\$ 1,816,872	\$ 47,501,820		
Business Enterprises		\$ 250,000	\$ 217,500	\$ -	\$ 250,000		
Foundations		\$ 195,000	\$ 195,000	\$ -	\$ 195,000		
Individuals		\$ 53,180	\$ 51,660	\$ 20	\$ 53,180		
		\$ -	\$ -		\$ -		
Totals	\$ 48,000,000	\$ 48,000,000	\$ 31,556,690	\$ 1,816,892	\$ 48,000,000		
Uses of Funds - Cash flow							
Description	Total Budget	Committed Todate	Actual YTD May 2021	May 2021	Estimate at Completion	See Notes	
GMP Contract	\$ 39,996,403	\$ 40,155,380	\$ 28,177,197	\$ 1,786,885	\$ 40,147,309		
FF&E	\$ 3,246,505	\$ 2,207,071	\$ 16,002	\$ 8,716	\$ 3,246,504		
Soft Cost	\$ 1,940,732	\$ 1,706,025	\$ 1,325,618	\$ 21,291	\$ 1,865,476	1	
Portable Relocation	\$ 1,738,512	\$ 1,747,102	\$ 1,721,058	\$ -	\$ 1,721,058	2	
New Parking (50% sharing)	\$ 327,848	\$ 327,848	\$ 316,815	\$ -	\$ 316,815		
Contingencies	\$ 750,000	\$ 47,162	\$ 47,162		\$ 702,838	3	
Totals	\$ 48,000,000	\$ 46,190,588	\$ 31,556,690	\$ 1,816,892	\$ 48,000,000		
Notes:	1. Soft cost reduced						
	2. U5 to remain beyond 2022, thus, removal cost (210K\$) re-allocated to Contingency						
	3. Contingency amount to date with the addition of item 1 & 2						



COMMITTEE REPORT

SESSION:

Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Audit and Finance Committee (A&F)

DATE: June 16, 2021

PRESENTED BY: Niall O’Halloran, Policy and Compliance Advisor

SUBJECT: Signing Authority Policy Instrument Framework

AUDIT & FINANCE COMMITTEE MANDATE:

- In accordance with the Policy Framework, A&F is the deliberative body for Legal, Compliance and Governance Policies and the approval authority for Procedures.
- Finance and the Office of the University Secretariat and General Counsel present the Signing Authority Policy for recommendation and related procedures to A&F for deliberation.
- **Request:** We are seeking the Committee’s approval of the two Signing Authority Procedures and recommendation for approval of the Signing Authority Policy by the Board.

BACKGROUND/CONTEXT & RATIONALE:

- In the summer of 2017, the former President, at the request of Chair of the Board of Governors, commissioned a review of Ontario Tech’s contract-related policies and procedures. With the Chair’s agreement, a governance consultant, Louis Charpentier of L.R. Charpentier Associates, was engaged to undertake a review which was to examine the existing framework and recommend changes, as appropriate, to reflect contemporary good practice in the university sector.
- Key Policy Instruments:
 - Signing Authority Policy is intended to ensure that there is sound stewardship of the University’s resources and assets through a University-wide framework of Contract signing authority and delegation of that authority where appropriate

- Expenditure Signing Authority Procedure sets out relevant monetary thresholds for approving expenditures, including expenditures pursuant to contracts.
- Legal Commitments Signing Authority Procedure comprises an extensive list of contract categories and, within those categories, any approval requirements, specific signing authorities and relevant monetary thresholds (if any). This allows for incoming funds to be subject to different monetary thresholds than expenditures.
- Each procedure is a key element of accountability related to the Board's delegation of authority to the University's administration for effective contract management.
- The documents incorporate elements of Ontario Tech's current policies and procedures, as well as additions modelled on policies and procedures from other Canadian universities. Together, they are intended to address the major themes that emerged in consultations with the Chair and various members of the Board, members of the Senior Leadership Team, and the decanal group. The themes included concerns about clarifying authority and accountability expressed in the current policy and procedure framework, the separation of policy and procedure, and possible gaps in or misinterpretation of either policy or procedure. The proposed signing authority register, while embedding components of the University's current Registry, is significantly more detailed with the inclusion of appropriately stratified monetary thresholds, based on contract materiality, as well as approval requirements that precede signing.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

- Aligns with the values of "Honesty and Accountability" by establishing stewardship of the University's resources and assets through a University-wide framework of Contract signing authority and delegation of that authority where appropriate

CONSULTATION:

- Extensive consultation was conducted in early 2018 on a joint Contract Management and Signing Authority Policy, Procedure and Register. A contract signing authority working group consisting of a cross-section of stakeholders provided recommended contract types and signing authorities that informed the Legal Commitments Signing Authority Procedure. The current drafts of the policy instruments build upon the results of that consultation.
- In 2018/19, the following consultations occurred:
 - Policy Advisory Committee (January 23rd, 2018)
 - Audit and Finance Committee (February 21st, 2018)
 - Academic Council (February 27th, 2018)
 - Research Board (February 27th, 2018)
 - Administrative Council (March 13th, 2018)
 - Policy Advisory Committee (January 30, 2019, February 25, 2019, March 8, 2019)
- A series of consultations on a revised policy and procedures occurred beginning in 2021. The following consultations occurred:
 - Policy Advisory Committee (March 26, April 21, 2021)
 - Office of Research Services (March)

- External Relations and Advancement (March)
- Senior Leadership Team (April 26)
- Academic Council (May 25)

Academic Council Consultation

General

- The policy instruments do not discuss turnaround time, or an expected level of service when requesting review or signing of contracts.
Response: These policies set out a framework to ensure that there is sound stewardship of the University's resources and assets. The framework of signing authority is intended to delegate authority throughout the organization so that there are sufficient decision-makers in the university to allow authorities to adequately consider contracts under their purview without creating bottlenecks. Indeed, the amended framework provides for a greater authority for authorizing expenditures at each level of the organizational hierarchy.
- Members suggested additional tools to navigate the complex Contract Management and Signing Authority framework.
Response: The USGC in conjunction with Finance is developing additional tools such as a checklist and flow chart to help the community to understand and implement the review and approval requirements in the framework.

Expenditure Signing Authority Procedure

- Members asked questions around why multiple roles are designated as the first approver under the procedures.
Response: Flexibility is required in assigning the role of first approver, because different organizational areas will have more or less developed hierarchies. In some areas, the one-over-one of a manager (a potential first approver) may be at the Vice-President level, while in other areas, there are multiple levels between the manager and the Vice-President level. Flexibility permits second approvers to select appropriate first approvers with subject matter knowledge, with some restrictions as to the level of organizational authority required.
- Members noted that s. A3 of appendix A of the Expenditure Signing Authority Procedures is inconsistent with the table in s. A2 of appendix A. The table limits a dean to authorize payments up to \$250,000, while s. A3 has no limit.
Response: We have revised the Expenditure Signing Authority Procedure to make clear that if the value of the payment exceeds decanal authority, second approval must follow the table under s. A2.

Legal Commitments Signing Authority Procedure

- Members considered the section regarding Academic Agreements, such as articulation agreements, educational partnerships and international agreements, suggesting that some should be dealt with at the decanal level. It is only large Memoranda of Understanding, and not smaller one offs.
Response: We have identified some types of one-offs in s. 15.5 Mobility exchanges and 15.6 Course Capstones. This provides for more flexibility than the current Signing Authority Register.

COMPLIANCE WITH POLICY/LEGISLATION:

- These policy instruments will be enacted to ensure clear delegation of signing authority consistent with the University's Act and compliance with contractual terms through the enactment of a process for clear contract ownership/management and compliance.

NEXT STEPS:

- Board of Governors (June 24 - Approval)

MOTION:

- *The Audit and Finance Committee hereby approves the Expenses Signing Authority Procedure and Legal Commitment Signing Authority Procedure and recommends the approval of the Signing Authority Policy by the Board of Governors as presented.*

SUPPORTING REFERENCE MATERIALS:

- Signing Authority Policy (draft)
- Expenditure Signing Authority Procedure
- Legal Commitments Signing Authority Procedure

Classification	LCG xxxx 1132
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	<u>Vice-President, Administration</u>
Approval Date	<u>DRAFT FOR REVIEW</u>
Review Date	<u>2020</u>
Supersedes	Signing Authority Policy ₇
Last Updated	

DRAFT – April ~~1927~~, 2021

SIGNING AUTHORITY POLICY

PURPOSE

- This Policy is intended to ensure:
 - that there is sound stewardship of the University’s resources and assets through a University-wide framework of Contract signing authority and delegation of that authority where appropriate,
 - that risk management processes are in place to support effective and informed decision-making,
 - that roles and responsibilities are clarified so that administrators and others can manage their respective areas of responsibility effectively, efficiently and transparently,
 - ~~that there is consistent accountability and reporting throughout the University, and~~
 - ~~that all Contracts undergo authorized review and approval prior to execution.~~

Every individual signing a Contract on behalf of the University must understand that, in doing so, the individual is binding the University, not a department, a Faculty or an administrative unit.

DEFINITIONS

- For the purposes of this Policy the following definitions apply:

“Budget Holder” means the individual(s) who are responsible for individual budgets at various departmental levels across the University

“Contract” means any document that establishes, or any other evidence of, an intention to establish a binding legal relationship between the University and one or more third parties. The titles of such documents are secondary to their content and its effect in creating legal rights and obligations of the University.

“Contract Authority” (“CA”) means the individual(s) with direct or delegated authority to approve a Contract in accordance with the applicable Signing Authority Procedure.

“Contract Management” means the set of activities required to properly manage contractual commitments to and from third parties and includes the management of pre-Contract diligence, negotiation, and implementation activities.

“Expenditures” include all amounts disbursed from the University, including amounts pursuant to a Financial Contract.

“Financial Contract” means any document, process, or any other evidence that records an intention to establish a monetary obligation between the University and one or more third parties, e.g. the procurement of goods and services through a purchase order.

SCOPE AND AUTHORITY

3. This Policy applies to all types of Contracts and extends to all members of the University community.
4. There is a framework of related policy instruments, including the Contract Management Policy and Legal Review of Contracts Procedures that guide the development and implementation of contracts.
5. The Vice-President, Administration, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Policy.

POLICY

6. Under the *University of Ontario Institute of Technology Act, 2002*, the Board may delegate to the President, Vice-Presidents, or other employees of the University signing authority and responsibility for matters necessary for the University’s day-to-day operations.
7. Contracts will be in writing and signed by the Contract Authority or permitted delegate as provided in sections 9, 10 and 11 below.
8. All Contracts are to be entered into in the name of the University of Ontario Institute of Technology.
9. The President is authorized to execute any Contract on behalf of the University except in the following circumstances:
 - 9.1. Where the President’s authority to deal with the subject matter of the Contract is limited by Board by-law, resolution or policy; or
 - 9.2. Where the authority to execute the Contract has been specifically delegated in another Board by-law, resolution or policy.
10. The President may delegate this signing authority to other University employees but will remain accountable to the Board of Governors for all Contracts executed by such delegates. The nature and scope of such delegation from the President, including approval requirements, will be set out in procedures issued by the President as described below.
 - 10.1. The signing authority for Financial Contracts and Expenditures will be set out in the Expenditure Signing Authority Procedures.
 - 10.2. The signing authority for all other Contracts will be set out in the Legal Commitments Signing Authority Procedures.
11. The President and Vice-Presidents may sub-delegate temporarily the signing authority given to them under any Board by-law, resolution or policy for the duration of any absences from the University, or permanently according to criteria set out in the procedures issued by the President. Holders of restricted funds (research, endowment spending and other trust funds) may temporarily delegate signing authority.

- 11.1.** Signing authority is conferred upon Vice-Presidents, Deans, Chairs or Directors of Faculties/Departments to make expenditures within the amounts and scope of the accounts allotted to them in the University's operating budget through publication of the operating budget (with the exclusion of the Series 'A' Debenture), as approved by the Board of Governors of the University.
- 12.** The Vice-President, Administration is responsible for establishing and overseeing the application of procedures for effective financial management and control to enable senior administrators and others with financial responsibility to execute their responsibilities appropriately. Procedures are set out in the Expenditure Signing Authority Procedures.
- 13.** Contracts will be developed and managed in accordance with applicable Contract Management policies and procedures. The Contract Authority will be responsible for ensuring that all Contracts they execute comply with policies and procedures relating to the negotiation, review and execution of Contracts.

MONITORING AND REVIEW

- 14.** This Policy will be reviewed as necessary and at least every three years. The Vice-President, Administration is responsible, for monitoring and reviewing this Policy.

RELEVANT LEGISLATION

- 15.** University of Ontario Institution of Technology Act, 2002, S.O. 2002, Chapter 8, Schedule O, as amended from time to time.

RELATED POLICIES, PROCEDURES & DOCUMENTS

- 16.** Contract Management Policy
- 17.** Legal Review of Contracts Procedures
 - Expenditure Signing Authority Procedure
 - Legal Commitments Signing Authority Procedure
 - Policy on the Internal Use of Research Funds
 - Procurement Policy
 - Procurement Procedures
 - Expenses Policy and Procedures



Classification	LCG 1132.01
Parent Policy	Signing Authority Policy
Framework Category	Legal, Compliance & Governance
Approving Authority	Senior Leadership Team
Policy Owner	Chief Financial Officer
Approval Date	DRAFT FOR REVIEW
Review Date	February 2019
Last Updated	Editorial Amendments, February 18, 2020
Supersedes	Signing Authority Registry and Approval Procedures, November 2012; December 2008

EXPENDITURE SIGNING AUTHORITY PROCEDURES

1. PURPOSE

The purpose of these procedures is to specify (a) the signing authorities required for the Expenditure of university funds and the Financial Contracts which result in expenditure (e.g. a purchase order), and (b). to establish a consistent university-wide framework to enable the fiscal management and responsibility regarding university resources.

2. DEFINITIONS

For the purposes of these Procedures the following definitions apply:

“Budget Holder” means the individual(s) who are responsible for individual budgets at various departmental levels across the University

“Expenditures” include all amounts disbursed from the University, including amounts pursuant to a Financial Contract.

“Financial Contract” means any document, process or other evidence that records an intention to establish a monetary obligation between the University and one or more third parties, e.g. the procurement of goods and services through a purchase order.

“Responsible Unit” means the unit that must ensure that an official copy of the documentation supporting the Expenditure is retained in compliance with the University’s Records Management Policy.

“Sponsor” means the provider of funds for University activities, including both external and internal sources.

SCOPE AND AUTHORITY

3. This Policy applies to all types of Expenditures and Financial Contracts and extends to all members of the University community. Non-monetary contracts, such as academic agreements, the establishment of a partnership or similar arrangement, and employment agreements are
-

not under the scope of these procedures. For greater certainty, authority over contracts governed by the [Contract Authority Policy] are set out therein.

4. The Vice President Administration or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Policy.

PROCEDURES

5.1 Authorization of Expenditures

Publication of the operating budget, as approved by the Board of Governors of the University, confers authority upon Budget Holders to make expenditures within the amounts and scope of the accounts allotted to them in the budget and in accordance with University policies and procedures. Contracts that result in expenditure of funds must be entered into at fair value terms, unless authorized by the relevant Dean or Vice-President.

5.1.1 General Operating Funds and Capital Items

Authorization is granted to the holder of the budget to expend or release funds. The budget holder must ensure that the expenditures are necessary for university operations and are in compliance with university policy and procedures. Any in excess of the budgeted allocations that is not pre-approved by the relevant Dean/ VP becomes the responsibility of the Faculty/Department.

5.1.2 Research and Trust Funds

Authorization is granted to the Principal Investigator/Trust Holder (PI) to expend or release funds. The PI must ensure that the expenditures are required for and are in compliance with university policies and procedures in addition to any other externally imposed terms and conditions. All research expenditures are to be approved by the PI and their Dean. Deans can only delegate to individuals who have the ability to attest to the relevance of the expenditure. Any expenditure that may be deemed ineligible or inappropriate becomes the responsibility of the PI.

5.1.3 Approval of expenditures

As set out in Appendix A, approval of expenditures requires two approvers (1st and 2nd approver). This dual approval process exists to provide assurance that the expenditure is relevant, appropriate, falls within University policies and that due diligence has been applied. Appendix A sets out who may act as the 1st and 2nd approver.

5.2 Expenditure Submission and Internal Control

The dual approval process is intended to:

- Ensures expenditures are in compliance with, and processed in compliance with, university policies and procedures and, if applicable, in compliance with external granting agency/donor terms and conditions.
- Ensures the appropriate supporting documentation is attached or available (on file, etc.).

- Confirms authorization signature (signature verification).
Ensures funds are available within the allocated budget amounts, Verifies correct account coding and ensures expenditure commitment does not exceed project/grant end date.

5.3 Approver functions and responsibility

The 1st approver performs the following functions:

- a) Assesses whether the Expenditure meets the objectives of the University,
- b) Ensures that the Expenditure complies with all University policies, and
- c) Ensures that the sufficient funding exists, or will exist, to support all Expenditures.

The 2nd approver performs the following functions:

- a) A review of the 1st approver's assessment as set out above.
- b) Ensure that Expenditure is appropriate and necessary for University operations, and in the case of research that it is relevant.

5.4 Delegation of Signing Authority

Authorized account holders are permitted to temporarily delegate their signing authority to other individuals within their Faculty/Department. The temporary delegation of approval form is included in [Appendix B](#). All Delegation of Authority forms must be completed and signed by both the delegator and the delegate. Once duly signed, the original is sent to the University's Finance department who shall maintain a repository for all such delegations. A scanned copy of the form is to be sent to the office of Procurement at purchasing@dc-uoit.ca.

By signing the delegation of authority forms, the delegate is agreeing to provide the delegator with an executed copy of any and all documents signed after execution.

Commented [A1]: To attach

6. ASSOCIATED POLICIES, PROCEDURES AND GUIDELINES

All procurement activities must adhere to standards and procedures as outlined in the associated procedures and guidelines, which include the following: [insert links]

- Gift Acceptance Policy and Procedures
- Investment Policy
- Purchasing Procedures
- Signing Authority Registry
- Signing Authority Registry and Approval Procedures

- Travel Expense Reimbursement Procedure
- Contract Management Policy and Procedure
- Procurement Policy and Procedure
- Expenses Policy and Procedures

7. REVIEW

The procedures and associated rates and schedules will be reviewed from time to time, and may be adjusted as required by University policies and broader regulatory requirements.

Appendix A: Approval Authority Registry

Board of Governors

A.1 The President will act as the first approver and the Chair of the Board of Governors as the second approver with respect to:

- a) Any Expenditure or Financial Contract with a face value in excess of \$4 million,
- b) Banking agreements (resolutions, capital borrowings, guarantees or credit facilities),
- c) Collective agreement mandates,
- d) Appointment of external auditors,
- e) Sale or acquisition of real property, including any major renovation or construction projects¹.

Procurement of goods, services and student awards

A.2 The following table is used to determine the first and second approver, based on the size of the Expenditure or Contract. For research expenditures, see paragraph A.3. Financial Contracts with a value equal to or less than \$10,000 require only one approver. Expenditures above \$10,000 require two approvers, with individuals who may act as first and second approver being set out as per the below table. For clarity, the first approver noted in the table below is minimum authority level. Any individual who is denoted in the table as a possible second approver may also serve as the first approver. An individual may not approve their own expense claims.

	Less than \$10,000	\$10,001-\$100,000	\$100,001-\$250,000	\$250,001-\$2,000,000	\$2,000,001 - \$4,000,000
Officer, Analyst, Advisor		X			
Manager, Assoc. Dean, Associate Registrar	*	Y	X	X	
Director, Executive Director, AVP, Registrar, Dean			Y		
VP/General Counsel, Provost				Y	X
President					Y

* = minimum authority for single signing

X = minimum authority for first approver (at least one of)

Y = minimum authority for second approver (at least one of)

Research – Expenditure of grant funds

A.3 For Expenditures and contracts funded by research funds (i.e. research funds from external or internal sources), the 1st approver is the fund-holder or PI, and the 2nd approver is their Dean. Expenditures above decanal authority must follow the stated signing levels. All Expenditures or contracts will be within the budget of the particular research fund.

¹ Appointment of External Auditors, Banking agreements, and the Purchase or Sale of Real Property require, in addition to the above, require approval of the VP Admin.



Classification Number	<i>To be assigned by Policy Office</i>
Framework Category	<i>To be assigned by Policy Office</i>
Approving Authority	<i>To be assigned by Policy Office</i>
Policy Owner	General Counsel
Approval Date	DRAFT FOR REVIEW
Review Date	
Supersedes	

LEGAL COMMITMENTS SIGNING AUTHORITY PROCEDURE

PURPOSE

1. The purpose of this Procedure is to establish the framework of signing authority limits and responsibility for the approval and signing of agreements that bind the university to legal commitments. These commitments include academic agreements, the establishment of partnerships or similar arrangements, incoming funds, transfer or acquisition of intellectual property rights, employment and intellectual property agreements.

DEFINITIONS

2. For the purposes of this Procedure the following definitions apply:
 - “**First Approver**” means an individual with authority to assess whether the commitment meets the objectives of the University, ensure that the commitment complies with all University policies, and ensure that the requirements of the Legal Review of Contracts Procedures have been fulfilled.
 - “**Executive Compliance Lead**” means a member of SLT with delegated responsibility for addressing specific Compliance Obligations and certifying an annual Compliance Checklist in their areas of responsibility.
 - “**Expenditures**” include all amounts disbursed from the University, including amounts pursuant to a Financial Contract.
 - “**Expenditure Signing Authority**” means a Second Approver under the Expenditure Signing Authority Procedure.
 - “**Financial Contract**” means any document, process or other evidence that records an intention to establish a monetary obligation between the University and one or more third parties, e.g. the procurement of goods and services through a purchase order.
 - “**Second Approver**” means an individual with authority to review the First Approver’s assessment, ensure that the commitment is appropriate and necessary for university operations and sign the agreement on behalf of the University.
 - “**Settlement Agreement**” means minutes of settlement, or an agreement involving or arising from legal action, litigation, insurance claims, grievances, employment matters, or matters in front of judicial or quasi-judicial tribunals.
 - “**University Brand**” means any Intellectual Property elements that the university uses as part of its brand identity, including the use of the University’s name and trademark or other brand assets.

“University Member” means any individual who is:

- Employed by the University or holding an appointment with the University, including paid, unpaid and/or honorific appointments (**“Employee”**);
- Registered as a Student; and/or
- Otherwise subject to University policies by virtue of the requirements of a specific policy (e.g. Booking and Use of University Space) and/or the terms of an agreement or contract.

“Value” means the total value of a contract over the life of the contract in Canadian dollars.

SCOPE AND AUTHORITY

3. This Procedure applies to all legal commitments, and extends to all University Members.
4. A Financial Contract may include Expenditures as well as other legal commitments. Where applicable, the review or approval requirements under this Procedure, as well as those under the Expenditure Signing Authority Procedure must be addressed.
5. The General Counsel, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Procedure.

PROCEDURE

6. When a contract has approval requirements under both the Expenditure Signing Authority Procedure and this Procedure, the approval requirements of both Procedures must be addressed, with the Expenditure Signing Authority Procedure taking precedence.
 - 6.1. Prior to approving and signing a contract, the Expenditure Signing Authority will consult with the Second Approver (or delegate) under this Procedure to obtain approval.
7. **Delegation of signing authority**
 - 7.1. Authorized approvers are permitted to delegate their signing authority to other individuals within their faculty/department. All delegation of authority must be in writing and retained with the agreement.
 - 7.2. The delegate will provide the delegator with an executed copy of any and all documents signed after execution. The delegator is responsible for agreements signed under their delegated authority.
8. Where a specific unit does not have an applicable First Approver, first approval may be provided by the Second Approver and second approval by their one-over-one.
9. **Applications and proposals for incoming research funding**
 - 9.1. All applications and proposals for research may be approved by the Vice-President, Research and Innovation.
 - 9.2. Applications or proposals with a value of up to \$1M (CAD) may be approved by the Executive Director, Office of Research Services.

10. Successful proposals for incoming research funding

- 10.1. All successful research grants with a value of up to \$4M (CAD) will be approved by the Vice-President, Research and Innovation.
- 10.2. Successful research grants with a value greater than \$4M will be approved by the Vice-President, Research and Innovation (First Approver) and the President (Second Approver). Each quarter, the President will report the list of agreements executed in the prior quarter with a value between \$4M to \$10M.
- 10.3. Successful research Grants with a value greater than \$10M will be approved by the Vice-President, Research and Innovation and President (First Approver) and the Board of Governors (Second Approver).

11. Government transfer payment agreements

- 11.1. Government Transfer Payment Agreements (of any value) may be approved by the President.
- 11.2. Government Transfer Payment Agreements may also be approved according to the table in Section 13.

12. Gift agreements

- 12.1. Gift agreements with a value of up to \$4M will be approved by the Vice-President, External Relations and Advancement (or designate)
- 12.2. Gift agreements with a value greater than \$4M will be approved by the Vice-President, External Relations and Advancement (First Approver) and the President (Second Approver). Each quarter, the President will report the list of agreements executed in the prior quarter with a value between \$4M to \$10M.
- 12.3. Gift agreements with a value greater than \$10M will be approved by the Vice-President, External Relations and Advancement (First Approver) and the Board of Governors (Second Approver).

13. Signing Authority for agreements with incoming funds (grants, transfer payment agreements, awards, gift agreements) other than research funding

- 13.1. The following table is used to determine the First and Second Approver, based on the Value of the incoming funds. Agreements less than \$10,000 require only one approver (denoted as one of the categories marked with a * in the table below). Values of incoming funds above \$10,000 require two approvers, with individuals who may act as First and Second approver being set out as per the below table. For clarity, the First Approver noted in the table below is minimum authority level. Any individual who is denoted in the table as a possible Second Approver may also serve as the First Approver.

	\$10,000 or less	\$10,001-\$100,000	100,001-\$250,000	\$250,001-\$2M	\$2M – \$4M	\$4M - \$10M	\$10M or more
Finance Officer, Executive Assistant		X					

Manager, Assoc. Dean, Associate Registrar	*	Y	X	X	X		
Director, Executive Director, AVP, General Manager, Registrar, Assoc. Provost, Dean			Y				
VP/General Counsel, Provost				Y	Y	X	
President						Y ^	X
Board of Governors							Y

* = minimum authority for single signing

X = minimum authority for First Approver (one of)

Y = minimum authority for Second Approver (one of)

^ = the president's approval will be reported to the Board of Governors quarterly

14. Employment

- 14.1. **Collective agreement mandates** are approved by the Governance, Nominations and Human Resources Committee of the Board in accordance with the committee's Terms of Reference.
- 14.2. **Collective agreements** are approved by the University's bargaining team, as delegated by GNHR in accordance with the committee's Terms of Reference.
- 14.3. **New positions** that do not exist in the approved budget are approved by the relevant Vice-President (First Approver), and Senior Leadership Team (Second Approver).
- 14.4. **President** – the hiring and related contracts of the President is approved by the Head of Human Resources (First Approver) and the Chair of the Board of Governors (Second Approver).
- 14.5. **Senior Executive (e.g. Vice-President, Dean)** – the hiring and related contracts for senior executive is approved by the Head of Human Resources (First Approver) and the President (Second Approver).
- 14.6. **Limited term Faculty Member contract** positions are approved by the Dean (First Approver) and the Provost and Vice-President Academic (Second Approver).
- 14.7. **All other existing positions** in the approved budget are approved by the position's manager (First Approver) and at minimum the one-over-one of the manager (Second Approver), and appropriately reviewed by Human Resources prior to initiating the recruitment process.

15. Academic

- 15.1. **Articulation agreements, educational partnerships and international agreements** are approved by the Dean (First Approver) and the Provost, or VP Research and Innovation, for international agreements (Second Approver).
- 15.2. **Inter-institutional research collaboration agreements** are approved by the Executive Director, Office of Research Services (First Approver) and the VP Research and Innovation (Second Approver).
- 15.3. **Inter-institutional collaboration agreements, including work-integrated learning (co-op, internships, practicum, service learning)** are approved by the Dean (First Approver) and the Provost (Second Approver).
- 15.4. **Non-degree programs or courses** are approved in accordance with the applicable policy.
- 15.5. **Mobility Exchanges** are approved by the Dean for Faculty-specific agreements, or Deputy Provost for university-wide agreements (First Approver) and Provost (Second Approver).
- 15.6. **Course Capstones** are approved by the Manager/Director (First Approver) and Dean (Second Approver).

16. Legal and Privacy

- 16.1. **Settlement Agreements** will be reviewed by General Counsel, or delegate before approval. Where the review of the Settlement Agreement indicates that the agreement presents a substantial risk to the University that cannot be mitigated through revision or negotiation, additional approval will be required from the President or Board of Governors.
 - a) The First Approver for any Settlement Agreement is determined based on the threshold set out in the Expenditure authority procedure. The Second Approver is the General Counsel, up to a value of \$2M.
 - b) Settlement Agreements of \$2M to \$4M will be approved by the General Counsel (First Approver) and President (Second Approver).
 - c) Settlement Agreements of \$4M or greater will be approved by the General Counsel, in consultation with the President (First Approver) and the chair of the Board of Governors (Second Approver)
- 16.2. The authority for the release of any confidential records, documents or information rests with the Chief Privacy Officer, or delegate, in accordance with the University's Access to Information and Privacy Policy.

17. Intellectual Property

- 17.1. **Standalone teaching and learning intellectual property** agreements will be approved by the Dean, or Director (for non-academic agreements) (First Approver) and the Provost (Second Approver).
- 17.2. Agreements that involve granting a license to **University-owned intellectual property** will be approved by the Dean, or Director (for non-academic agreements) (First Approver) and the responsible Vice-President (Second Approver).

- 17.3. Agreements that involve the University licensing **commercially available intellectual property** will be governed by the Financial Contracts Signing Authority Procedures.
- 17.4. Agreements that grant rights to the University to use **intellectual property that is not commercially available** will be approved by the Dean, or Director (for non-academic agreements) (First Approver) and the responsible Vice-President (Second Approver).
- 17.5. **Sponsored research funding or research partnership** agreements that include clauses that grant non-standard intellectual property rights will be approved by the Vice-President Responsible for Research.
- 17.6. Agreements that contain a grant of rights to use University Brand elements will be approved by the Dean, or Manager/Director (for non-academic agreements) (First Approver) and VP External Relations and Advancement (Second Approver).

18. Regulatory Licenses

- 18.1. Regulatory licenses (for example the sale of liquor) will be approved by the relevant Manager or Director (First Approver) and the applicable Executive Compliance Lead under the Compliance Policy (Second Approver).

MONITORING AND REVIEW

- 19. This Procedure will be reviewed as necessary and at least every three years. The General Counsel, or successor thereof, is responsible to monitor and review this Procedure.

RELEVANT LEGISLATION

- 20. This section intentionally left blank.

RELATED POLICIES, PROCEDURES & DOCUMENTS

- 21. Contract Management Policy
- Legal Review of Contracts Procedure
- Compliance Policy
- Signing Authority Policy
- Expenditure Signing Authority Procedures
- Ethical Conduct Policy
- Conflict of Interest Procedures
- Responsible Conduct of Research
- Conflict of Interest in Research Policy
- Gift Acceptance Policy
- Access to Information and Protection of Privacy Policy

June 24, 2021

Dear Governors,

Re: 2021 Annual Risk Management Report to the Board

This letter is a cover letter written by the Chief Risk Officer and is intended to summarize and highlight elements of the Annual Risk Management Report (“**Report**”).

The Board of Governors (the “**Board**”) is responsible to ensure that Ontario Tech University (“**Ontario Tech**” or “the **University**”) engages in effective risk management. With a view to enabling the Board and Audit and Finance Committee to assess the University’s progress, we are pleased to present this sixth Annual Report on University Risk Management (URM) first in draft to the Audit and Finance Committee of the Board and then to the Board of Governors, as a whole.

I am very pleased to report that this past year has been a pivotal year for demonstrating that the University effectively considers risk as part of its decision-making. The University’s response to strategic and foundational risks exacerbated by COVID, and to the myriad operational risks arising from COVID, has been exceptional.

COVID-19 RESPONSE

Under the leadership of Dr. Murphy, the University has recognized and engaged with the strategic risk implications of COVID-19. There has been a high-level of focus on the risks of sustainability, implications for enrolment, technology and learning, and how to differentiate the university in the post-COVID world.

The University’s response to both new operational risks arising from COVID-19 and to exacerbated existing operational risks has been exemplary under the leadership of Dr. Livingston, B. MacIsaac, and the Director of Risk Management, J. Dupuis.

WHAT ONTARIO TECH URM SUCCESS LOOKS LIKE

A risk culture is an operating environment in which risks are taken to advance the strategic, academic, and administrative goals of Ontario Tech. The University risk management program supports risk-taking by integrating analysis, planning, and risk mitigation into university decision-making processes. While this exercise is a long-term change management exercise involving a change in Ontario Tech culture, the effective strategic and operational response to the pandemic has led me to conclude that there is

an increasingly strong risk culture at Ontario Tech. Progress toward this culture has been accelerated significantly over the past two years with the President's focus on truly engaging with strategic risk considerations, and fully supporting the implementation of the University risk management program. I am pleased to include a quotation from President Murphy in this letter:

"The pandemic has provided an opportunity for our entire community to see risk as an ongoing strategic discussion. Never before have we faced more uncertainty, and yet even priority-setting in times of fiscal constraint is an act of risk management. We have faced existential crises as a team, and made extremely difficult decisions, in a decisive fashion. These decisions coupled with a vision for reimagined learning are designed to provide a distinct value proposition for our institution where pedagogy is enhanced by technology."

PROGRESS IN 2020-2021

The Report speaks for itself. While there are a small number of risk objectives that were not met in the past year because managing COVID risk was prioritized, the Report demonstrates that significant progress was made. The President and SLT, along with the Board, have been deeply engaged in strategic and foundational risk management. All functional areas have operational risk registers. The operational registers are now mapped to the strategic risk register. Significant progress was made in the creation of risk tools to support those managing risk. Risk considerations are clearly part of all key decisions.

AREAS FOR FOCUS IN 2020 AND BEYOND

The specific goals and objectives for next year are set out in Part III of the Report. We will report regularly against these goals and objectives.

I would like to signal a shift in how I recommend that the University engage with the Board going forward. This is supported by the President. In the seventh year of implementing a University risk management program, I believe that the University has achieved a solid foundation for a risk culture. As such, it is my recommendation that going forward, the Board focus its engagement in two areas:

1. The primary focus of the Board (both attention and time) should be on strategic and foundational risk discussions;
2. A secondary focus of the Board should be on satisfying itself that the University risk management program is being maintained.

To achieve the above, I will be working with the President and Board Chair on strategic and foundational risk engagement between the Board and SLT. With respect to the operational aspects of risk management, I am proposing that we shift to simplified dashboard-type reporting (as has already been suggested by our Board Chair).

I want to congratulate the President and the University as a whole (with a special shout out to the Director of Risk) for an exemplary year of progress. The pandemic has demonstrated the strength and resilience of our community, and the solid foundation we had already built in risk management has enabled a successful response to the pandemic.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl Foy". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Cheryl Foy
University Secretary and General Counsel
Chief Risk Officer



ANNUAL
RISK MANAGEMENT
REPORT

June 24, 2021

Prepared by:
Cheryl A. Foy, Chief Risk Officer
Jackie Dupuis, Director of Risk Management
Reviewed by the Risk Management Committee

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PART I - INTRODUCTION

In 2015, the previous university Board asked the President to develop and implement a University Risk Management (URM) program at Ontario Tech. The President has assigned this responsibility to the University Secretary and General Counsel (USGC). Pursuant to the University **Risk Management Policy** (“RM Policy”, attached as Appendix A), the USGC is designated as the Chief Risk Officer.

The long-term goal for risk management is that Ontario Tech develop a culture of Risk Ownership. The RM Policy states:

“The University is committed to fostering a culture of risk-ownership throughout the University. This does not mean that we avoid engaging in activities that have risks or that we avoid Risk in our teaching and research and other activities we undertake for the University. It is recognized that both strategic and operational decisions and the work undertaken by University Members, all inherently involve risk.

To the University, having a culture of Risk Ownership means that:

- i) Strategic and operational decisions are made with full awareness of the risks relevant to those decisions;
- ii) All University Members are aware of the organization’s emphasis on URM and incorporate a proactive approach and awareness to managing Risk in their individual roles.”¹

As of June, 2020 (the date of the last Annual Risk Report), while playing a key role in responding to and managing the risks inherent in the COVID-19 response, Ontario Tech has succeeded in moving the risk yardstick and continues to lay the foundation for the development of a strong culture of Risk Ownership.

PART II – PROCESS AND STATUS UPDATE

1. HISTORICAL OVERVIEW

Ontario Tech is in its seventh year of developing and implementing a risk management program. The table below summarizes the key milestones achieved.

¹ Ontario Tech Risk Management Policy, section 9, “Statements of Principle”.

DATE	MILESTONES ACHIEVED
June 2021	<ul style="list-style-type: none"> • Increased focus on Foundational and Strategic Risk Mitigation • Finalized twenty-four (24) Operational Risk Register reviews and three (3) interim Operational Risk Register reviews • Established the first Provostial Risk Register • Memberships held by the Director of Risk Management: <ul style="list-style-type: none"> ▪ Chaired COVID Operations Taskforce ▪ Risk Advisory Committee for CURIE ▪ Enhancing Downtown Experience Taskforce ▪ Ontario Tech “Street Team” Committee • Renewed Insurance Portfolio consisting of eighteen policies • Documents developed include: <ul style="list-style-type: none"> ▪ Mask Directive ▪ Volunteer Policy and Procedures ▪ Volunteer Informed Consent document ▪ Field Trip Informed Consent document ▪ Field Trip Liability Waiver document ▪ Hierarchy of Controls document • Completed eight (8) Physical Campus Hazard reviews and reports alongside Health and Safety and Campus Infrastructure • Introduced liability mitigation signage on campus • Completed second Freedom of Expression annual reporting regarding events established for HEQCO • Tracked risk management and insurance metrics and presented fourth set of metrics for risk management • Developed Board COVID-19 Special Board Report (Appendix B) • Sixth (6th) Annual Risk Management Report presented to the Board
June 2020	<ul style="list-style-type: none"> • Finalized twenty-four (24) out of twenty-five (25) interim Operational Risk Register reviews • Completed six (6) annual Operational Risk Register reviews • Collaborated with NAV Canada to expand air vehicles airspace on campus to support research and research related activities • Developed Sport Risk Assessment Guideline • Collaborated with key University Members on project initiatives to support the President’s “Sticky Campus” strategic priority

DATE	MILESTONES ACHIEVED
	<ul style="list-style-type: none"> • Developed virtual (QR code) brochure for students regarding placement/research/co-op insurance • Freedom of Expression annual reporting regarding events established for HEQCO • Implemented monthly Physical Campus Hazard reviews and reporting alongside Health and Safety and Campus Infrastructure • Developed Informed Consent document • Enhanced the Risk Management and Insurance website • Led risk management training sessions to new Risk Owners and members of the university • In relation to COVID-19: <ul style="list-style-type: none"> ○ Updated the Pandemic Planning templates ○ Finalized a set of cross institutional 25 Pandemic Plans ○ Developed a list of essential activities and essential services ○ Established List of Delegated Authority ○ Confirmed University Continuity Leads ○ Chaired Operations Taskforce ○ Developed Campus Access Protocol during a Provincial Emergency ○ Supported development of Health and Safety related tools • Tracked risk management and insurance metrics and presented third set of metrics for risk management • Fifth Annual Risk Management Report presented to Board
JUNE 2019	<ul style="list-style-type: none"> • Developed a Repeatable Annual Risk Register process for Risk Owners • Developed a Strategic Risks Risk Register Tool • Developed a Risk Owner Reporting Tool for established High, Extreme, Foundational and Strategic Risks • Assigned Risk Owners to the University High, Extreme, Foundational and Strategic Risks • Completed eighteen (18) interim Operational Risk Register reviews • Finalized twenty-four (24) annual Operational Risk Registers • Finalized the Strategic Risk Register and presented first set of mitigation and treatment plans • Finalized the University Continuity Policy (UCP) and developed a UCP Work Plan • Updated and finalized the Risk Management Policy

DATE	MILESTONES ACHIEVED
	<ul style="list-style-type: none"> • Drafted a University-Hosted Event Risk Management and Approval Directive • Drafted a University Field Trip Risk Management and Approval Directive • Drafted an Air Vehicles Directive • Enhanced the Risk Management and Insurance website • Facilitated risk management training sessions to new Risk Owners and members of the university • Finalized an Insurance Work Plan • Tracked risk management and insurance metrics and presented second set of metrics for risk management • Fourth Annual Risk Management Report presented to Board
JUNE 2018	<ul style="list-style-type: none"> • Developed a Risk Register process document • Facilitated risk management training sessions to new Risk Owners and members of the university • Finalized twenty (20) Risk Registers • Developed a draft set of strategic risks • Finalized risk management metrics and presented first set of tracked metrics for risk management • Defined a clear High and Extreme Risk process and a list of High and Extreme Risks • Third Annual Risk Management Report presented to Board
JUNE 2017	<ul style="list-style-type: none"> • Developed a set of draft Risk Registers for the University • Analyzed, synthesized and organized all risks resulting in a lower number of risks • Clarified the process for Risk Owners and developed a reporting structure • Integrated URM into strategic and planning processes • Second Annual Risk Management Report presented to the Board
JUNE 2016	<ul style="list-style-type: none"> • University-wide consultation process (>100 employees) to develop a grass roots and top down preliminary view of University risks • Twenty-four (24) first draft Risk Registers prepared • Developed five risk categories and identified twenty-one risk drivers • First Annual Risk Management Report presented to the Board
JUNE 2015	<ul style="list-style-type: none"> • Clarified risk roles and responsibilities • Consultation process with university academic and administrative leaders

DATE	MILESTONES ACHIEVED
	<ul style="list-style-type: none"> • Established Terms of Reference for Risk Management Committee • Developed Risk Tools • Approved a Risk Management Work Plan
JUNE 2014	<ul style="list-style-type: none"> • Board of Governors approved Ontario Tech’s first Risk Management Policy after extensive consultation and discussion

2. HOW DOES THE BOARD MEASURE URM PROGRESS?

As established in the university’s first Annual Risk Report dated June, 2016, and as approved by the Board, Ontario Tech committed to providing this report annually to assist the Board in assessing the progress of the URM process. To that end, the Board adopted the following six measures of progress as recommended by The Association of Governing Boards, in partnership with United Educators²:

Measure 1: Each year the university should be able to demonstrate to the Board how the university has sustained URM as a priority.

Measure 2: Each year the Board should check on the leadership of URM and verify that URM is an important objective for that leader.

Measure 3: Each year the Board should engage in a discussion of the top strategic and operational risks facing the University and should understand how they are managed and monitored.

Measure 4: The Audit & Finance Committee (A&F) should include risk management discussions on its work plan. The Board should devote time at one meeting annually to discuss the major risks facing the institution.

Measure 5: The University should continue to engage in ongoing orientation and Board training sessions including information about risks to the institution.

Measure 6: Each year the Board should be asked to comment on and assess the URM and the success (or not) of the stated URM goals and objectives. Generally, the Board should be satisfied that the URM is effectively identifying and enabling the management and mitigation of the major risks facing the university.

The remainder of this Report is intended to allow the Board to assess the university’s 2020-2021 progress in URM as against the adopted measures described above.

² From “A Wake-up Call: Enterprise Risk Management at Colleges and Universities Today”, A Survey by the Association of Governing Boards of Universities and Colleges and United Educators, 2014, pp. 3 to 10 (Much of the language above is directly quoted from this document).

3. MEASURING 2020-2021 PROGRESS:

a. Measure 1 – How has the university sustained URM as a Priority?

Despite and in response to COVID-19, the university has made excellent progress in sustaining URM as a priority. More specifically:

Strong Leadership: The President is actively involved in risk management of foundational risks and strategic risks. The President is strongly supportive of all operational risk management activities and the development of a risk-informed culture.

Dedicated Resource: The university has a dedicated Director of Risk Management overseeing all of the URM activities, with the support of the University General Counsel and a cross-functional Risk Management Committee. Success in embedding URM into Ontario Tech's culture is evidenced by the integration of URM into strategic and planning processes and identified and trained Risk Owners.

COVID-19: In addition to presenting many operational risk management challenges, the global pandemic underscored the need for universities to focus on financial sustainability and developing strategies to address the 'new normal' in a post-pandemic world. This is discussed more under Strategic and Foundational Risks below. Appendix B is a Special COVID report addressing primarily the operational risk activities in response to COVID-19.

Ongoing Risk Planning: In 2020-2021, Ontario Tech continued to make progress against the risk goals during the academic year. While the pandemic remains unpredictable, the university remains ready to maintain operations while keeping all stakeholders safe. We also have plans to maintain focus on advancing the university risk management project.

Strategic and Foundational Risks

The President's five strategic priorities continue to anchor and guide all risk management activities. SLT has focused on and aligned the strategic risks with these priorities in the Strategic Risk Register appended as confidential Attachment 1. In addition, Risk Management's operational activities during COVID-19 focused in particular on ensuring a Sticky Campus and Learning Reimagined, through the safe continuation of online learning/teaching, and research activities, as well as safe return to play initiatives for student athletes.

a. Focus on Foundational Risks

Several years ago, the university identified two foundational risks: sustainability and compliance. The financial uncertainty precipitated by COVID-19 increased the President's already significant focus on financial sustainability. The President has worked with the Vice President, Administration and other members of SLT to focus

on strategic and operational responses to mitigate financial sustainability risks including a focus on enrollment, alternate sources of revenue, technology enhancements, and an engaged and fruitful discussion with the Academic Council and the broader university community on how Ontario Tech will respond in a differentiated way to the post-pandemic world. The President led several discussions on these topics with the Board in 2020-2021.

b. Continue to work to address Strategic Risk at the university

Since November 2018, members of SLT have continued to work with Risk Management to develop and report on Strategic Risk mitigation strategies. Significant adjustments were made to the strategic risk drivers, controls, risk mitigation strategies and future treatment plans. A final draft of these changes can be found under confidential Attachment 1. SLT also spent time reviewing the twelve strategic risk descriptions listed to clarify them. "Student Experience & Culture" and "Campus Culture" were changed to "Student Experience" and "Campus Culture". "Innovation" was altered to include "Research & Innovation".

The Strategic Risks are set for a substantive review during the 2021-2022 term to ensure these risks continue to align with the university's priorities. The President is planning to allocate significant time at an SLT retreat to work with these risks.

c. Continue to map Operational Risks to the Strategic Risks

Through the university's annual and interim Risk Register review, Risk Owners were asked to review their operational risks, and align these risks against the strategic risks identified by the Board of Governors in 2018. To accurately capture and track the alignment, the template of the operational Risk Register was redesigned to capture and track the proposed strategic risk identified by the Risk Owner. While COVID slowed this initiative down, it was completed during the year. The results of this exercise will be shared with SLT for further discussion.

Risk Management Implementation

a. Continue to support and train Risk Owners in the management and mitigation of risk;

Risk education and awareness continued to occur over the 2020-2021 academic year, primarily focusing on issues raised by the Risk Owners. A few noteworthy discussions:

- *International Travel and associated risks related to COVID-19;*
- *Insurance against our existing placement programs and the adverse effects of COVID-19 e.g.; infectious disease; and*
- *New contract terms with partners and contract renewals.*

Risk Management continues to offer training to the university community on insurance gaps and the implications of a challenging insurance market.

Risk Management has focused efforts on research owners and research-related activities to better understand the nature of their projects and to advise on policy limitations or conditions that may apply to research activities.

b. Continue to support Risk Owners reporting on risk work.

Although typical operational risk work paused in some instances due to the pandemic, there was a lot of ongoing risk management activity in areas such as:

Onboarding new Risk Owners related to the annual Risk Register review: Risk Management engaged with new Risk Owners and Risk Leads to provide an overview of risk management, their role as a Risk Owner, and the annual and interim processes associated with risk data collection.

Supporting Risk Owners through effective identification and risk description: As part of the risk assessment process, Risk Management has created a “string” of information that distinguishes between cause and effect, simplifying the process of describing risk for Risk Owners to effectively use in their decision making.

Recognition of responsibility and ownership: Supporting risk owners in understanding their role as it relates to the URM, incidents on campus, and effective reporting channels. The primary goal is to empower the university members to identify risk and take appropriate action.

Returning to risk basics with Risk Owners: Through the Risk Register review, Risk Management returned to the basics in some instances as it relates to managing risk e.g. transferring, tolerating, treating, and terminating risk.

Risk Owners continued to receive guidance on interpreting the Strategic Risks and mapping those risks to their respective Operational Risks. The exercise of mapping these risks was concluded over the 2020-2021 academic year.

c. Design and implement additional processes and tools to support university continuity of operations.

Metrics: Metrics for risk and insurance were tracked over the 2020-2021 academic year and are shared herein as confidential Attachment 2. There are variations which are consistent with the previous academic year, and which have resulted from COVID-19.

Dashboard Reporting: Efforts were made to research available dashboards to support a risk management platform. It has been established that many universities within the sector have not developed a tool to support a comprehensive risk management program. The objective for 2020-2021 is to establish a capstone project through the university’s business faculty to identify an appropriate platform and application to support a dashboard initiative.

University Continuity: University continuity (known outside our sector as “business continuity”) continues to be a focus. Risk Management worked alongside SLT and Risk Owners to establish Continuity Leads to support the University’s Continuity Policy. Pandemic plans, essential operations, anticipated recovery time and recovery objectives have been established to support the plan’s response, but there is still much work to be done. We observed that Risk Owners were confused about the differences between administrative and environmental controls and developed the Hierarchy of Control document to assist them. We will continue to use this document to guide Risk Owners. In support of the university continuity work, a business impact assessment tool has been developed. Its use was paused due to pandemic response.

The continuity work plan will be established in the 2021-2022 academic term.

i. Insurance:

Insurance: Risk Management provides an annual insurance report to the Board. The increasingly competitive and restrictive insurance market has resulted in changes to the availability of cyber insurance for the post-secondary sector. This has resulted in significant supplemental conditions imposed against the university. We are continuing to work with our respective stakeholders to ensure adequate coverage is in place at the university at the annual renewal. Discussions are currently underway with Durham College to determine opportunities for aligning our cyber policies in the future, including breach coaches, and investigative firms.

ii. Support the Development of a University Risk Appetite

Due to recent COVID-19 events, the goal to develop the University’s risk appetite was deferred and will be considered as a priority in the 2021-2022 academic year.

iii. Effective Compliance Management - Develop Policies re Foundational Risks

In 2019, the university hired its first dedicated compliance resource under the University Secretariat. The primary focus of that role is to support the General Counsel to implement an overall compliance program. A key step has been the successful establishment of the Compliance Policy. The development of tools and instruments to support the roll-out of this policy to the broader university community is underway, as is a Copyright compliance project. In addition to developing the broader program, the USGC is focused on shorter-term emergent risk compliance priority matters such as AODA, Controlled Goods, and Health and Safety matters. The General Counsel reports to A&F quarterly on compliance activities and this report addresses compliance work done and underway.

iv. Annual Risk Management Report

This Annual University Risk Management Report dated June 24, 2021, fulfils this objective.

v. Work with Academic Council on Their Role in Risk Management

Deferred: One of the priorities identified was to work with Academic Council regarding their role in risk. Due to ongoing COVID-19 events, the Academic Risk Work Plan was deferred and will be considered as a priority in the 2021-2022 academic year.

vi. Ontario Tech Operational Risk Register

The university completed its fifth annual Risk Register review, which focused on the university's operational risks. The review included institutional risks which were high, extreme, and foundational to the university, as well as local risks specific to the unit and faculty areas. The annual review focused on:

- Completing the alignment of the Operational Risks to the Strategic Risks;
- Appropriately assigning risk associated with Equity, Diversity, and Inclusion;
- Current mitigation strategies on technological infrastructure; and
- The two foundational risks (Financial Sustainability and Compliance).

A survey was conducted with the Deans in 2019 to identify which of their respective institutional operational risks should have oversight by the Provost. The results of this survey were used to support the establishment of the Provost's first annual Risk Register. Risk Management will continue to work with the Provost to establish mitigation strategies during the 2021-2022 interim Risk Register review.

The Risk Register for High, Extreme, and Foundational Risks: No Extreme Risks were identified in the past year. SLT met to discuss the high, extreme, and foundational risks. During this discussion, two (2) high risks were moved from "High" to "Medium" due to the successes of the Risk Owner, risk controls and recent mitigation strategies implemented. These risks were owned by the USGC and include: 1) Risks associated with failing to manage controlled goods (now mitigated by a full review and current development of a policy and procedures); and 2) Risks associated with an increasingly litigious environment.

There are seven (7) remaining high risks and two (2) foundational risks reported. The seven (7) high risks were captured as follows:

Risk Owner: All Faculties and ACE

- Risks associated with equipment failure, requiring replacement or repair.

Risk Owner: Human Resources

- Risks associated with a lack of training and support for front line staff addressing mental health issues;
- Risks associated with the failure to maintain effective labour relations; and
- Risks associated with the failure to implement, monitor, and maintain infrastructure enabled to prevent or mitigate workplace accidents and injuries.

Risk Owner: University Secretary and General Counsel

- Risks associated with information governance;
- Risks associated with disruption causing impairment to the University's operation and Information Technology's (IT) infrastructure; and
- Risks associated with failing to negotiate, manage, and implement contracts.

Operational Risks:

Of the sixty-three (63) operational risks identified, fifty-four (54) of these risks were calculated as Medium, seven (7) as High, and two (2) as Foundational. Four (4) low risks were retired. Low risks are considered local to the operation and, therefore, not included in the Annual Risk Management Report for 2020-2021. There were no institutional risks that could be retired.

During the 2020-2021 review, twenty-eight (28) controls and nineteen (19) new mitigation strategies were added to the registers in an effort to prevent, reduce, mitigate, or resolve risk at the University. Several of the mitigation strategies established in the previous 2019-2020 year were updated to reflect the current risk landscape.

There are four (4) institutional risks that produced a lot of discussion with Risk Owners across the University, which resulted in multi-departmental risk discussions. These are:

- Risks associated with Equity, Diversity, and Inclusion (EDI)
- Risks associated with information technology and cyber security
- Risk associated with privacy and access control
- Risks associated with employee mental health

EDI was carved from the Human Resources Risk Register and is now primarily owned by the Provost, (as a Director of EDI was hired by the Provost in the summer of 2020) although all Risk Owners are expected to include an EDI-related risk relevant to their unit/faculty.

Information technology risk continues to increase in likelihood and consequence as the universities across the sector are struck with cyber-attacks, hackers, and ransom demands. To address these external realities, Ontario Tech and Durham College hired a Director, Information Technology.

Continued Simplification and Synthesis: Since the risk team first cast a wide net to identify operational risks in 2015, work has been done to identify risk patterns, categories and overlaps. This has resulted in fewer listed risks. In continuation of the simplified exercise developed in 2016-2017, the risks in 2020-2021 are categorized as follows:

Risk Domain	Reported Risks 2015-2016	Risks after Synthesis and Reorganization	2017-2018 Synthesized Risks	2018-2019 Synthesized Risks	2019-2020 Synthesized Risks	2020-2021 Synthesized Risks
Operational	165 draft risks	57 draft risks	39 Risks	41 Risks	41 Risks	41 Risks
Financial	36 draft risks	13 draft risks	7 Risks	7 Risks	7 Risks	7 Risks
Reputational	12 draft risks	3 draft risks	3 Risks	3 Risks	3 Risks	3 Risks
Compliance	40 draft risks	18 draft risks	10 Risks	12 Risks	12 Risks	12 Risks
Total:	253	91	59	63	63	63

New and Emerging Risks: There were no new institutional risks to report during this review. It should be noted that pandemic planning and infectious disease was already captured as a risk on the university’s institutional risk plan.

Risk mitigation discussions continue between Risk Management and Risk Owners. The list of Operational Risk Owners is attached as Appendix D.

vii. Senior Leadership Team

The President and SLT are charged with setting the appropriate “tone at the top” to support risk management and they continue to oversee the implementation of risk management within their areas and ensure commitment to reporting risk activity.

The President demonstrates consistent, strong and engaged commitment to risk management activities, with a particular focus on foundational and strategic risks. There continues to be a clear appreciation and demonstration of SLT support toward the URM. SLT engages in discussions about Strategic Risk and risks associated with the university’s operations. The connection between Strategic Risks and Operational Risks has been finalized.

Over the 2020-2021 academic year, and specifically relating to the COVID-19 response, Senior Leaders and other members of the university have embraced risk and have demonstrated risk informed decision making in our response to risks that resulted from the pandemic.

It is our observation that the risk culture is shifting. Risk strategy has started to become a point of discussion during the planning phases of projects, construction, return to campus planning, research activities, and return to play.

The goal of risk management is to create a culture in which risk informs decision making. Because of the President’s leadership, this is happening. Risk discussions have been collaborative. Risk is a focus in decision-making process as it relates to budget and finance and in the development of strategic plans.

Establishing the university's risk appetite has been deferred to 2021-2022.

viii. Risk Management Committee

The Risk Management Committee (RMC) was struck to oversee the successful integration and execution of URM with direct reporting responsibility to the Board of Governors. Committee members are chosen based on their skill set and functional knowledge. In the 2020-2021 academic year, the RMC was charged with conducting regular meetings to discuss risk and risk management with a focus on the integration of risk management best practices. The committee was engaged toward the latter end of the pandemic, as the COVID-19 Task Force focused on immediate and emerging operational needs. The committee provided feedback on the university's overall response.

In 2020-2021, the Risk Management Committee provided some input risk management directives and policies such as the Volunteer Policy and Procedures, Informed Consent documents, and Travel Waiver forms.

The RMC is composed of the following individuals from across the University:

Jacquelyn Dupuis (Chair and Director of Risk Management), Paul Bignell (IT), Matthew Mackenzie (External Relations), Candi Gogar (Research), Alison Baulk (Finance), Stephen Thickett (Student Life), Tyler Frederick (FSSH), Connie Thurber (FHS), Tanya Mayorga (OCIS), Julie Day (Human Resources), Carolyn Yeo (International), and Maureen Calhoun (Health and Safety).

In 2020-2021, the RMC met four times.

a. Measure 2: Does URM have an Assigned Leader?

Yes. While the President retains overall risk responsibility, URM leadership is assigned to the University Secretary and General Counsel, an executive who reports to the President. Advancing URM was a primary objective in 2020-2021 and will continue as a priority for the University Secretary and General Counsel.

b. Measure 3: Has the Board discussed the top strategic and operational risks facing the University?

Yes. The President has engaged the Board in discussions about the foundational and strategic risks at each board meeting. Under the leadership of the Provost and Vice President Academic and the VP Research, the university has adopted and implemented an Integrated Academic Research Plan (IARP). This plan is aligned with the President's strategic priorities. The Board has received regular progress updates to the status of the IARP. Board discussions of strategy include discussions of risk. The pandemic has created an opportunity to review the existing operational risks and strategic risks through the lens of the pandemic. We will continue to see a focus on risk as we look to implement processes and protocols through lessons learned this past year.

c. Measure 4: URM is a part of A&F Work Plan and Board annual discussion.

Yes. URM is part of the 2020-2021 Audit and Finance Work Plan. There are regular discussions and reports presented on risk management and insurance as noted in the attached confidential Attachment 3.

The Audit and Finance Committee received reports on risk on November 25, 2020, February 17, April 14, and June 16, 2021, respectively. The Board has received reports quarterly from the Chair of the Audit and Finance Committee.

d. Measure 5: Has Ontario Tech provided Board training sessions about University risk?

Yes. In addition to the general discussions about risk, Board professional development sessions typically focus on risk areas for the University. In the 2020-2021 academic year, the Board was provided the opportunity to ask questions about the university's strategies and strategic role surrounding research on campus, funding and budget development, fiscal sustainability, and the university's response to EDI. The Board Orientation/Education Work Plan can be found under confidential Attachment 4.

e. Measure 6: Board assessment of URM Activity.

At the Annual General Meeting (AGM) each year, the Board receives an annual report and is asked to comment on the progress of URM. The purpose of this 2020-2021 report and the COVID-19 Special Report is to secure the Board's comment and direction on URM progress in 2021-2022.

PART III – GOING FORWARD

4. 2020 – 2021 GOALS AND OBJECTIVES

Advancement of the goal of embedding URM into a higher education culture is evidenced by the integration into strategic and planning processes. Integrated URM will foster the desired risk-informed culture across the University. Accountability and ownership are important factors, critical to move the URM forward.

The focus for 2021-2022 objectives:

1. Strategic and Foundational Risks:
 - a. Continue to work to address strategic risks to the university with a focus on the President's five strategic priorities;
 - b. Continue to focus on university sustainability initiatives;
 - c. Continue to engage the Board and its Committees in strategic and strategic risk discussions.
2. Risk Management Implementation:
 - a. Enhance the existing risk work tools and establish new processes and procedures that include the COVID-19 response; and
 - b. Continue to support Risk Owners reporting on risk work.

3. Insurance Implementation:

- a. Continue to support the university community by developing insurance related tools, applications, and educational resources; and
- b. Establish a plan with our campus partner Durham College related to cyber insurance, and security related incidents.

Office of Risk Management (Chief Risk Officer and Director of Risk Management)
Support SLT and the Board in developing a plan to assess the University's risk appetite
Put in place an action plan associated with the lessons learned and suggestions presented in the COVID-19 Special Report, guided by the URM
Establish a Capstone Project for a Risk Management Dashboard
Continue to enhance and push the strategic and foundational risk planning forward alongside the operational risks
Continue to develop policies for Foundational Risks, establish a work plan and directives supporting the University Continuity policy
Prepare the 2021-2022 Annual Risk Report to the Board and Audit and Finance Committee
Work with Academic Council to scope its potential role in risk management

Senior Leadership Team
Maintain the Tone at the Top – Continue to demonstrate support for the implementation of URM
Use the strategic risk-focused response to the pandemic to demonstrate to the university how to manage strategic risk
Support the development of a university risk appetite that reflects the university's increased risk maturity
Continue to push the Strategic , Foundational, and Operational Risk plans forward with a particular focus on clarifying the strategic risks and associated risk mitigation plans

Risk Management Committee
Conduct regular meetings to discuss risk and risk management, and focus on implementing 'lessons learned' from COVID-19 response
Continue to engage in monitoring and approving risk policies and directives associated with the URM , as well as continue research regarding risk appetite within the PSE
Establish risk education and awareness training, and identify areas within the committee members peer groups to attend these training sessions

5. CONCLUSION

Please refer to the letter of the Chief Risk Officer for the summary and highlights of this Report.

DRAFT



Appendix A – Risk Management Policy

Classification	LCG 1116
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	University Secretary
Approval Date	June 18, 2014; Editorial amendment January 17, 2019
Review Date	January 2022
Supersedes	

RISK MANAGEMENT POLICY

PURPOSE

1. The purpose of this Policy is to establish the foundation for a University Risk Management (“URM”) program which ensures that Risk management is an integral part of the University’s core strategy and integrated into all key activities and/or functions. The URM program establishes a Risk management framework which will provide a proactive and consistent approach to ensuring that Risk is considered when decisions are made at all levels of the organization and, in turn, assists the University to operate within its capacity and willingness to take Risk. The URM program further establishes a commitment to raise awareness surrounding Risk management and provide guidance to all levels of the University.
2. **Objectives:** The overall objectives of the Risk Management Policy are to:
 - 2.1. Formalize a consistent approach to identifying, assessing, measuring, managing communicating and mitigating Risks to the University’s strategic plan and priorities and to the University’s operations in an effort to reduce uncertainty; and
 - 2.2. Assist the University to make better informed decisions and promote accountability for Risk management with stakeholders and University Members at all levels.

DEFINITIONS

3. For the purposes of this Policy the following definitions apply:

“University Risk Management (“URM”)” means a consistent, coordinated, integrated approach to identify, assess, measure, manage, communicate and mitigate significant and material Risks to the University achieving its strategic objectives

“Risk” means the uncertainty of outcomes against planned objectives. This concept can be applied to strategic objectives as well as all operational activities within the University. While the application of the definition may change with different University Members, the concept should not change.

“Risk Assessment” means a formalized, systematic ranking and prioritizing of identified Risks, using a likelihood/consequence framework.

“Risk Appetite” means the University’s willingness to accept Risk. Risk Appetite may also be viewed as the acceptable deviation from expected outcomes.

“University Member” means any individual who is:

- Employed by the University;
- Registered as a student, in accordance with the academic regulations of the University;
- Holding an appointment with the University, including paid, unpaid and/or honorific appointments; and/or
- Otherwise subject to University policies by virtue of the requirements of a specific policy (e.g. Booking and Use of University Space) and/or the terms of an agreement or contract.

SCOPE AND AUTHORITY

4. This Policy applies to all University Members and extends to all functions and activities.
5. The University Secretary, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Policy.

POLICY

This Policy and the associated documents will describe the specific responsibilities for those groups and individuals expected to support the implementation and maintenance of the URM program. In addition, all University Members are expected to support the management of Risk and the success of the URM program at the University.

6. Risk Framework

- 6.1. Effective Risk management across the institution will result in increased stability, safety and security and prosperity for University Members. This Policy and the associated documents create the Risk management framework developed specifically to fit the governance structure and culture of the University. The framework is aligned with the strategic priorities of the University and incorporates leading practices, tailored to the University’s needs and culture.

- 6.2. The framework is intended to support the University in identifying, assessing, measuring, managing, reporting and mitigating significant and material Risks. The ultimate goal of the framework is to assist the University in achieving its strategic priorities and operational objectives through better management and understanding of Risk.
- 6.3. The framework provides:
- Formalized process and approach to executing URM;
 - Clearly defined accountabilities for execution of URM;
 - Improved Risk management communication; and
 - Consistency in Risk management.

7. Risk Governance Structure

- 7.1. **Oversight:** The responsibility to oversee the University's URM program resides with the University's Board of Governors ("Board"). The Audit and Finance Committee is delegated to carry out this oversight responsibility on the part of the Board and to report annually to the Board on the status of the URM.
- 7.2. **Direction:** The University's President and Vice-Chancellor is responsible to provide direction to ensure the University's strategic priorities remain the ultimate focus of all University Members.
- 7.3. **Risk Parameters:** The Risk Appetite will be determined by the University's President and Vice-Chancellor along with the Senior Leadership Team ("SLT") and ultimately approved by the Board. The Risk Appetite will be reviewed no less than once annually.
- 7.4. **Risk Owners:**
- a) **Chief Risk Officer:** The University's President will designate a member of SLT to serve as Chief Risk Officer. The Chief Risk Officer will, among the members of the SLT, have responsibility for the coordination of SLT's Risk management activities. The Chief Risk Officer will act as primary advisor on Risk to the Board and to the President and Vice-Chancellor. The Chief Risk Officer will serve as Chair of the University's Risk Management Committee ("RMC") and will have accountability for that Committee's work.
 - b) **Senior Leadership Team ("SLT"):** SLT as a group is responsible for the management of all institutional and operational Risks, the overall success of URM, and the integration of the URM program into the core operational and strategic decision framework of the University. Individual members of the SLT will act as the primary owners of Risks and Risk management at the University. Each SLT member will delegate responsibility for Risk management to functional leaders within that SLT member's area of responsibility.
 - c) **Administrative Leadership Team (ALT):** ALT will act in an advisory role in respect of various aspects of the URM program. ALT will work to ensure

that the URM program is integrated into the planning work of the University.

8. Risk Management Committee (“RMC”)

- 8.1. The Risk Management Committee will hold responsibility for the successful integration and execution of the URM framework. Operational implementation and maintenance of the URM program will be conducted with oversight and guidance from SLT. The Committee will also be responsible for facilitating the Risk identification and Risk Assessment process at the Senior Leadership Team and functional leadership levels, consolidating that information and finalizing the institutional Risk profile for the Board. This committee will be a skills-based committee comprised of individuals who are best able to help the University fulfil its URM objectives.

9. Statements of Principle

The University adopts the following statements of principle for application in the implementation of this Policy:

- 9.1. **Risk Culture:** The University is committed to fostering a culture of Risk ownership throughout the University. This does not mean that we avoid engaging in activities that have Risk or that we avoid Risk in our teaching and research and other activities we undertake for the University. It is recognized that both strategic and operational decisions and the work undertaken by University Members, all inherently involve Risk.

To the University, having a culture of Risk ownership means that:

- a) Strategic and operational decisions are made with full awareness of the Risks relevant to those decisions;
 - b) All University Members are aware of the organization’s emphasis on URM incorporate a proactive approach and awareness to managing Risk in their individual roles.
- 9.2. **Communication:** A key principle of a successful URM program is regular communication. The Board and Senior Leadership Team are committed to developing a communication plan to ensure that those who require information to support the URM program receive it. The University’s Risk Management Policy, goals and objectives will be made available to all University Members and it will be expected that each member reads and understands the Risk management philosophy and outlined framework.
- 9.3. **No Reprisal:** The University will not discharge, discipline, demote, suspend, threaten or in any manner discriminate against any officer or employee based on any good faith and lawful actions of such employee to responsibly and carefully report Risk issues using the channels provided by the University.
- 9.4. The University is committed to academic freedom.

MONITORING AND REVIEW

10. This Policy will be reviewed as necessary and at least every three years. The Risk Management Committee, or successor thereof, is responsible to monitor and review this Policy.

RELEVANT LEGISLATION

11. This section intentionally left blank.

RELATED POLICIES, PROCEDURES & DOCUMENTS

12. University-Hosted Event Risk Management and Approval Directive
Field Trip Risk Management and Approval Directive
Risk Management Committee Terms of Reference

Appendix B



COVID-19 RISK MANAGEMENT SPECIAL BOARD REPORT

Executive Summary

This report summarizes and highlights the role University Risk Management “URM” played in the university’s response to COVID-19. The Board of Governors’ responsibility is to measure the progress of the URM. While this report is being generated by the Office of University Risk Management, the COVID response was a true collaborative and team effort.

The URM framework supported an effective response to a pandemic as it fosters a holistic approach to identifying, analyzing, evaluating, and treating risk and risk-related activities.

Many Thanks and Appreciation

Ontario Tech employees rose to the COVID-19 challenge. While we believe the university risk management framework provided an excellent foundation, the effective pandemic response was attributable to a huge amount of effort and good will on the part of the entire community. The President continued to demonstrate strong risk leadership through his engagement in strategic and foundational risk management thought leadership, and through his support for the many COVID-related operational risk activities. Dr. Lori Livingston demonstrated strong risk leadership as she led the academic community’s operational response to COVID. We also want to take the opportunity to acknowledge the following individuals whose efforts over this last year contributed to effectively managing risks arising during the pandemic:

Susan McGovern
Brad MacIsaac
Jamie Bruno
Melissa Levy
Thomas Bezruki
Ken Bright
Maureen Calhoun
Francis Arnaldo
Krista Hester

Nicola From
Scott Barker
Jessica Salt
Tim Watson
Cheryl Lumley
Eric Sauerteig
Jen Clarke
Niall O’Halloran
Corrina D’Alessio

Melissa Gerrits
Carolyn Yeo
Lorrie Henning
Joint Health and Safety
Committee
Research Task Force
Joint COVID-19 Operations
Task Force

As the Director of Risk Management, and co-author of this report, Jacquelyn Dupuis is not mentioned above. However, the senior leadership team would like to ensure that Jackie’s significant contribution is recognized. Thanks very much Jackie. The university benefitted from everyone’s continued efforts and dedication.

Background

Before the pandemic was officially declared, Risk Management worked with university Risk Owners to update their existing Pandemic Plans to ensure they aligned with the current operational environment. This work provided a critical foundation for the university’s response to the pandemic. Within the first few weeks of the pandemic being declared:

- The President quickly recognized the impact of COVID-19 on the University’s sustainability (a previously-identified foundational risk), and the strategic implications of the new normal forecasted to arrive post-COVID. In response, the President worked closely with the Board, SLT, and the university community to articulate the need for and elements of a bold vision for a post-COVID Ontario Tech University. The President identified for the community key risks arising from COVID: 1) enrolment; 2) a need for a clear and differentiated value proposition, and; 3) the need to manage accelerated change and uncertainty in learning and working.
- Under the leadership of the Provost and the AVP Planning and Analysis, developed planning task forces/committees with specific [terms](#) (Pandemic Response Team, Community Advisory Task Force, E-Learning Task Force, Engagement and Well-Being Task Force, First-Year Student Transition Task Force, Remote Work Task Force, International Task Force, Re-Opening Workplace Group, COVID-19 Operations Taskforce (“OTF”), Return to On-Campus Research Task Force)
- Developed [Assumptions, Guiding Principles, and a Return to Campus Framework Plan](#) to establish clear expectations for the broader university community to understand how decisions were made and what to expect while on campus.

Response

During the recovery and transitioning phase from a global pandemic, the university’s primary return to campus objectives were to continue to deliver on the university’s academic and research mission, prioritizing all community members’ health, safety, and well-being. To support these objectives, a series of activities and collaborations took place:

Meetings	Activities
<ul style="list-style-type: none"> - Twice weekly OTF meetings - Biweekly meetings with Durham Region Public Health - Monthly Joint Health and Safety meetings - Twice weekly PRT meetings - Joint institution meetings weekly 	<ul style="list-style-type: none"> - Over 75 Resumption of Activity plans reviewed and approved - Over 75 on-campus risk assessments against COVID-19 restrictions; - Over 35 Research activity assessments; - Over 15 COVID-19 hazard reviews - Over 100 presumptive case management cases
Interdepartmental Collaborations	
<ul style="list-style-type: none"> - Research Ethics Board on F2F research - Human Resources on benefits messaging - COVID-19 PPE research and development initiatives 	<ul style="list-style-type: none"> - Information Technology on technological initiatives - Communications and marketing on signage, language - Operational activities for vaccination site

The university developed a series of tools, resources, and documents to support the orders mandated by government ministries and legislation. These resources and tools include:

- [Pandemic Planning template](#)
- [Finalized 25 Pandemic Plans](#)
- [Curbside pick-up processes](#)
- [Set physical distancing capacity numbers](#)
- [Visitor on campus Informed Consent](#)
- [Parking lot signage](#)
- [COVID-19 Reporting Protocol](#)
- [Return to Campus Plan](#)
- [Essential activities/essential services defined](#)
- [COVID-19 Emergency Preparedness Plan Assistance Webpage](#)
- [Laboratory Space Planning and Distancing Guideline](#)
- [Start-up and Shut down checklists](#)
- [Resumption of activity document](#)
- [Biosafety & Radiation Laboratory COVID-19 Emergency Preparedness Plans](#)
- [Signage, decals, queue support](#)
- [Research Approval process](#)
- [Delegated Authority for SLT coverage](#)
- [Confirmed University Continuity Leads](#)
- [International Travel Waiver](#)
- [Contractor Protocol/Scope of Project](#)
- [Mask Directive](#)
- [Campus Access Protocol](#)
- [Frequently Asked Questions](#)
- [Environmental Cleaning and Disinfection protocol](#)
- [COVID-19 Screening](#)
- [Request to Initiate Lab Research document](#)
- [Return to on-campus research application](#)
- [Guidelines for Working on campus](#)
- [COVID Training for university members](#)
- [Ontario Tech COVID-19 Safety Plan](#)
- [HVAC checklist \(Mechanical enhancement review\)](#)
- [Created email templates and email inquiry address](#)
- [Bulk ordering requests of covid supplies](#)
- [COVID-19 Response Webpage](#)

Re-imagined Future, Maintaining URM as a Priority

As we move toward establishing an innovative new normal, URM must continue as a priority, focusing on some of the following key areas:

Strategic Risk: Understand and address the changing strategic risks in a post-COVID world in which we face enrolment challenges, the need for increased differentiation, and the need to manage and navigate significant changes in teaching/learning, the model of work, and technology.

Foundational Risk: Maintain focus on and find ways to mitigate significant financial uncertainty and ensure financial sustainability.

Policy, Regulatory and Legal Risk: Understand policy, regulatory, and legal implications of COVID-19 on the new ways of working, and adjusting policies, as required.

Privacy & Security Risk: Remote working arrangements have increased our cyber risk, as sensitive university information is being accessed at home, as well as the digitization of services.

Travel & Mobility Risk: Addressing new requirements and realities for travel will be necessary including changes to processes and programs, such as the existing crisis management response.

Procurement & Vendor Management Risk: Assess supply chain management, disruption, re-evaluate how the vendor landscape has changed, review existing contracts and protocols, and continue to cultivate good relationships with vendors.

Community Support and Partnership Risk: Our community engagement enhances our reputation and sets us apart from other universities in the sector. We must continue to return to the foundations of risk and risk assessment when engaging with community partners.

Insurance (Financial Risk): Risk Management will continue to monitor the ongoing insurance landscape for opportunities in infectious disease coverage.

Business Continuity Risk: The pandemic has taught us the importance of a solid yet fluid plan when responding to infectious diseases. A culture of preparedness is paramount in response to a crisis and the need for an effective continuity plan. The university will continue to finalize all aspects of the policy, including formalizing a Business Impact Assessment to determine continuity across the institution.

Risks associated with a Lack of an effective Emergency Response: Command centers/cross-functional teams will be critical for managing the next wave of coordinated response efforts in anticipation of another wave or another emergency.

Risks associated with Agility and Resilience: Leaders must safeguard university agility and build resiliency into planning to respond to potential next waves and to ramp up (or down) as needed. We must continue to identify creative responses to future challenges.

People Risk: The pandemic brought along enormous operational changes and subsequent workplace challenges. During the pandemic, the term “COVID fatigue” has become a concern in the workplace. COVID has created stress, anxiety, concern, and distractions. The risks associated with people and their respective well-being are significant.

Next Steps

The President will maintain his focus on strategic and foundational risk and will actively engage the board in these topics. From an operational perspective, Risk Management will continue to provide operational guidance, supported through the URM and University Continuity Framework. The annual Risk Register reviews will be used to drive some of the risk work identified above.

Appendix C – 2020-2021 Operational Risk Owners

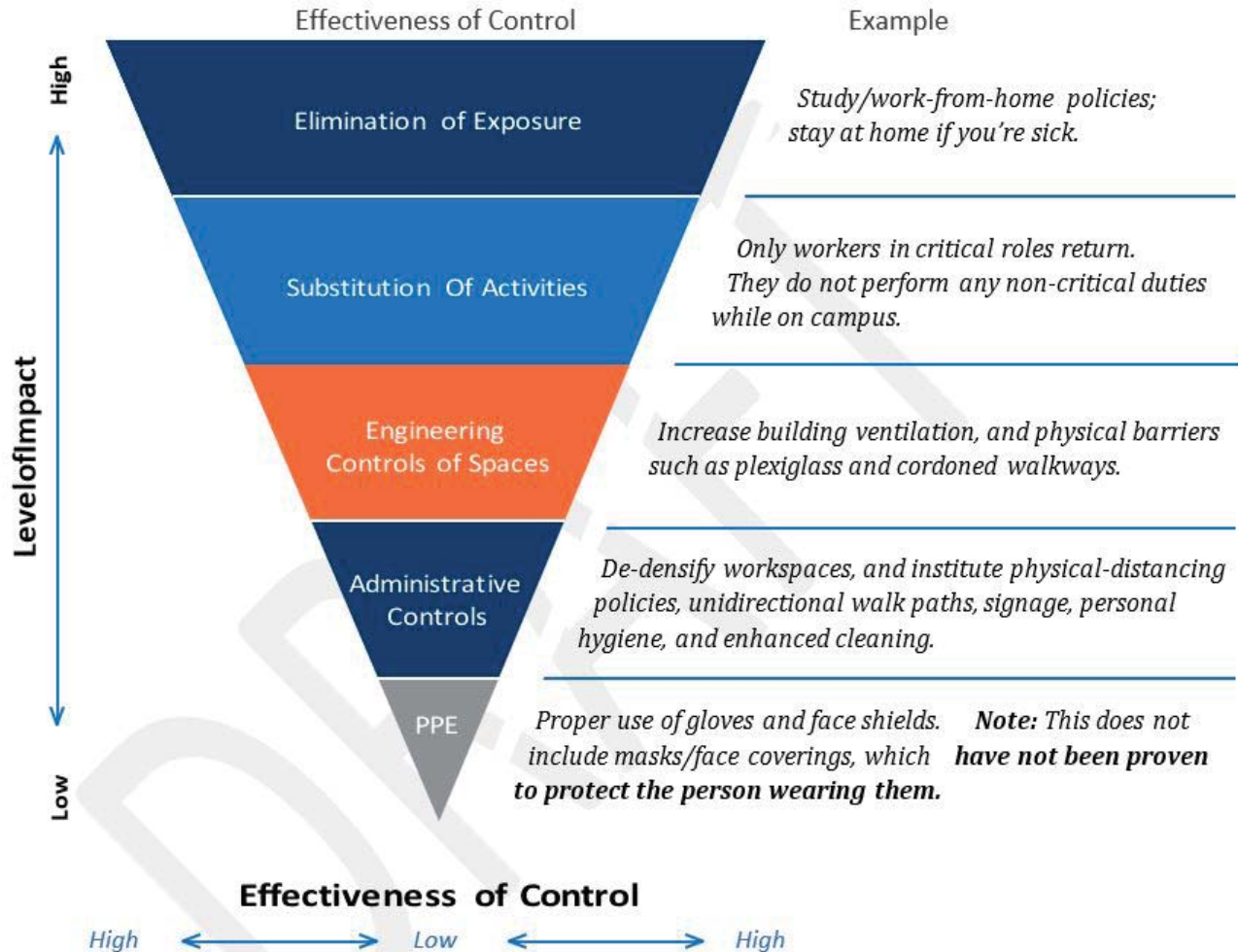
2020/2021 University Risk Owners – Operational

SLT Member	Department Risk Registers	Risk Owner
Steven Murphy	ACE	John Komar
Brad MacIsaac	Finance	Brad MacIsaac
	Office of Campus Infrastructure and Sustainability	Ken Bright
	Regent Theatre	Kevin Arbour
	Office of Campus Safety	Tom Lynch
	Information Technology	Paul Bignell
Cheryl Foy	University Secretary and General Counsel	Cheryl Foy
Susan McGovern	External Relations and Advancement	Susan McGovern
Les Jacobs	Research	Jennifer Freeman
Lori Livingston	Provost's Office	Lori Livingston
	Registrar	Joe Stokes
Jamie Bruno	Human Resources	Jamie Bruno
	Library	Catherine Davidson
Langis Roy	Office of Learning Innovation	Catherine Drea
	Student Life	Stephen Thickett
		Scott Barker
	Teaching and Learning Centre	Susan Forbes
ALT Members	Faculty Risk Registers	Risk Owner
	School of Graduate and Postdoctoral Studies	Langis Roy
	Business and Information Technology	Michael Bliemel
	Education	Robin Kay
	Energy Systems and Nuclear Science	Akira Tokuhira
	Engineering and Applied Science	Hossam Kishawy
	Health Sciences	Carolyn Rodgers
	Science	Greg Crawford
	Social Science and Humanities	Peter Stoett

Appendix D – Hierarchy of Controls

Minimizing Risk on Physical Campus: Hierarchy of Controls

Using a hierarchy of controls as a response framework to mitigate risk, functional units can take a range of actions—weighing the effectiveness and financial impact of each—to combat COVID-19 in their areas.



Elimination of exposure should always be considered first while PPE should only be implemented after all other controls have been exhausted. In the cases of COVID-19 controls, where 2m distancing can not be maintained, workers and employers may also consider using face coverings as an additional public health measure for source control in addition to mandatory occupational health and safety measures.



BOARD OF GOVERNORS
Audit & Finance Committee

Minutes of the Public Session of the Meeting of Wednesday, April 14, 2021
2:00 p.m. to 3:45 p.m., Videoconference

Members: Laura Elliott (Chair), Stephanie Chow, Mitch Frazer, Dale MacMillan, Steven Murphy, Dietmar Reiner, Roger Thompson

Staff: Jamie Bruno, Becky Dinwoodie, Cheryl Foy, Barb Hamilton, Les Jacobs, Lori Livingston, Brad Maclsaac, Pamela Onsiong

Guests: Shay Babb, Chelsea Bauer, Jackie Dupuis, Mike Eklund,

1. Call to Order

The Chair called the meeting to order at 2:01 p.m.

2. Agenda

Upon a motion duly made by S. Murphy and seconded by R. Thompson, the Agenda was approved as presented.

3. Conflict of Interest Declaration

None.

4. Chair's Remarks

The Chair hoped everyone is keeping well in light of the third state of emergency and stay-at-home order. She encouraged people to participate in permitted activities for their mental health.

The Chair thanked the staff and faculty for prioritizing providing a good student experience during this challenging year.

She noted that the agenda was structured to allow for robust strategic discussion and she encouraged everyone to actively participate in the meeting.

5. President's Remarks

The President discussed the planning for the future. How are we preparing our students for the future? The focus is on valuing the whole student, including the need to consider the mental health of our students. We must not only teach our students skills such as writing and communication, but empathy, working as part of a team, and getting things done when faced with a crisis. Employers are looking for people who can work from anywhere. Many institutions are trying to incorporate more technology in their offerings.

As a younger institution, we have a number of trailblazers who have done excellent work during the pandemic. The President noted that we must examine our core business and how that is changing.

A member commented that in her organization, there is a desire to return to the office and employees have expressed a need to work together and a desire for mentorship. A member asked whether we are anticipating something like a double cohort because of the pandemic. The President advised that in focus groups with students, maybe only 1-2 out of 10 would prefer online learning only. They are examining what we can offer when on campus. There is a desire to return to a dynamic learning environment, with students wanting to make the most of their time on campus. The President informed the committee that they have not observed a drop in enrolment in Ontario, rather they are seeing that high school students are being drawn to the older, more recognized universities.

There was a discussion regarding how we can assess whether we are meeting our value proposition statements. The President remarked that it takes an adjustment to shift people's thinking from the current situation to what the future of education can look like post-COVID. The following are some measures that can be used to measure the university's success in meeting the value proposition statements: student satisfaction surveys and improved student retention. The President emphasized that our students are part of a caring, compassionate community rather than a competitive one.

6. Strategic Discussion: Alternate Sources of Revenue

The Chair led the strategic discussion. She asked the committee to keep in mind the mission of the university, as well as the associated costs of establishing potential alternate sources of revenue. The discussion was guided by the following questions:

- In a world where the revenue generated by degree programs is not likely going to cover increasing costs, what are some alternative ideas institutions can turn to, to diversify their revenue streams?
- When thinking about alternatives, consider how they would relate to the university's mission and also consider start up costs might be.

Comments from the committee included:

- Oshawa is closely tied to GM – it is important to look at what is happening in the community that Ontario Tech could contribute to.
- There will be opportunities coming out of the pandemic – the university could provide niche skillset training that could be provided on a revenue or cost-recovery basis.
 - B. Maclsaac advised that over the last few years, Brilliant Catalyst has helped several local organizations; he referred to the example of the Teaching City in Oshawa, where over 1000 students have worked with the City of Oshawa to help address the City's issues.
 - L. Jacobs added that the wastewater project continues to expand across the province; he also noted that during a recent university town hall, there was a research initiative related to Long Term Care that was discussed – there is a demand for knowledge mobilization and evidence-based decision-making; this is a potential revenue source as there is government and private investment money available.

- A member suggested offering seniors enrichment programs.
 - L. Livingston advised that the university does have some offerings for seniors and noted that the university has an age-friendly designation status; she also advised that a “Seniors Ridgebacks” program is being developed; the university has close ties with the Oshawa seniors community centres and seniors have access to our library – we are becoming a community hub for community members and seniors.
- Another member commented that seniors have time and money to spend.
- It is important to keep focused on the university’s mission and ensure new initiatives align with the university’s mission, vision and values.
- Selling products and services would likely not generate a lot of revenue, but would promote a sticky campus and outreach.
- The growth of strategic partnerships has great untapped potential, but also carries a significant amount of risk (contractual).
- The university’s speaker series has potential to highlight the work being done by faculty and could potentially generate revenue through Ontario Tech Talent (OTT).
- There is also the opportunity to tie strategic partnerships to engagement with alumni – alumni could mentor current students, which would also provide an opportunity to build strategic relationships with the employers of alumni, as well as improve student retention.
- What can Board members do to assist with current priorities?
 - Strategic partnerships help build connections that allow the university to continue to build our brand – it is not always about fundraising, but looking for opportunities that are mutually beneficial (e.g. if lease a new building, could share space with another company that provides professional training).
 - It is important for governors to think about making connections to potential new strategic partners.
- With respect to long-term care initiatives, it is important to act on this sooner rather than later given the Canadian crisis.
- Our competition only has to be the GTA universities – for customized corporate training, GTA corporations could use our facilities for training over the summer months, as well as use our residence space; this also ties into OTT.

7. Finance

7.1 2021-2022 Budget

B. Maclsaac and L. Livingston presented the budget to the committee and responded to questions. The provincial COVID relief funding of \$4.8m was highlighted.

The committee members had the following questions and comments:

- In order to achieve a balanced budget, where is the additional \$900,000 coming from?
 - B. Maclsaac advised that the additional \$900,000 has been allocated out of existing reserves.
- There was concern expressed about the depleted capital reserves – how would we deal with unexpected repairs (e.g. roof)?

- B. Maclsaac noted that there would be money available in the salary reserves and that a plan to build back the reserves will be presented at the June A&F meeting.
- What are the risks of presenting a balanced budget?
 - B. Maclsaac noted that not contributing to the reserves poses a risk.
- What else would they have spent money on if they could have?
 - B. Maclsaac responded that money would have been spent on recruitment and brand recognition.
- What is the risk associated with the limit on the number of students who can return to campus?
 - B. Maclsaac advised that they are looking at equipping classrooms with streaming technology and because of the \$4.8m in COVID relief, the university has greater flexibility.
- A member suggested giving thought to what is needed to achieve the forecasted revenues.
- What is the likelihood of the government unfreezing domestic tuition for 2021?
 - B. Maclsaac confirmed that it is very unlikely.

Upon a motion duly made by D. MacMillan and seconded by S. Chow, the Audit and Finance Committee unanimously approved the following motion:

WHEREAS the budget has been prepared based on a forecast using the best information available at this time;

WHEREAS the COVID-19 pandemic necessitated the effective closure of most of the university's physical operations in 2020-2021 and we are working on numerous scenarios for 2021-2022; and

WHEREAS there is additional risk to the budget this year because of the economic uncertainty precipitated by the COVID-19 pandemic (i.e. international travel) and the expenses required to offer safe partial return to campus in compliance with safety protocols;

NOW THEREFORE, pursuant to the recommendation of management, the Audit and Finance Committee hereby recommends that the Board of Governors approves the 2021-2022 budget, as presented.

7.2 2021-2022 Tuition & Ancillary Fees

B. Maclsaac presented the proposed 2021-2022 tuition fees for recommendation. He explained that the proposed fees are based on the assumption that a domestic tuition freeze will remain in effect. He responded to questions from the committee. B. Maclsaac provided the rationale for the reduction for the Masters of Science Computer Science program.

Upon a motion duly made by D. MacMillan and seconded by S. Chow, the Audit & Finance Committee unanimously recommended the 2021-2022 tuition fees, as presented, for approval by the Board of Governors.

B. Maclsaac presented the proposed 2021-2022 ancillary fees for recommendation. He explained the proposal for a new fee for student success support, which will allow for the hiring of new academic advising positions. He responded to questions from the committee. There was a discussion regarding whether students are informed of the total fees involved when enrolling at the university (total of tuition and ancillary fees). B. Maclsaac confirmed that in the university's viewbook, the tuition and ancillary fees are stated separately and that there is a budget calculator provided to students to give them the total cost. He added that the demand for postsecondary education is inelastic. Our students are educated as to the benefits of the ancillary fees (e.g. saving on cost of purchasing software).

Upon a motion duly made by D. Reiner and seconded by D. MacMillan, the Audit and Finance Committee unanimously recommended the 2021-22 ancillary fees, as presented, for approval by the Board of Governors.

8. Project Updates

8.1 ACE Enhancement Project

B. Maclsaac presented the proposal to increase the ACE Enhancement project budget for consideration. He provided an overview of the additional costs of the project and responded to questions from the committee. B. Maclsaac advised that within the ACE business plan, as it gets up and running, they are anticipating a surplus starting at \$500,000 growing to \$1m. The additional costs will be paid out of the operating budget for now, and will be paid back out of ACE. There was a suggestion to include this information in the report for the Board meeting.

There was a discussion regarding whether there is an option to suspend the project at some point until project experts could be brought in at a later date. There was also a discussion regarding whether there are sufficient contingencies in place to cover other non-COVID related risks. B. Maclsaac confirmed that the majority of the work involved in the \$16m project budget has been completed and there is a 15% contingency for the digital aspect of the project. He also confirmed that this amount has been included in the proposed budget that was presented.

Upon a motion duly made by D. MacMillan and seconded by R. Thompson, the Audit and Finance Committee unanimously approved the following motion:

WHEREAS the university's ACE Enhancement Project (AEP) is being funded through FedDev Ontario (up to \$9.465M), a provincial grant (\$1.5M), a contribution from Magna (\$1M), and the remainder from the institution unless other gifts are received;

WHEREAS the AEP is being conducted in two stages and the first stage of modifications of the ACE building to accommodate the installation of the moving ground plane (MGP) is complete;

WHEREAS the second stage of the AEP has begun, which involves the integration of the MGP into ACE's current technical systems and is targeted for completion by March 31, 2020;

WHEREAS on November 29, 2018, the Board of Governors approved the award of the ACE Building modification contract in an amount not to exceed \$4.1M and multiple MGP integration contracts in a sum not to exceed \$10.4M;

WHEREAS on February 20, 2019 A&F was presented with an information update that the forecast costs to completion are \$14.86M, which have increased \$360K from last report. The increase was based on initial quotes received for the MGP Integration component, where inflation, tariffs, and obsolete controls on MGP have increased costs;

WHEREAS on November 28, 2019 the Board of Governors approved increasing the sum of the multiple MGP integration contracts by \$575,000 to a total of \$10.975M which included a two percent reserve or \$215,000 (a total project budget of \$15.075M);

WHEREAS the administration has reviewed the revised timelines due to COVID restrictions and is anticipating an additional \$1.45M of expenses;

WHEREAS the additional project expenses include ten months of additional labour (including internal project management and US company), a new contract for a local mechanical company, and repairs to the existing flooring and turntable equipment;

WHEREAS these additional expenses will be offset by \$390K of earned revenues for a total net ask of \$1.06M;

NOW THEREFORE, pursuant to the recommendation of management, the Audit and Finance Committee hereby recommends:

- that the Board of Governors approves increasing the total project budget from \$15.075M to \$16.525M; and
- that the Board of Governors authorizes and directs the President and/or the Vice-President, Administration, for and in the name of the university, to execute and deliver (under the corporate seal or otherwise) all such other documents and do all such other acts as may be necessary or desirable to give effect to this resolution.

9. Consent Agenda:

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

9.1 Controlled Goods Program Policy

9.2 Radiation Safety Policy

9.3 Minutes of Public Session of Meeting of February 17, 2021

10. For Information:

10.1 Risk, Compliance & Policy Updates

10.2 New Building Project Update

10.3 AVIN Project Update

There was a discussion regarding insurance premiums being driven by COVID-related impacts and whether the university's insurance could be used to offset COVID impacts.

C. Foy advised that they are observing anticipation on the part of insurers that COVID will lead to COVID related claims, based on what they are worried about happening as opposed to what is actually happening. Reinsurers are using it as an opportunity to implement greater exclusions (e.g. any infectious or injurious disease). CURIE has reinstated \$1m in COVID coverage. The university is managing the risk by ensuring we adhere to the required protocols

11. Other Business

12. Adjournment

There being no other business, upon a motion duly made by D. MacMillan, the public session adjourned at 4:00 p.m.

Becky Dinwoodie, Secretary

DRAFT



Audit & Finance Committee



2020-2021 Annual Report

2020-2021 Work Plan

MANDATE-DRIVEN PRIORITIES

Financial Statements 2020-21

- Quarterly reporting & year-end financial reporting
- Credit rating update

Audited Financial Statements 2020-21

- Engagement Audit Plan
- Receipt of Pension Plan Audit Report
- Audited financial statements
- Receipt of Audit Findings Report
- Auditor performance review
- Debenture overview & updates

Budget for 2021-22

- Update on assumptions, targets & outcomes
- Enrolment updates
- 10-year financial model & forecasting
- Recommendation of 2021-2022 budget
- Recommendation of endowment disbursement

2020-2021 Work Plan

MANDATE-DRIVEN PRIORITIES

Risk Management & Compliance

- Progress updates for Risk Management, Privacy Compliance & Pension Governance
- URM Annual Report
- Annual governance review
- Annual Insurance Report
- Annual policy & compliance review

Capital Projects & Acquisitions

- New building project
- MGP updates
- AVIN updates

Student fees

- Recommendation of tuition & ancillary fees for 2021-2022

2020-2021 Work Plan

MANDATE-DRIVEN PRIORITIES

Investment Committee Oversight

- Receipt of quarterly reports

Policy Development & Review

- Statement of Investment Policies (SIP) & Asset Class Management Strategy review
- Freedom of Expression Annual Report
- Contract Management & Signing Authority Policy review update
- Controlled Goods
- President Expenses Approval Policy

Accomplishments

Terms of Reference

- Reviewed committee Terms of Reference

Financial & Audit

- Committee reviewed & discussed quarterly reports, allowing for ongoing assessment of opportunities & risks
- Recommended RBC financing for new building for approval by the Board
- Conducted auditor performance review
- Recommended the maintenance of the Million Dollar Matching Fund
- Received credit rating update

Accomplishments

Financial & Audit (cont'd)

- Audited financial statements for the university's Pension Plan were presented to the committee by KPMG
- Recommended disbursement of up to \$775,000 from the Endowment Funds to be distributed as student awards in 2021-22
- Recommended increasing total project budget for ACE Enhancement from \$15.075M to \$16.525M for approval by the Board
- Recommended Audited Financial Statements for approval
- Recommended internally restricted funds for approval by the Board

Accomplishments

Policy

Recommended to the Board of Governors for approval:

- Compliance Policy
- Controlled Goods Program Policy
- Radiation Safety Policy
- Signing Authority Policy

Approved:

- Expenditure Signing Authority Procedure
- Legal Commitments Signing Authority Procedure

Accomplishments

Investment Committee Oversight

- Received quarterly reports from the Investment Committee
- Recommended amendments to the Statement of Investment Policies & approved amendments to Asset Class Management Strategy

Budget for 2020-2021

- Continued oversight of the 2020-2021 budget in light of the of the continuing high degrees of risk and uncertainty precipitated by the COVID-19 pandemic
- Recommended that the Board authorize the President to spend additional in-year revenues and savings, if any, toward strategic initiatives and those initiatives that mitigate future budget risk

Budget for 2021-22

- Recommended the 2021-22 budget for approval by the Board

Student Fees

- Recommended the 2021-22 tuition & ancillary fees amendments for approval by the Board

Accomplishments

Risk Management & Compliance

- Receipt of the second Freedom of Expression Policy Annual Report
- Oversight of the continued development of the University Risk Management (URM) framework
- Recommended the annual URM Report for receipt by the Board
- Continued oversight of privacy and compliance

Strategic Discussions:

- Fiscal Sustainability
- Alternate Sources of Revenue

In Progress

Budget

- Cash management & forecasting

Financial

- Continued oversight of the university's debenture strategy

Risk Management & Compliance

- Continued development of URM program
- Implementation of University Continuity Management Policy & program
- Continued oversight of university's compliance program
- Continued oversight of university's insurance program

Contracts

- Implementation of the Contract Management & Legal Suite systems

In Progress

Policy Development & Review

- Continued oversight of policy development & implementation of Policy Framework

Records Management

- Continued oversight of implementation & development of Records Management System

Future Planning

Audit

- Annual Assessment of External Auditor

Investment

- Implementation of the integration of the Investment and Audit & Finance Committees
- Continued oversight of the investment of the university's endowment funds

Capital Projects

- Support the transition of oversight of capital projects to the Strategy & Planning Committee

Future Planning

Risk Management & Compliance

Privacy

- Development of Privacy Policy Framework

Legislative Compliance

- Oversight of University's AODA & CASL compliance initiatives
- Oversight of Controlled Goods Program

Records Management

- Oversight of implementation & development of Records Management System

Future Planning

Policy

- Development of President Expenses Approval Policy
- Review of Research Ethics Policy
- Review of Procurement Policy
- Review of Health and Safety Policy



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Audit and Finance Committee

DATE: June 16, 2021

FROM: Cheryl Foy, University Secretary & General Counsel

SUBJECT: Annual Insurance Report

COMMITTEE MANDATE:

- The Audit and Finance Committee (A&F) has responsibility for finance and risk management. In support of this mandate, the Committee receives for consideration an Annual Insurance Report.
- This is an opportunity for the committee to consider the adequacy of the university’s insurance program.

BACKGROUND/CONTEXT & RATIONALE:

- The university insurance program is overseen by the University Secretary and General Counsel with the assistance of the Director of Risk Management.
- Appropriate insurance and ongoing monitoring of the portfolio is a key component of effective risk management.
- The insurance update presented on June 17, 2020, to the A&F committee outlined the insurance objectives for 2020-21, which included the ongoing development of insurance related tools, applications, and educational resources.
- The University Secretary and General Counsel (USGC) has made good progress against these objectives as set out in the seventh Draft Annual University Risk Management Report.

PROPOSED PROCESS

- The USGC will continue to work through the 2020-21 objectives and provide updates to the committee.
- The USGC will develop and deliver to the committee an Insurance Work Plan for the 2021-22 academic year.

COMPLIANCE WITH POLICY/LEGISLATION:

- Article 13.1 of the university's By-law No. 1 provides for the indemnification of Governors and employees, and further protection of governors is stipulated under Article 13.2. The insurance coverage provided supports these legal requirements.

NEXT STEPS:

- A&F to review the attached Confidential Annual Insurance Report and comment on the adequacy of the insurance portfolio.

SUPPORTING DOCUMENTATION

- Confidential Attachment #1 – Confidential Annual Insurance Report
- Confidential Attachment #2 – Insurance Layering Diagram



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Audit & Finance Committee

DATE: June 16, 2021

FROM: Cheryl Foy, University Secretary and General Counsel

SUBJECT: Compliance Update

COMMITTEE MANDATE:

- The Audit and Finance Committee is responsible for overseeing university compliance, risk management, and other internal control functions at the university.
 This oversight includes receiving regular reports from management on areas of compliance work undertaken as the University works toward the development of a comprehensive compliance framework.

BACKGROUND/CONTEXT & RATIONALE:

The purpose of this report is to provide the committee with an update on the status of the following areas of compliance work: 1) Ethical Conduct Policy implementation; 2) *Accessibility for Ontarians with Disabilities Act (AODA)*; 3) Copyright; 4. Information Governance; 5. *Occupational Health and Safety Act*, and; 6. Controlled Goods.

1. Ethical Conduct Policy Implementation:

Work has continued to support the university’s Ethical Conduct Policy framework. Guidance and reporting forms are currently under development.

2. AODA Compliance Work:

The Office of the USGC coordinates the university's AODA compliance. This compliance work is done by a cross-functional Accessibility Working Group (AWG). Two subcommittees (described below) currently work within the auspices of the AWG on specific areas of compliance.

Communications & Marketing is coordinating and supporting the university's compliance efforts in respect of section 14 of the *Integrated Accessibility Standard Regulation*, namely the requirement to conform with the World Wide Web Consortium Accessibility Guidelines (WCAG) 2.0 Level AA across all institutional public websites and web content, which includes content across all social media channels.

The Accessibility Working Group (AWG) has been notified about the Accessibility Compliance Report that is required to be filed with the Ministry of Seniors and Accessibility on or before December 31, 2021. Work is underway to ensure that those responsible for compliance are aware of and can attest to compliance with the applicable requirements.

The AWG recently completed the institution's Annual Status Report for the reporting period of May 1, 2020 through to April 30, 2021. The Annual Status Report is a legislative requirement reporting on the institution's progress as it relates to the Ontario Tech Multi-Year Accessibility Plan 2020-2025. Publishing of the report on the university's public-facing website will happen in June 2021.

The AWG Education Subcommittee: The Education Subcommittee (led by the Teaching & Learning Centre) has been working on an institutional training initiative that will be undertaken by the university to comply with the sections 7 & 16 training requirements under the *Integrated Accessibility Standard Regulation*. The University will be providing accessibility training on Ontario's six accessibility standards, along with additional training on how the *Accessibility for Ontarians with Disabilities Act* works with the *Human Rights Code*. In addition, educators will be provided targeted training related to accessible program or course delivery and accessible instruction. It is anticipated that the training will be available within the next few weeks through the university's learning management system, Canvas Catalogue. All University employees, policy developers, 3rd party service providers and volunteers (including governors) will be required to update their accessibility training no later than November 1, 2021.

The Education Subcommittee is in the process of updating the university's accessibility website to an "Accessibility Hub". The Accessibility Hub will be a central resource for all accessibility-related resources, information, training, and support requests at Ontario Tech University. Policies, procedures, general information, best practices and training resources will be available in a needs-based format. The Accessibility Hub will serve as an inclusive space to educate, support, integrate and celebrate people of all abilities at the university.

The AWG Procurement Subcommittee: The Procurement Subcommittee is currently reviewing the university's procurement policy, procedures, agreements and evaluation

practices to ensure that the products and services procured by the university for its employees and students meet the requisite AODA standards and that these standards are considered and evaluated during the procurement process. Recommendations are currently being prepared to support the development and/or enhancement of current processes and/or practices.

3. Copyright Compliance:

The university continues to refresh its copyright compliance framework. Three subcommittees have been formed under the cross-functional Copyright Advisory Committee. These committees will address improved copyright compliance in the areas of: policy, training and IP protection. The subcommittees have met over the last 3 months to review each area in detail with a view to providing recommendations to the Provost. Subcommittee members are currently in the process of finalizing recommendations for inclusion in the final recommendations report.

4. Information Governance:

Recognizing the importance of having an information governance strategy and plan, the USGC has undertaken to facilitate this work. Given the shared IT systems, Ontario Tech must work closely with Durham College (DC). To date, DC IT has shared a draft of their information security roadmap 2021-2026 with Compliance and IT. University activities have been scheduled into DC's planned information security activities, and will be reviewed with the information governance working group in the coming weeks. Feedback has been requested by DC to finalize the draft. Once a commitment has been secured with DC, the university's final draft information governance road map will be reviewed with the Audit & Finance Committee. This governance road map will be the foundation document for the university's information and data management project planning.

5. Occupational Health & Safety Act Compliance Review:

A compliance review has commenced to assess the university's compliance with the *Occupational Health & Safety Act*. The review is currently in the information-gathering and assessment stages.

6. Controlled Goods:

The Controlled Goods Program Policy was approved at February's Audit & Finance committee meeting. The Vice President of Research is the policy owner and the Office of Research Services (ORS) has continued to build the supporting processes and procedures to support compliance. Security assessments for two additional Designated Officials have been submitted and are pending approval with the Controlled Goods Directorate (CGD). Updates to the institution's registration, Authorized Individual, and institutional training have been completed in draft and will be finalized post CGD approval of the Designated Officials. Procurement policies have been reviewed and revised in draft.



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Audit & Finance Committee

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FROM: Cheryl Foy, University Secretary and General Counsel

SUBJECT: Compliance - Policy Update

COMMITTEE MANDATE:

- The Audit and Finance Committee is responsible for overseeing compliance and risk management, and other internal systems and control functions at the university.
- This oversight includes receiving regular reports from management on areas of significant risk to the university including compliance and regulatory matters, as well as policy development and approvals at the university, in accordance with the Policy Framework. Policies are a key compliance tool.

BACKGROUND/CONTEXT & RATIONALE:

- The purpose of this report is to provide the committee with an update on the status of policy development and privacy compliance activity being undertaken by the Office of the University Secretary and General Counsel (USGC).
- The university’s Policy Framework was first approved in November 2014. The implementation of the Policy Framework has been a change management project. The project has necessitated educating the community not only on a new set of consultation, review and approval processes, as well as on the importance of policies for efficiency and communication across the university.
- We have seen a very positive response, as people recognize that effective policies improve efficiency and communication across the university. At the outset, our community identified many gaps in existing policies, including non-existent policies, local policies that should extend to the university as a whole, overlapping policies and poorly worded policies. It has taken focused work over the course of years to address many of those gaps, including:
 - Recognition of academic regulations as policy instruments

- Formal policy instruments for institutional quality assurance processes
- Risk management policy instruments for the use of space, unmanned aircraft, volunteers, and travel
- Appointment policy instruments for senior administrators
- Payment Card Industry compliance and information security policies
- We have seen a lot of policy activity over the past year, in reviewing and improving existing policies (Academic Integrity Policy), filling gaps with new policies (Ethical Conduct Policy), and adapting to new and changing compliance requirements (Controlled Goods Policy/Radiation Safety Policy).
- The USGC continues to identify and address policy gaps with implications for regulatory compliance. For the next year we have identified gaps in our privacy policies. We will be working on a framework of instruments to support compliance with relevant legislation. A focus on privacy is important in the context of greater remote work/hybrid learning arrangements, where a principled, consistent approach to adopting new technology systems, processes and methods in a privacy protective manner is required.
- SLT has indicated that they would like to take a more active role in setting priorities for policy projects. For that reason, we will be reporting quarterly to SLT on policies that have come before the Policy Advisory Committee for assessment.

Policy Update

- Over the period June 1, 2020 to May 31, 2021, 39 new or amended policy instruments have been approved in accordance with the Policy Framework, consistent with 39 in the prior year.
- The USGC continues to support a variety of policy projects, including supporting the amendment of the Signing Authority Policy and Register and Workplace Violence policies.
- The USGC will be deferring its review of the Policy Framework, scheduled for this year. Adoption and adherence to the Policy Framework over the past three years has been high, with many policy gaps addressed. We will, instead, conduct a review of the processes for identifying policy gaps and providing support to projects to fill those gaps. The goal is to help the university to commit its resources toward policy projects that support compliance initiatives and/or target identified priorities of the Senior Leadership Team.
- The tables below track support of policy instrument development provided by the Office of the University Secretary and General Counsel. Table 1 tracks policy support provided over the past six years. Table 2 identifies the unit responsible for the policy being supported over the past year.

TABLE 1: Overall Policy Support 2015-16 to 2019-20

Year	Drafting	Recommendations	Advice
2015-16	17	23	18
2016-17	6	11	5

2017-18	8	28	29
2018-19	23	35	42
2019-20	18	54	10
2020-21	21	11	25

TABLE 2: Policy Support by Unit June 1, 2020 to May 31, 2021

Unit	Drafting	Recommendations	Advice
University Secretary and General Counsel	21		
Student Life	1		1
Research Services	1		2
Centre for Institutional Quality Enhancement		1	5
Finance		2	1
Human Resources		3	
Graduate Studies			9
Registrar's Office		1	2
Teaching and Learning		3	2
Provost's Office	2	1	2

SUPPORTING DOCUMENTS:

- Schedule A List of Policy Instrument approvals

Schedule A: Policy Instrument Approvals

April 1 to June 1, 2021

- Accommodation Policy (Board approved April 22, 2021)
- Controlled Goods Program Policy (Board approved April 22, 2021)
- Respectful Campus Policy (Board approved April 22, 2021)
- Respectful Campus – Employee Harassment and Discrimination Procedures (Board approved April 22, 2021)
- Academic Council Election Procedures (April 20, 2021)
- Academic Council Vice-Chair Selection Procedures (April 20, 2021)
-

February 1 to April 1, 2021

- Compliance Policy (Board approved February 25, 2021)
- COVID-19 Face Coverings Directive (Provost approved March 22, 2021)
- Doctoral Candidacy Examination Policy (AC approved February 23, 2021)
- Graduate Project or Major Paper Evaluation Policy (AC approved February 23, 2021)
- Graduate Student Supervisory Committee Policy (AC approved February 23, 2021)
- Graduate Submission of Thesis, Project or Major Paper Policy (AC approved February 23, 2021)
- Thesis Oral Examination for Master's and Doctoral Candidates (AC February 23, 2021)

November 1, 2020 to January 31, 2021

- Volunteer Policy (November 11, 2020)
- Volunteer Procedures (November 20, 2020)
- Academic Integrity Policy (November 24, 2020)
- Academic Integrity Violation Procedures (November 24, 2020)
- Virtual Proctor System Directives (November 24, 2020)
- Missing Student Procedures (January 12, 2021)

June 1, 2020 to October 31, 2020

- Closure of a Faculty, School or Degree Program (June 23, 2020)

- Procedures for Consideration of Missed In-Term Course Work and Examinations (June 23, 2020)
- Ethical Conduct Policy (June 23, 2020)
- Procedure to Address Conflicts of Interest (June 19, 2020)
- Gift Registry Procedures (June 19, 2020)
- University Investigation Procedures (June 19, 2020)
- Procedures for Final Examination Administration (June 23, 2020)
- Final Examination Chief Proctor Directives (June 23, 2020)
- Final Examination Emergency and Disruption Directives (June 23, 2020)
- Graduate Admission and Application Requirements Policy (June 2, 2020)
- Graduate Admission Categories and Decisions Policy (June 2, 2020)
- Graduate Equity Diversity and Inclusivity and Non-Standard Admission Policy (June 2, 2020)
- Graduate Program Changes and Program Transfers Policy (June 2, 2020)
- Institutional Quality Assurance Process Policy (June 23, 2020)
- Curriculum Change Procedures (June 23, 2020)
- Cyclical Program Review Procedures (June 23, 2020)
- New Program Procedures (June 23, 2020)
- Program Closure Procedures (June 23, 2020)
- Policy Framework (June 25, 2020)



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SUBJECT: Compliance - Privacy Update

COMMITTEE MANDATE:

- The Audit and Finance Committee is responsible for overseeing compliance and risk management, and other internal systems and control functions at the university.
- This oversight includes receiving regular reports from management on areas of significant risk to the university including compliance and regulatory matters. Privacy is an active compliance portfolio from several perspectives: requests for access to information, advising on privacy obligations and interpretation of the legislation, and managing and investigating alleged privacy breaches.

BACKGROUND/CONTEXT & RATIONALE:

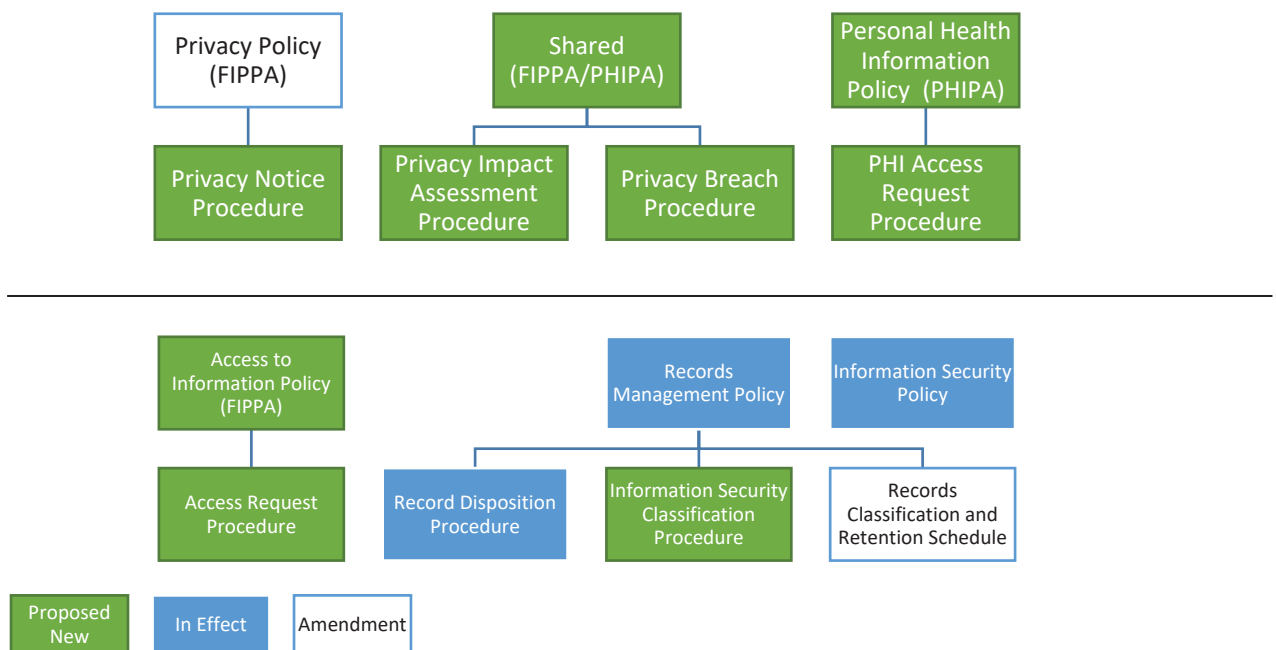
- The purpose of this report is to provide the committee with an update on the status of privacy compliance activity being undertaken by the Office of the University Secretary and General Counsel (USGC).

Privacy Compliance Review

- The Privacy Office has been very engaged in supporting the university’s COVID response and the associated move to online teaching and work. The use of new software tools to assist online work has necessitated the development and implementation of a privacy impact assessment process. The Privacy Office continues to conduct these assessments and anticipates a continuing need in this area.

- Because there has been no recent review, and because of gaps identified through the privacy impact assessments conducted by the Privacy Office, the USGC will be undertaking a review of its privacy program and privacy policies, based on the Generally Accepted Privacy Principles (GAPP). The GAPP review will identify gaps in privacy policy and practice, and identify processes which are currently being performed but are not documented in policy and procedure.
- We will also be developing a framework of Privacy Policies. The contents of these policy instruments will be informed by GAPP and an updated analysis of FIPPA, PHIPA and guidance from the IPC. Specifically, the IPC has released guidance on conducting a PIA, addressing Privacy Breaches, and ensuring the privacy of Personal Health Information. Draft policy instruments will be reviewed by the Compliance Office for compliance with FIPPA and PHIPA. The following framework of policy instruments is proposed:

FIGURE 1: Proposed Privacy Policy Instrument Framework



Annual Privacy Compliance Activity

- IPC requires annual statistical reporting in February of each year. A report of our 2020 calendar year Annual Privacy Compliance Activity was provided at the February 17 meeting, in connection with the annual statistical reporting.
- This year to date, we have processed 1 request for personal information, 2 requests for general information, and conducted 6 privacy breach investigations.