OntarioTech UNIVERSITY

BOARD OF GOVERNORS
Audit & Finance Committee

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Wednesday, June 15, 2022
1:00 p.m. to 3:35 p.m.
Videoconference
+1 778-747-7332 PIN: 972 062 578#

Members: Laura Elliott (Chair), Stephanie Chow (Vice-Chair), Doug Ellis, Mitch Frazer, Thorsten Koseck, Dale MacMillan, Steven Murphy, Dietmar Reiner, Kim Slade, Roger Thompson

Staff: Krista Hester, Les Jacobs, Lori Livingston, Brad MacIsaac, Pamela Onsiong

AGENDA

No.	Topic	Lead	Allocated Time	Suggested Start Time
	PUBLIC SESSION			
1	**Call to Order**	Chair		1:00 p.m.
2	**Agenda (M)**	Chair		
3	**Conflict of Interest Declaration**	Chair		
4	**Chair's Remarks**	Chair	5	1:05 p.m.
5	**President's Remarks**	S. Murphy	5	1:10 p.m.
6	**Finance**			
6.1	Fourth Quarter Financial Reports* (U)	P. Onsiong	10	1:15 p.m.
6.2	Tuition Fees – 2022-2023* (M)	S. Cantrell	5	1:25 p.m.
7	**Investment**			
7.1	Investment Report*	B. MacIsaac	10	1:30 p.m.
7.2	Endowment Disbursement* (M)	B. MacIsaac	5	1:40 p.m.
8	**Compliance & Policy**			
8.1	Risk Management – Year End Report* (D)	B. MacIsaac	20	1:45 p.m.

D – Discussion   M – Motion   P – Presentation   U – Update   * Documents attached

8.2	Annual Compliance Update* (U)	B. MacIsaac	5	2:05 p.m.
9	**Consent Agenda (M):**	Chair		2:10 p.m.
9.1	Minutes of Public Session of A&F Meeting of April 13, 2022*			
10	**For Information:**			
10.1	A&F Annual Board Report*			
10.2	Annual Policy Review*			
10.3	Annual Privacy Review*			
11	**Other Business:**			
12	**Adjournment (M)**			2:15 p.m.
	BREAK		**5**	
	NON-PUBLIC SESSION **(material not publicly available)**			
13	**Call to Order**	Chair		2:20 p.m.
14	**Conflict of Interest Declaration**	Chair		
15	**Audit**			
15.1	Audit Findings Report* (U)	KPMG	15	2:20 p.m.
15.2	Draft Audited Financial Statements 2021-2022* (M)	KPMG/ P. Onsiong	10	2:35 p.m.
15.3	Internally Restricted Funds* (M)	P. Onsiong	5	2:45 p.m.
	KPMG Departs			
16	**Investment Report***	PH&N/ B. MacIsaac	20	2:50 p.m.
17	**Annual Risk Management Report* (D) (confidential aspects)**	B. MacIsaac	5	3:10 p.m.
18	**Consent Agenda (M):**			3:15 p.m.
18.1	Minutes of Non-Public Session of A&F Meeting of April 13, 2022*			
19	**For Information**			
19.1	President's Annual Expenses*			

D – Discussion   M – Motion   P – Presentation   U – Update   * Documents attached

20	**Other Business**			
21	***In Camera* Session**		15	3:20 p.m.
22	**Termination (M)**			3:35 p.m.

Krista Hester, Interim Secretary

D – Discussion   M – Motion   P – Presentation   U – Update   * Documents attached

Ontario Tech University

2021/22 Operating Summary for the year ended March 31, 2022 (in '000 s)

	Total Annual Budget	3rd Quarter Y/E Forecast	Actuals	Fav. (Unfav.) Actuals vs. Budget $ / %		Fav. (Unfav.) 3rd Qtr Forecast vs Budget $ / %		Fav. (Unfav.) Actuals vs 3rd Qtr Forecast $ / %	
April 1, 2021 - March 31, 2022									
Revenue									
Grants	81,677	89,825	89,281	7,604	9%	8,148	10%	(544)	-1%
Tuition	82,951	88,644	89,205	6,255	8%	5,694	7%	561	1%
Student Ancillary	12,305	12,319	11,971	(334)	-3%	15	0%	(349)	-3%
Other	14,969	13,516	13,755	(1,215)	-8%	(1,454)	-10%	239	2%
Total Revenue	**191,902**	**204,305**	**204,212**	$ 12,310	6%	$ 12,403	6%	(93)	0%
Expenditures									
Academic/ACRU	80,273	83,140	80,480	(208)	0%	(2,868)	-4%	2,660	3%
Academic Support	37,497	41,183	39,080	(1,583)	-4%	(3,686)	-10%	2,103	5%
Administrative	30,551	30,592	30,910	(359)	-1%	(41)	0%	(318)	-1%
Sub-total	**148,321**	**154,915**	**150,470**	$ (2,149)	-1%	(6,594)	-4%	$ 4,445	3%
Purchased Services	**12,749**	**12,396**	**12,024**	725	6%	353	3%	372	3%
Commercial	**8,546**	**8,023**	**7,877**	669	8%	523	6%	146	2%
Debenture Interest Expense	**9,312**	**9,312**	**9,312**	(0)	0%	(0)	0%	0	0%
Total Operating Expenses	**178,927**	**184,645**	**179,683**	$ (755)	0%	$ (5,718)	-3%	$ 4,962	3%
Operating Contribution	$ 12,975	$ 19,659	$ 24,529	$ 11,554	89%	$ 6,685	52%	$ 4,870	25%
Expenses disclosed on the Balance Sheet									
Capital Expenses funded from Operations	**4,897**	**8,155**	**7,047**	(2,151)	-44%	(3,259)	-67%	1,108	14%
Principal Repayments - debenture/leases	**8,078**	**8,078**	**8,077**	0	0%	0	0%	(0)	0%
TOTAL NET SURPLUS	$ 0	$ 3,427	$ 9,405	$ 9,405	0%	$ 3,427	N/A	$ 5,978	174%
Other Disclosures									
New Building - loan	$ 22,300	$ 21,418	$ 20,200	$ (2,100)	0%	$ (882)	-4%	$ (1,218)	-6%

Reconciliation to Audited Finnacial Statements:	$
Operating Contribution	24,529
Items not budgeted:	
Externally funded research revenues (donation & grant)	15,513
Externally funded research expenses	(14,710)
Non-cash transactions:	
Amortization of capital assets	(23,000)
Amortization of deferred capital contributions	9,131
Non-cash accrual	1,188
Unrealized gain on investments/interest rate swap	2,011
Capital grants accounted as Contributions on balance sheet	(2,258)
Excess revenues over expenses - per Audited Financial Statements	$ 12,405

2021/22 Operating Summary

The net operating surplus for the year, after capital expenses, debenture and lease payments, is $9.4M against an original balanced budget, and a $3.4M net forecast surplus reported at the end of the 3rd quarter.

The additional $6.0M net surplus against the 3rd quarter forecast is mostly attributable to savings from faculty and staff vacant positions, underspending in work study programs, and the delay in receipt of IT equipment and renovation projects due to supply chain issues associated with the pandemic.

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 aligns with the University's 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	2020/21 Actual	2021/22 Approved Budget	3rd Quarter Forecast *	2021/22 Actual	Actual vs Budget
Undergraduate					
Domestic	8,291	7,802	8,312	8,084	282
International	521	559	625	693	134
Graduate					
Domestic	443	415	434	452	37
International	193	239	296	308	69
Total FTE's	9,448	9,015	9,667	9,537	522

* 3rd Quarter Forecast is based on Nov 1 official enrolment count to the Ministry.   With four enrolment count dates over the year, this was an estimate until final winter count in February 2022.

Enrolment

Current eligible undergraduate and graduate enrolment projection is within the + / - 3% of the University's corridor midpoint.

Actual enrolment is favourable 522 FTE against an original budget of 9,015 and is attributable to a higher than expected number of returning students, offset by a decrease of 10% in first-year domestic undergraduate intake which will have a flow-through impact in the outer years' enrolment.

In spite of domestic enrolment growth, core operating grant remains flat as under the funding formula implemented by the Ministry in 2017 -18, funding for domestic students for the current year remains at the 2016 – 17 level.

Revenue analysis

Total actual revenues are favourable $12.3M against an approved budget of $191.9M, and are in line with the forecast reported in the third quarter.

Operating grant

(i)   **Grants were forecast** to be $8.1M favourable to budget due to additional specific grants received and recognized in the current year, and for which there are corresponding offsetting expenses. Significant grants include $2.5M of e-campus Ontario grant to support the evolution of virtual teaching and learning, $2.3M COVID support grant deferred from the prior year to cover current year expenses, $1.7M additional funding for campus facilities renewal and lab renovations and $0.9M for student work placement.

(ii)   **Actual grant** is slightly unfavourable $0.5M to forecast due to the deferral of a grant as a result of the delay in lab renovations.

Tuition fees

(i)   Better than expected domestic and international enrolment resulted in a **forecast upside** of $5.7M at the end of the 3rd quarter.

(ii)   Additionally, **actual is $0.6M positive to forecast**, and is due to program mix.

Other revenues

(i)   **Forecast and actual at ~$1.2M is lower than budget,** due to the loss in our commercial revenues for ACE, food services, parking, and the athletic facilities associated with the ongoing impact of COVID-19 and the lower than expected number of faculty, staff and students on campus.

The decrease in "Other revenues" is offset by a corresponding net decrease in expenses of $0.7M (see Total Commercial under "Expenses" section below).

Operating Expenses

Total actual operating expenses are $0.8M unfavourable to budget vs an anticipated $5.7M reported in the 3rd quarter.   Significant variances between the forecast and budget include:

Academic units

(i)   **Q3 forecast was unfavourable** $2.9M against budget and includes $1.2M expenses to be funded by the e-campus and other grants (see "Grants" under "Revenues" above) and additional support allocated to instruction based on enrolment growth.

(ii)   **Actual spending** at $80.4M is in line with budget.   The positive variance of $2.7M against forecast includes $1.8M salary savings for full-time positions, $0.4M part-time salary savings for teaching assistants, and $0.5M underspending in general expenses.

Operating Expenses (continued)

Academic support units

(i)   **Q3 forecast was unfavourable** $3.7M against budget and includes $1.3M of expenses funded by the e-campus grant (see "Grants" under "Revenues" above), $1.0M in entrance scholarships as a higher than expected number of students met the eligibility criteria, $0.9M higher than expected spending for work study programs, and $0.5M increase in recruitment costs.

(ii)   **Actual spending shows a positive variance** of $2.1M and includes $0.9M of summer 2022 work study program spending which was included in the current year forecast, $0.5M in labour savings for open positions, and other general expense savings.

Total Commercial Expenses

(i)   **Actual is favourable** $0.7M to budget and is attributable to cost savings to offset decreased revenues in ACE, food services, parking and athletic facilities (see "Other revenues" under "Revenues" above).

Capital Expenses

(i)   **Capital Expenses forecast** was unfavourable $3.3M to budget, and includes $2.6M capital investment in IT (to accommodate flexible hybrid learning and work environment) and facilities infrastructure, and $0.7M for Nursing labs in Shawenjigewining building. These projects are to be funded by various capital grants.

(ii)   Year-end results are $1.1M favourable to forecast, comprising of $2.0M underspending in IT capital and infrastructure projects due to supply chain issues associated with the pandemic (these will be completed in early 2023), offset by $0.9M for the ACE moving ground plane costs funded by Operations.

New Building

In addition to the operating spending, the University has invested $20.2M in the new Shawenjigewining Hall in the current year.   Funding for the construction of the new building is through a combination of restricted reserves, a $25.0M interest rate swap and a $5.0M contribution from the University's Student Union for occupation of the licensed areas in the building.

Ontario Tech
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COMMITTEE/BOARD REPORT

SESSION:		ACTION REQUESTED:	
Public	☒	**Decision**	☒
Non-Public	☐	**Discussion/Direction**	☐
		Information	☐

TO: **Audit & Finance Committee**

DATE: **June 15, 2022**

PRESENTED BY: **Sarah Cantrell, AVP Planning and Strategic Analysis**

SUBJECT: **Updated 2022-23 Tuition Fees for Police Leadership Diploma**

COMMITTEE/BOARD MANDATE:
The committee is responsible for overseeing the financial affairs of the university including guiding the tuition fees set. Leadership is looking for approval on the proposed updated 2022-2023 tuition fees.

BACKGROUND/CONTEXT & RATIONALE:
The tuition fees presented for approval to F&A on February 23, 2022 and approved by the Board on April 28, 2022 included a tuition rate for the new graduate diploma in Police Leadership that needs to be updated. The tuition fee was put forward as a program-based fee in error and is to be charged on a per credit basis consistent with the Ministry submission. The corrected per credit fee aligns with the existing course based graduate diploma tuition fee levels. Approval of the updated tuition fees for the graduate diploma in Police Leadership is requested at this time.

RESOURCES REQUIRED:
N/A

IMPLICATIONS:
The rates proposed in this document have been made to remain compliant with the provincial government's tuition framework, and to ensure that Ontario Tech remains competitive in tuition fees set. The proposed per course fee brings this graduate diploma in line with our other graduate diploma per course fees. The corrected tuition fee is higher than the program fee previously approved (~$600 for domestic and $3900 for international for the entire program). This increase is permitted during the province's domestic tuition freeze as it is the first time the graduate diploma is being offered.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:
The fees recommended will allow Ontario Tech to continue to provide superior graduate programs.

ALTERNATIVES CONSIDERED:
The fees presented below allow Ontario Tech to remain at or below system median fees for all programs and levels.

CONSULTATION:
After a comparative review of fees charged by competing programs offered by universities in Ontario, and ensuring alignment with our existing course based graduate diplomas we recommend the corrected tuition fees as outlined below and as permitted by the government's tuition fee framework.

COMPLIANCE WITH POLICY/LEGISLATION:
The current fees are in compliance with the existing tuition fee framework.

NEXT STEPS:
Update tuition within Ontario Tech's student information system and website.

MOTION FOR CONSIDERATION:

That the Audit & Finance Committee approves the updated 2022-23 per course fee for the Police Leadership graduate diploma, as presented below:

2022-23	Original Program Fee	Updated per Course Fee for Approval
Domestic	$7,579.30	$1,576.47
International	$20,124.30	$2,602.50

Note: The graduate diploma in Police Leadership is a 10 course program.

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COMMITTEE REPORT

SESSION:		ACTION REQUESTED:	
Public	☒	**Decision**	☐
Non-Public	☐	**Discussion/Direction**	☐
		Information	☒

TO: **Audit and Finance Committee**

DATE: **June 15, 2022**

PRESENTED BY: **Brad MacIsaac, Vice-President, Administration**

SUBJECT: **Investment Portfolio Update**

COMMITTEE MANDATE:

The Audit & Finance Committee (A&F) is responsible for overseeing the investment of the university's endowment funds (Funds), which includes the following responsibilities:

i) Overseeing the investment of the Funds in accordance with the university's Statement of Investment Policies ("SIP").

ii) Overseeing the performance of the Investment Manager, including the Investment Manager's compliance with their mandate.

BACKGROUND/CONTEXT & RATIONALE:

To assist in managing the annual investment performance, in the of summer 2021 the Committee asked the leadership team to take a greater role in reviewing the portfolio. The Committee recommended receiving updates twice a year with management bringing forward updates if needed (i.e. changes outside of the Investment Manager's purview). 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.

As of March 31, 2022, the performance summary shows that we have a market value of just over $33M. The general summary of our performance measurements are:

1) **Asset mix range** as per SIP section 6.1 has been adhered to:

Asset Mix	Benchmark	Target	Min	Max	Check
Fixed Income		35%	25%	45%	✓
Cash & Short-term	FTSE Canada *30 Day T-Bill Index*	0%	0%	10%	✓
Universe Bonds	FTSE Canada *Universe Bond Index*	20%	15%	35%	✓
Mortgages	FTSE Canada *Short Term Overall Bond Index*	15%	0%	25%	✓
Equities		55%	45%	65%	✓
Canadian	*S&P/TSX Composite Index*	20%	10%	30%	✓
Global	*MSCI World Net Index $C*	30%	20%	45%	✓
Emerging Markets	*MSCI Emerging Markets Net Index $C*	5%	0%	10%	✓
Alternatives		10%	0%	20%	✓
Real Estate	*Canada CPI + 4.0%*	10%	0%	15%	✓

Fund Level	Benchmark	Target	Min	Max	Check
PH&N Money Market Fund	*FTSE Canada 30 Day T-Bill Index*	0%	0%	10%	✓
PH&N Core Plus Bond Fund	*FTSE Canada Universe Bond Index*	20%	15%	35%	✓
PH&N Mortgage Pension Trust	*FTSE Canada Short Term Overall Bond Index*	15%	0%	20%	✓
PH&N Canadian Equity Value Fund	*S&P/TSX Composite Index*	15%	10%	20%	✓
PH&N Small Float Fund	*S&P/TSX Composite Index*	5%	0%	10%	✓
RBC QUBE Low Volatility Global Equity Fund	*MSCI World Net Index $C*	10%	0%	25%	✓
RBC Global Equity Focus Fund	*MSCI World Net Index $C*	20%	10%	35%	✓
RBC Emerging Markets Equity Fund	*MSCI Emerging Markets Net Index $C*	5%	0%	10%	✓
RBC Canadian Core Real Estate Fund	*Canada CPI + 4.0%*	10%	0%	15%	✓

2) **Minimum performance expectations** have been exceeding our target of 6% as outline in SIP section 7.1 as our 5-year rate is 7.1%, which also exceeds the benchmark.

Performance[1]	Three Months %	One Year %	Three Years %	Five Years %	Since Incep. %
Ontario Tech Long Term Account	**-4.2**	**5.9**	**7.3**	**7.1**	**7.9**
Benchmark[2]	*-3.1*	*5.6*	*7.6*	*6.7*	*7.2*

3) **Responsible Investing,** per section 5.5, 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. 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, the Committee requires

the investment manager to provide annual compliance attestation related to ESG compliance. Please see the attestation below:

In our opinion, all investments are in compliance with Ontario Tech's Investment Policy Statement dated April 2022.

We confirm that the Short Term Account remains compliant with the letter of understanding regarding the Short Term Fund dated November 9, 2017.

We confirm that RBC Global Asset Management ("RBC GAM"), the manager of the strategies in the Ontario Tech investment portfolios, is a signatory to the United Nations Principles for Responsible Investing ("UNPRI"). As such, RBC GAM incorporates ESG (environment, social, governance) factors in the investment decision-making process for the strategies in the Ontario Tech investment portfolios to the extent that such considerations are material and relevant to the expected risk and return of the investment under consideration.

RBC PHILLIPS, HAGER & NORTH
Investment Counsel Inc.

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Leila Fiouzi, CFA
Senior Investment Counsellor

June 7, 2022
Date

OntarioTech
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COMMITTEE REPORT

SESSION: **ACTION REQUESTED:**

Public   ☒   **Decision**   ☒
Non-Public   ☐   **Discussion/Direction**   ☐
                                           Information   ☐

TO: **Strategy & Planning Committee**

DATE: **June 15, 2022**

PRESENTED BY: **Brad MacIsaac, Vice-President, Administration**

SUBJECT: **Annual Endowment Disbursement**

COMMITTEE MANDATE:
The Endowment Management Policy and Procedures outlines the disbursement approval is to be recommended by Strategy & Planning Committee (S&P) to the Board of Governors. As the Audit and Finance Committee (A&F) oversees the endowment fund and finances of the University, A&F is incorporated into the approval process.

Management is seeking A&F's recommendation of a maximum spending level from the Endowment portfolio for fiscal year 2022-23.

BACKGROUND/CONTEXT & RATIONALE:
This report will highlight additions, earnings, disbursements, and the net position of the Endowment fund.

Endowments typically accumulate assets and disperse income to beneficiaries over extended periods of time. Ontario Tech's Endowment consists of funds, largely donations secured through Advancement, which are set aside permanently with a portion of investment returns used to support operations, normally specific student awards as directed by the Donor. Part of Ontario Tech's endowment philosophy includes 'capital preservation' (i.e. adjusting the capital value by inflation) so as to preserve the purchasing power of the awards. Effective oversight requires facing the contradictory goals of maintaining a target spending rate and preserving the real value of the fund while operating in an environment of unpredictable shifts in markets.

In general, donor agreements set out an expectation of a 4% disbursement of the inflation adjusted principal (original donation). Increases in donor awards are in discrete increments, and vary by award. Ontario Tech assumes the long term sustainability is supported by establishing a disbursement rate of approximately 3-5% based on a variety of reports (i.e. Morneau Shepell's Funding Sustainability report.)

Over time, the value of the portfolio has experienced significant growth. A summary of the current portfolio balances (as at March 31) are as follows (all numbers in 000's):

Endowed balance as at March 31 ('000s)	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Proposed
Donations (Principal Value)	$ 16,558	$ 17,892	18,616	$ 18,983	$ 19,791
Realised Income (ii)	8,107	8,959	9,760	10,550	11,425
Awards disbursed	(2,927)	(3,420)	(4,131)	(4,792)	(5,592)
	21,738	23,431	24,245	24,741	25,624
Capital Preservation (CPI) (iii)	(2,619)	(2,844)	(2,970)	(3,938)	(4,702)
Net adjusted cost after CPI	$ 19,119	$ 20,587	$ 21,275	$ 20,803	$ 20,922
Income available for disbursement	$ 2,561	$ 2,695	$ 2,659	$ 1,820	$ 1,131
Market Value	$ 26,658	$ 26,020	$ 31,771	$ 33,500	
Adjusted Unrealised Gains (iv)	$ 4,920	$ 2,589	$ 7,526	$ 8,759	

Key facts:

i.   There are currently 129 specific endowed funds.

ii. Realized income net of fees (i.e. interest, dividends, realized gains) has averaged 4.4% since 2004. As of March 31, 2021, total returns on the endowment fund have been 3 year = 7.7% and 5 year = 8.9%.

iii. The average inflation rate for the past 5 years has been approximately 1.4%, with relatively low inflation rates since the inception of the endowment fund and a high 5.2% inflation rate as at Dec 2021. This has resulted in a capital preservation of $968K in the current year 2021/22 compared to an average capital preservation of $200K in the 5 years to 2020/21.

iv. Total adjusted unrealized gains on the endowment fund are forecast at $8.8M at March 2022.

Disbursement amounts and number of awards have been as follows:

Disbursement Year	No of awards disbursed	Amount ($'000's)	Distrib. %[1]
2018	261	$475	3.0%
2019	309	$617	3.7%
2020	277	$493	2.7%
2021	409	$711	3.8%
2022 Forecast	400	$700	3.5%
2023 Proposed	400	$700	3.4%

CONSULTATIONS:

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[1] Presents distributions as a percentage of inflation adjusted donations

The University's Endowment Committee consists of representatives from Finance, Advancement and Financial Aid.

Due to increased donations and a stable portfolio, Ontario Tech has been able to increase disbursements over the last couple of years. In the current environment (i.e. the pandemic), and in spite of the current high inflation that is requiring to set aside a relatively higher amount for capital preservation, the committee notes that it is even more critical than ever to continue to support students.

Based on a review of the portfolio performance, and factoring a still relatively high inflation rate forecast at 3.5% in 2022/23, the Committee recommends a maximum disbursement of $700k from the endowment fund which would allow support of 400 students whilst still preserving the capital of the fund.

The Committee continues to review the performance of the endowment fund, the impact of inflationary pressures and the ability of the University to continue to disburse awards to students in the future, including the disbursement of a portion of the unrealized gains on the fund. A review of the endowment policy and procedures is underway.

PROCESS/ NEXT STEPS:

June 29, 2022 – Board of Governors

Note: Management is currently reviewing the policy and procedures and will be bringing forward recommended changes in the future.

MOTION:

That the A&F Committee hereby recommends that the Board of Governors approves the disbursement of up to $700,000 from the University's endowed fund for distribution by Financial Aid in 2022-23.

SUPPORTING REFERENCE MATERIALS:

N/A

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COMMITTEE REPORT

SESSION:		ACTION REQUESTED:	
Public	☒	**Decision**	☐
Non-Public	☐	**Discussion/Direction**	☒
		Information	☐

Financial Impact ☐ Yes ☒ No   **Included in Budget** ☐ Yes ☐ No

TO: **Audit & Finance Committee**

DATE: **June 15, 2022**

FROM: **Brad MacIsaac, Vice President Administration**

SUBJECT: **Annual Risk Report**

COMMITTEE MANDATE:
The Audit and Finance Committee is responsible for overseeing 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:

i) Reviewing and approving the risk management process at the university that ensures that appropriate processes are in place to determine management's risk parameters and risk appetite.

ii) Monitoring and ensuring that appropriate processes are in place to identify, report and control areas of significant risk to the university and ensuring that appropriate mitigative actions are taken or planned in areas where material risk is identified.

BACKGROUND/CONTEXT & RATIONALE:
With a view to enabling the Board and Audit and Finance Committee to assess the University's progress, we are pleased to present this seventh Annual Report on University Risk Management (URM).

*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 there is evidence, highlighted by the rapid COVID response, of an increasingly strong risk culture at Ontario Tech.

PROGRESS IN 2021-2022 The Report demonstrates that significant progress was made. The Senior Team, along with the Board, have been deeply engaged in strategic and foundational risk management as highlighted by engaging presentations related to the foundational risks: financial sustainability (Reserve Planning Nov 2021, Cybersecurity Feb 2022) and compliance (Insurance report Nov 2021).

All functional areas have completed operational risk registers. The operational registers are now mapped to the strategic risk register. We are pleased to announce that there are no extreme risks for the BoG review.

However, we will draw your attention to four areas of risk to highlight the concerns and what the university is doing to mitigate these. There will always be risk at an institution – the strategy is how we deal with it.

As you read the attached Annual Report think about the foundational risks (financial sustainability and compliance) and the four operational risks we have highlighted and your confidence that you have enough information that controls are in place.

NEXT STEPS:

A taskforce consisting of members from A&F will be set up over the summer to review the objectives of the annual risk report to the BoG and determine if a new presentation format is required.

Attachments:
Annual Risk Report 2021-2022

ANNUAL RISK MANAGEMENT
AND INSURANCE REPORT

June XX, 2022

Prepared by:
Brad MacIsaac - Chief Risk Officer
Jackie Dupuis - Director of Risk Management

PART I - Background

The Risk Management Policy states, *"The University is committed to fostering a culture of risk-ownership throughout the University. To the University, 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 risk management and incorporate a proactive approach to managing Risk in their individual roles."[1]*

Ontario Tech is in its seventh year of implementing a risk management program. The table attached as Appendix A summarizes the key milestones achieved each year. Throughout 2021-2022 there was a focus on the COVID-19 response. The university has succeeded in keeping risk a priority in its strategic and operational discussions. Members across the university continue to engage with risk management, recognizing the importance of identifying risk, likelihood, and consequence early to maximize their project outcomes.

PART II - MEASURING UNIVERSITY RISK MANAGEMENT (URM) PROGRESS?

The annual report assists the Board in assessing the progress of the URM process. The university adopted the following six measures of progress as recommended by The Association of Governing Boards, in partnership with United Educators[2]:

Measure 1: The university demonstrates how the URM is sustained as a priority.

Tone at The Top: The Senior Team remains unified in managing risk and setting the appropriate 'tone at the top' by facilitating informed decision-making within their portfolios regarding foundational, strategic, and operational risks.

The SLT's collaborative vision encourages the acceptance of a risk management culture across the institution. Managers have held risk strategy sessions to brainstorm ideas for future projects and research innovation. This shift in risk-informed decision-making is changing the way we approach opportunities and advancements, which speaks to the university's appetite for risk-informed decision-making.

Risk Management Committee: The Risk Management Committee (RMC) oversees the integration and execution of the URM. Committee members are chosen based on their skill set and functional knowledge. In 2021-22, the Risk Management Committee provided input on risk management directives and policies such as the University Vehicle Policy, Business Rental Directive, Hot Works, and Wet Works Permit Procedure. The Risk Management website lists the RMC membership and composition.

Dedicated Risk Management Office: The university has a dedicated Director of Risk Management to oversee all URM activities, with the support of the VP of Administration. Risk Management is growing its

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[1] Ontario Tech Risk Management Policy, section 9, "Statements of Principle".
[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

resource capacity to include compliance and contract reviews. The work plan for these roles will involve benchmarking the current landscape using the university Risk Registers.

Leveraging Risk Custodians Across the University: The Office of Risk Management collaborates with other units to "train the trainer" on these fundamentals and create dedicated custodians of risk. Members spread across the university continue to demonstrate enhanced risk understanding and awareness. They have taken on some risk management-related training to support the university members within their unit/faculty.

Measure 2: Board verifies that URM is an essential objective for leadership.
The President retains overall risk responsibility for the university, setting the 'tone at the top.' The VP of Administration is the assigned URM leadership.
Measure 3: The Board discusses top strategic and operational risks facing the University and understand how they are managed and monitored.
The Board has received regular progress updates on the risk-informed strategy discussions, including on cyber security, self-insured retention, financial sustainability, and risk work related to COVID-19.
Measure 4: The A&F Committee includes risk management discussions in its work plan.
URM is part of the 2021-2022 A&F Work Plan. Regular talks and reports are presented on risk management and insurance, as noted in the Board Memo.
Measure 5: The University engages the Board in training sessions on risk
In addition to the general discussions about risk, Board professional development sessions typically focus on the university's risk areas. The Board Orientation/Education Work Plan is attached under the Board Memo.
Measure 6: The Board assesses the URM and the success of the stated URM goals and objectives.
At the AGM, the Board receives an annual report. This 2021-2022 report aims to secure the Board's comment and direction on the URM progress in 2021-2022.

PART III - 2021 – 2022 Progress

Senior Leadership and Risk Management continue to give significant time to addressing the two Foundational Risks affecting the university: Financial Sustainability and Compliance.

The Senior Leadership concentrate on strategic responses to mitigate the financial sustainability risk, including focusing on enrollment, alternative funding models, and cost efficiencies. A major discussion with the Board this year was a review of moving to a self-insured program due to recent changes in the deductible responsibilities from its primary insurer, CURIE. Resulting from a challenging market, the university will be tasked with responding to claims within a specified deductible threshold, that will increase year over year over in 2023-2025. It is anticipated market

challenges will continue to push for increased financial obligations on the part of members. Furthermore, there is the risk of additional imposed warranties and exclusions that make the development of a self-insured plan more desirable. The exploration of a self-insured plan will emit greater awareness of the university's insurance claims history, loss prevention and controls, as well as suitable cash reserves. The university has already established self-insurance with respect to cyber insurance due to a challenging market and claims made. The desired outcome is to have policies, procedures, and directives that support financial retention and sustainability.

The second foundation risk, compliance, has been addressed through the establishment of a Compliance Policy. Training against the policy is underway. As mentioned above, Compliance has been moved under the Office of Risk Management, with a mandate of reviewing the university's compliance landscape through the lens of the risk register. The Compliance Officer will test the mitigation strategies and measures to determine vulnerability.

Operational Risks

Each year, Risk Owners are charged with reviewing their operational risk registers against their operating environment. Risks assigned with a calculated risk level based on our Risk Analysis Management Tool that calculates the level of risk based on the likelihood of the event occurring and the level of consequence (each with the current mitigations in place). If a level of medium is determined oversight is assigned between Risk Owners, where appropriate, to collaborate on university-wide mitigation and controls. These risks are reviewed twice annually. Risks calculated as high, extreme, and foundational are presented to SLT for review, oversight, and mitigation.

While there were no extreme risks that need to be reported to the Board there were notable updates to the risk mitigation strategies over the 2021-2022 academic year:

Cyber Security Risk: the risk surrounding cyber and security continue to evolve at a rapid pace. This response is multi-departmental, and spans various subject matter experts. The university continues to work with its partner Durham College on addressing these external threats by launching phishing campaigns, security awareness, technology upgrades, increased authentication, and testing the Incident Response Plan. An Information Governance plan spanning several areas across the university is underway with great strides made over the 2021-2022 academic year with an Incident Response Plan created. The institutions have hired a Director of Information Security that will champion projects including conducting a collaborative Table Top Exercise on cyber security, including testing the IR Plan. Discussions are underway with Durham College and external stakeholders to determine opportunities for aligning our cyber policies, breach coaches, and cyber forensic experts.

Health and Safety Risk: The university recognizes the importance of health and safety within its community especially in the return to campus plan and overall decision making across the university related to the COVID-19 response. The Health and Safety Officer continues to promote the tools and resources available to university members related to the policy and directives implemented resulting from the pandemic. During the year a compliance review was conducted related to the Occupational Health & safety Act, including a gap analysis revealing action items that continue to be pursued through our risk and health and safety leads. No extreme risks were

found. However, the team noted there are limitations to centralized reporting on hazardous materials stored across the institution due to the manual intervention of tracking these hazardous materials and in the absence of a consistent university wide procedure. Although inventory of hazardous materials is established, integrated system capacity allowing for tracking and reporting are among the options being considered. Proactive monthly hazard reviews are happening across the institution, which several key stakeholders support.

Business Continuity Risk: The pandemic has provided an opportunity for experiencing firsthand the need and benefits a collaborative and agile operational continuity response can provide. Risk Management worked alongside the Office of Campus Safety to revise the continuity framework to include best practices realistic to the university's operation. The Business Impact Assessment (BIA) Tool has been established. The data collected from the pandemic plans will be embedded into the document to reduce the interruption a formal BIA would cause. For the most part we have discovered if a disaster occurs on campus we can move remote. The one area that would cause significant disruption is if an IT shut-down occurred. The university's IT and respective college partner continues their discussions around disaster recovery planning against technological infrastructure and we are anticipating the first draft over the 2022-2023 year.

Equipment Maintenance Risk: The university's equipment inherently wears over time, requiring repair or replacement. Equipment tied into the building infrastructure is managed centrally for repair and replacement under their respective Preventative Maintenance' program. The growing deferred maintenance schedule is one of the largest financial concerns for the university which will be mitigated through an annual restriction of funds for future years. The second risk is the growing need to repair and replace equipment in the units. The university will be creating a similar preventative maintenance chart for each operating unit to help detect possible repairs or replacement early on to allow effective forecasting by the budget working group.

COVID – Lessons Learned

As the university moves toward a post-pandemic future, 'lessons learned' from the COVID-19 response have generated constructive dialogue with university Risk Owners and other key stakeholders. Operationally, the university has established an infectious disease program, which remains fluid and adaptable to ongoing changes in today's volatile environment. Existing risk, health, and safety processes, protocols, resources, and tools have been altered to include lessons learned from the pandemic. Some examples are:

Review of existing and new Procurement, and Vendor Management Contracts: Changes to contracts which include but are not limited to additional language supporting exclusions or limitations surrounding 'infectious disease', force majeure clauses, dispute resolution, performance and continuity planning;

Review of Travel and Mobility Policies and Processes: The Student Travel Policy and High-Risk International Travel Policy are set for review against the existing environment. The process for approval of international travel has received a slight revision to ensure the traveling applicant is provided with adequate COVID-19 related resources;

PART IV – GOING FORWARD

As we look into next year we will continue to enhance and push the strategic and foundational risk planning forward. The key goals for implementation are:

    a. Enhance the existing risk work tools for Risk Owners;
    b. Develop and implement 'risk fundamentals' training for all members;
    c. Develop a risk management and insurance dashboard;
    d. Continue to implement directives supporting the University Continuity policy;
    e. Develop and share educational resources related to the university's insurance portfolio, including gaps, limitations, and conditions;
    f. Insurable Value Asset Review;
    g. Table Top Exercise for Cyber-Security process; and
    h. Explore a self-insurance program in collaboration with our insurance partners.

Appendix A. – **University Risk Management Milestones**

DATE	MILESTONES ACHIEVED
June 2022	- Increased focus on operational high-risk mitigation strategies - Finalized Annual Operational Risk Register reviews and interim Operational Risk Register reviews - Completed Insurable Value Study on University assets - Renewed Insurance Portfolio consisting of seventeen (17) policies - Documents developed include: - Incident Report: Automotive Claims - Use of University Automobile Driving Policy - Renting Automobiles for University Business Directive - End User Risk Assessment Tool for events on campus - On Campus Camps Guide - Memberships held by the Director of Risk Management: - Co-chaired Risk Management Committee - Chaired COVID Operations Taskforce - Risk Advisory Committee for CURIE - Policy Advisory Committee - Joint Health and Safety Committee - Pandemic Response Team - Joint Operations Taskforce - Completed Freedom of Expression annual reporting regarding events established for HEQCO - Completed eighteen (18) on-campus risk assessments - Tracked risk management and insurance metrics and presented fifth (5th) set of metrics for risk management - Seventh (7th) Annual Risk Management Report presented to the Board - Completed eleven (11) Physical Campus Hazard reviews and reports alongside Health and Safety and Campus Infrastructure

DATE	MILESTONES ACHIEVED
June 2021	- 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: - 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: - 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	- 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 - 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: - 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

DATE	MILESTONES ACHIEVED
	○ 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	- 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 - 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	- 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	- 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	- 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

DATE	MILESTONES ACHIEVED
JUNE 2015	● Clarified risk roles and responsibilities ● Consultation process with university academic and administrative leaders ● Established Terms of Reference for Risk Management Committee ● Developed Risk Tools ● Approved a Risk Management Work Plan
JUNE 2014	● Board of Governors approved Ontario Tech's first Risk Management Policy after extensive consultation and discussion

OntarioTech
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COMMITTEE REPORT

SESSION:

ACTION REQUESTED:

Public	☒	**Decision**	☐
Non-Public	☐	**Discussion/Direction**	☐
		Information	☒

Financial Impact ☐ Yes ☒ No   **Included in Budget** ☐ Yes ☐ No

TO: **Audit & Finance Committee**

DATE: **June 15, 2022**

FROM: **Brad MacIsaac, Vice President Administration**

SUBJECT: **Compliance Update**

COMMITTEE MANDATE:
The Audit and Finance Committee is responsible for overseeing 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 other regulatory matters.

BACKGROUND/CONTEXT & RATIONALE:
The University is required to comply with numerous legislative and contractual obligations relating to its business activities and to effectively integrate these requirements into its day-to-day operations. In February 2021, the university established a compliance framework to demonstrate its commitment to compliance, integrity, ethical behaviour, and good governance. This framework seeks to identify, manage, and define accountabilities to support good governance, compliance with laws, and assist the University in achieving its strategic, operational and business objectives. The Compliance Framework includes the Compliance Policy, which applies to all university employees, students, and those holding appointments and/or honorific appointments.

Compliance Update

1. Accessibility
   - As required, the university completed and published the Annual Status Report 2021-2022 highlighting the university's accessibility achievements from May 1, 2021 – April 30, 2022.This can be found at https://accessibility.ontariotechu.ca/AODA/index.php and attached.
   - For the period covering June 1, 2021-May 31, 2022, the university completed its 2021 biannual reporting obligations as required under the AODA. As of January 17, 2022, 83% of staff have

completed the Ontario Tech AODA modules. HR has continued to manage the administration of AODA training through their mandatory training compliance plan
- The Accessibility Working Group (AWG) updated its Terms of Reference. A notable change includes nine (9) new members from various functions who will work to further the university's commitment to the identification and removal of barriers to people with disabilities.

2. *Copyright Compliance:*
- The Copyright Advisory Committee prepared and presented a five (5) phase copyright compliance implementation plan to the Provost and Vice President, Academic for review and feedback. The committee will be proceeding forward with approved activities including policy development and supporting training initiatives.

3. *Occupational Health & Safety Act review*
- A gap analysis has been completed and reviewed by all relevant stakeholders. No significant risks were identified. Priority setting with associated timelines has been recorded for ongoing monitoring of scheduled activities.
- After consultation amongst stakeholders, accountability for the Controlled Goods Program has transitioned to the Office of Research Services ("ORS"). Final implementation of procedures, forms, and guidance remain ongoing.

Attachments:
Accessibility Working Group – DRAFT Annual Status Report 2021-2022

Multi-Year AODA Accessibility Plan 2020-2025
Annual Status Report May 2021-April 2022

This document is available in alternate formats upon request. Please contact us at 905.721.3173 or by email at aoda@ontariotechu.ca

Introduction

Background

This report is a collaborative effort between the multiple units represented on the campus-wide Accessibility Working Group (AWG). The AWG was established at Ontario Tech University in September 2010 with the intent of creating a campus that is inclusive and barrier-free for all individuals with disabilities. In response to the *Accessibility for Ontarians with Disabilities Act* (AODA) and more recently the *Integrated Accessibility Standards and Regulations* (IASR), which mandated province-wide accessibility planning to address the staggered implementation of the accessibility standards. The [Ontario Tech AODA Multi-Year Accessibility Plan](#) ("Multi-Year Plan") published in 2020 reaffirms the University's commitment towards developing and maintaining a study and work environment that is inclusive and facilitates the full participation of all students and employees with disabilities.

Statement of Commitment

Ontario Tech University is committed to creating a campus community that is inclusive of all individuals and ensures equal opportunity among its members to achieve success in their   academic and/or employment endeavors. The University recognizes that successful learning and employment outcomes are the result of a shared responsibility and commitment on the part of students, faculty, and staff, and expects that all members of the community will advance the ongoing development of an environment that is accessible and inclusive, while actively working to identify, remove and prevent barriers to persons with disabilities.

Accessibility Feedback

Ontario Tech University recognizes community feedback as a critical process in identifying, removing, and preventing barriers in its accessibility strategy. Feedback is an essential part of the University's plan to improve on how we deliver our services and encourage inclusive community participation. Feedback may be given by emailing the University Secretariat and General Counsel's office at aoda@ontariotechu.ca, or by telephone at 905.721.3173. You may also send feedback via mail to:

Office of the University Secretariat and General Counsel
2000 Simcoe Street North
Oshawa, Ontario L1G 0C5

Section 1: Status Update

Navigating through COVID-19

The COVID19 Global Pandemic created a drastic shift in the way that services and education are delivered in Ontario. Looking forward, Ontario Tech is not only responsible for compliance, but to align with our core [vision, mission and values](#). Ontario Tech has an opportunity to foreground greater inclusivity through innovative approaches to accessibility. Greater accessibility not only fosters the necessary technological infrastructure to evolve, but also provides a competitive edge for our sticky campus.

Accessibility provides greater rates of recruitment and retention for students who have historically been underrepresented and excluded from Canadian higher education institutions.

Since May 1, 2021, the AWG focused its efforts on meeting the commitments outlined in the Multi-Year Plan for continued alignment with the Statement of Commitment. The achievements of the AWG subcommittees, and administrative departments are highlighted below for the period of May 1, 2021 – April 30, 2022.

AWG - Subcommittees

The AWG has focused on achieving demonstrated compliance with the AODA. During the 2020-2021 academic year, the AWG through its subcommittees targeted three (3) areas of focus including accessibility training, workplace accessibility and accessible procurement practices to foster innovative approaches to inclusion. These initiatives have enabled the dedicated members of the AWG, and the larger campus community to identify barriers in an effort to provide greater inclusion through accessibility initiatives.

Education Subcommittee

Susan Forbes, Manager, Teaching & Learning Centre **(Sub-committee Chair)**
Stephanie Cork, Faculty Development Coordinator, Teaching & Learning Centre
Julie Day, Health and Disability Management Specialist, Human Resources
Tina Murray, Manager, Student Accessibility Services, Student Accessibility Services
(Interim) Monica Jain (Aggarwal), Director, Careers, Counselling and Accessibility
Shay Babb, Manager, Compliance Risk & Ethics, University Secretary and General Counsel's Office

Achievements

- Developed and implemented the Ontario Tech AODA Training Modules deployed through Catalog
- Coordinated the audit of Accessibility Hub resources to comply with WCAG 2.0 Level AA (WCAG) compliance
- The Teaching & Learning Centre (TLC) led the development and presentation of the Universal Design for Learning (UDL) training and resources across campus (to faculty, staff and students)
- Communications & Marketing (C&M), TLC, and the Office of Research Services (ORS) collaborated on various guidance materials including: **Guidance and Checklists**

Procurement Subcommittee

Shay Babb, Manager, Compliance Risk & Ethics, University Secretary and General Counsel's Office (**Subcommittee Chair**)
Julie Day, Health and Disability Management Specialist, Human Resources
Tina Murray, Manager, Student Accessibility Services, Student Accessibility Services
(Interim) Monica Jain (Aggarwal), Director, Careers, Counselling and Accessibility

Achievements

- Reviewed and revised the procurement procedure to provide additional guidance and enhance the clarity of the university's accessibility obligations
- Developed the Ontario Tech Accessible Procurement Toolkit to enhance the accessible procurement guidance available to the community

Accessibility Compliance Reporting Subcommittee

Shay Babb, Manager, Compliance Risk & Ethics, University Secretary and General Counsel's Office (**Subcommittee Chair**)
Emily Tufts, Associate University Librarian, Scholarly Resources, Campus Library
Chris Woods, Manager, User Experience, Communications & Marketing, Office of External Relations
Ken Bright, Director of Campus Infrastructure and Sustainability, Office of Campus Infrastructure and Sustainability
Julie Day, Health and Disability Management Specialist, Human Resources
Susan Forbes, Manager, Teaching & Learning Centre

Achievements

- Prepared the 2021 Accessibility Compliance Report for review and certification by the Vice President, Administration
- Analyzed and recorded follow up actions required by the AWG to continue meeting the university's accessibility commitments
- Compliance presented the "*Accessibility for Ontarians with Disabilities Act – Accessibility Reporting 2021*" to the social media committee highlighting the bi-annual reporting process, and the WCAG requirements

Institutional Achievements & Accomplishments

General

- The USGC and Provost demonstrated their ongoing commitment to equity, diversity and inclusion by maintaining the accessibility compliance framework
- The University developed its 2021-2029 equity target plans for the Canada Research Chairs Program, which included higher targets for persons with disabilities to better reflect the population
- The AWG had four (4) accessibility working group meetings in the 2021 calendar year where members took part in strategic discussions and accessibility priority planning.
- The concept of the Accessibility Hub was established, with planning around scope, objectives and design
- The AWG undertook an internal review of its Terms of Reference. Form, content and membership changes were proposed and approved.   New members include:

  - Director, Human Rights Office, Office of the University Secretary and General Counsel, or delegate
  - Social Media Coordinator, Communications & Marketing, or delegate
  - One (1) representative from Teaching & Learning Centre, Office of Learning Innovation
  - Assistive Technology Specialist, Student Accessibility Services, Office of Student Life
  - One (1) representative from the Office of Research Services, Office of Research & Innovation
  - Director, Academic Advising, Office of the Deputy Provost or delegate
  - One (1) representative from Information Technology Services
  - Director, Ontario Tech Athletics or delegate
  - One (1) representative from either the i) Teaching Staff or ii) Subject Matter Experts with direct knowledge and interest in accessibility.

Employment

- Human Resources (HR) followed the accessible procurement principles during the acquisition of the new Applicant Tracking System
- HR enhanced recruitment toolkits with additional disability resources for managers to strengthen and promote accessibility awareness throughout the recruitment life cycle
- HR collaborated with Durham College and other university stakeholders in the development and implementation of the [COVID-19 vaccine directive accommodation process](#)
- HR administered and monitored the institution's [mandatory accessibility training compliance program](#) including the "Ontario Tech AODA Modules" and the "Ontario Tech Accessible Instruction Module for Educators"
- Various HR representatives participated in networking events offered by the CNIB to diversify the university's candidate pool during recruitment efforts

Information & Communications

- Communications & Marketing (C&M) transitioned the university's public-facing website to a cloud-based content management system that integrates backend accessibility scanning into workflow activities
- The University's Advancement Team received a renewal gift of the assistive technology tool eSSENTIAL Accessibility
- C&M worked with various departments across campus to support WCAG compliance
- C&M managed the accessible documents request intake process to support administrative departments with accessible document requests
- C&M conducted a brand accessibility review to identify accessible colors, font and text
- The Office of Student Life conducted website testing to assess the readability of graphic content that use screen readers
- The Office of the Registrar conducted a content inclusivity review to promote inclusive language usage in all department policies and published content
- The Office of the Registrar assumed a WCAG social media review to identify opportunities to address video captioning, hashtag camelcase usage, and style guidelines
- The Office of the Registrar examined its website hyperlinking actions to enhance the user experience for those using assistive technology
- The Campus Library reviewed and addressed alt text on all social media posts
- During the pandemic, the Campus Library expanded the accessibility of their services by offering online appointment booking and virtual appointment options via Zoom, Google Meet, MS Teams (or any other requested secure application)
- TLC expanded support service options to include pedological accessibility support and one on one consultations with subject matter experts
- TLC presented an Open Education Resources (OER) Lab to faculty development officers, multimedia developers, and student teams promoting accessible education through the creation and promotion of open educational resources
- TLC provided six hundred (600) hours of support to the virtual learning strategy addressing accessibility compliance and UDL
- TLC administered the accessible procurement principles during the procurement of educational technologies

Customer Service

- The Campus Library developed an [accessible services](#) webpage offering information on the equitable access to library services, resources and facilities
- The Campus Library continues to provide students with alternate formats for material held in its collections, including: hard copy conversion, captions, and/or text transcripts for multimedia content (available upon request).
- Through the Campus Library's ongoing relationship with Scholars Portal, Ontario Tech users were granted access to an additional 45,000 digitized books held by the library
- The FLEX Centre staff commenced an accessibility audit to identify and address barriers to persons with disabilities
- Athletics prioritized the accessibility and accommodations of group fitness classes as on campus services resumed allowing for enhanced inclusivity for all members of the community
- The Office of Vice-President, Research & Innovation – ORS offered summer programming through the Brilliant Incubator and the Catalyst Challenge wherein thirteen (13) students with disabilities (anonymous self-identified) participated.
- Three (3) students with disabilities participated in the Office of Vice-President, Research Innovation's "Project-Based WIL" opportunities, sponsored under the Experience Ventures Grant

Public Spaces

- Office of Campus Infrastructure and Sustainability (OCIS) completed accessibility audits of the Science, Business & IT, Engineering, Library and ERC buildings
- Project proposals have been submitted by the Campus Library to increase the accessibility of the north and south campus proposing the expansion of adaptive technology and height adjustable workstations.
- OCIS and the Campus Library collaborated on the design and construction of a universal accessible washroom on the second floor of the North Oshawa Library. Construction of the universal washroom will include automatic doors, adult change table, and accessible turning radius for AODA compliance.
- Stairwells in the Science, Business & IT, Engineering, Library and ERC have been upgraded through the installation of textile platting and replacement of all stair nosing.

Other

- In an effort to strengthen its commitment to campus accessibility, Ontario Tech became a member of the Canadian Accessibility Network (CAN) to optimize inclusivity for persons with disabilities through collaboration with cross-sectoral organizations in the areas of research, design and innovation, education and training, policy, employment, and community engagement.
- The University updated the Appointed Institutional Representative (AIR) to the Inter-University-Disability Issues Association (IDIA).
- C&M, HR and the AWG sponsored the CNIB's Phone it Forward Program and donated a number of phones to the organization
- Institutional participation in an eCampus Ontario advisory initiative that will support the post-secondary sector with accessible procurement of educational technology
- Appointed new Ontario Tech member to the DC Accessibility Committee

For more information

For more information on this Annual Status Report, please contact:
Telephone Number: 905-721-3173
Email: aoda@ontariotechu.ca
Website: accessibility.ontariotechu.ca

Attention: Manager, Compliance Risk & Ethics
Standard and accessible formats of this document are available upon request.

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BOARD OF GOVERNORS
Audit & Finance Committee

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Minutes of the Public Session of the Meeting of Wednesday, April 13, 2022
2:00 p.m. to 4:00 p.m., Videoconference

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

Staff: Jamie Bruno, Sarah Cantrell, Barbara Hamilton, Krista Hester, Les Jacobs, Lori Livingston, Brad MacIsaac, Pamela Onsiong

Regrets: Steven Murphy, Kim Slade

Guests: Chelsea Bauer, Mike Eklund, Matthew Mackenzie

1. Call to Order

The Chair called the meeting to order at 2:00 p.m.

2. Agenda

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

3. Conflict of Interest Declaration

None.

4. Chair's Remarks

The Chair noted that S. Murphy is away today and therefore not attending the meeting. She also stated that M. Mackenzie is joining. The Chair asked members to take a moment of silence to honour B. Dinwoodie who passed away two weeks ago.

5. Finance

5.1 Approval of 2022-2023 Budget and Approval of 2023-2024 Initial Budget

B. MacIssac noted that our goal is to ensure that A&F gets enough infomation so you can feel confident and comfortable in approving the annual budget and going forward monitoring the implementation.

Although we have been moving to being more strategic and less informational, B. MacIsaac confirmed that this item does require detail and information sharing. He reminded members of the fiscal blue paper with assumptions and the regarding the need for capital reserves, both from November and that he wouldn't be repeating numbers.

B. MacIsaac and L. Livingston both shared the presenation that was attached with the material. The Chair thanked both and all involved in the preparation of the budget.

Some questions included:

- Information didn't speak to escalating expenses and the overall pressures on consumbables.
    - For the in-year budget we are asking members to approve there is a number based on year over year that we have put in to estimate the increase to utilities (based on a three-year moving average). We did not show scenarios of expenses growing but we could create a dotted line for certain staffing ratios increasing.
- Initiatives for "greening" or climate change?
    - 275 on solar panels ACE, 300 investment in centralizing UPS.
    - Investment in BEI (providing start up funds as it gets going).
    - Continued investment in "greening" of campus (i.e. adding electric parking spaces). Constantly pushing ourselves to move in that direction.

MOTION 1:
Upon a motion duly made by S. Chow and seconded by T. Koseck, WHEREAS the budget has been prepared based on a forecast using the best information available at this time;

WHEREAS there is ongoing risk to the budget because of the economic uncertainty precipitated by the COVID-19 pandemic (i.e. international travel);

NOW THEREFORE, pursuant to the recommendation of management, the Audit and Finance Committee hereby recommends that the Board of Governors approves the 2022-2023 balanced budget of $214.6 million, as presented.

MOTION 2:
Upon a motion duly made by D. Ellis and seconded by D. MacMillan WHEREAS the annual budget begins April 1 and the Board of Governors does not approve the budget until after that time;

WHEREAS the university has prepared a 2023-2024 forecast using the best information available at this time focusing on normal enrolment rates, no change to tuition framework and a simple rollover of base expenses plus estimated salary increases;

NOW THEREFORE, pursuant to the recommendation of management, the Audit and Finance Committee hereby recommends that the Board of Governors approves a beginning 2023-2024 budget of $222.0 million.

6.   Consent Agenda:

6.1   Minutes of Public Session of A&F Meeting of February 23, 2022

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

7.   For Information:

8.   Other Business

9.   Adjournment

There being no other business, upon a motion duly made by D. MacMillan, the meeting adjourned at 3:10 p.m.

Krista Hester, Acting Secretary

Audit & Finance Committee

2021-2022 Annual Report

OntarioTech
UNIVERSITY

2021-2022 Work Plan

MANDATE-DRIVEN PRIORITIES

Financial Statements 2021-22
- Quarterly reporting & year-end financial reporting
- Credit rating update

Audited Financial Statements 2021-22
- 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 2022-23
- Update on assumptions, targets & outcomes
- Enrolment updates
- multi-year financial model & forecasting
- Recommendation of 2022-23 budget
- Recommendation of endowment disbursement

Budget for 2023-24
- Approved initial budget

2021-2022 Work Plan

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
- Shawenjigewining Hall completion
- MGP completion

Student fees
- Recommendation of tuition & ancillary fees for 2021-2022

2021-2022 Work Plan

Investment Committee Oversight

- Receipt of quarterly reports
- Moved to bi-annual strategic reviews

Policy Development & Review

- Statement of Investment Policies (SIP) 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 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 awards in 2021-22
- Recommended increasing total project budget for ACE Enhancement from $15.075M to $16.525M
- Recommended Audited Financial Statements for approval
- Recommended internally restricted funds for approval
- Received recommendations from MCU audit

Accomplishments

Policy

Approved:
- Procurement Procedures

Investment Oversight
- Successful transition of the Investment Committee into the Audit & Finance Committee.
- Received quarterly reports
- Recommended amendments to the Statement of Investment Policies

Accomplishments

Budget for 2021-2022
- Continued oversight of the 2021-2022 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 2022-23
- Recommended the 2022-23 budget for approval by the Board

Student Fees
- Recommended the 2022-23 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

- Cybersecurity

In Progress

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

- Assessment of External Auditor – normally 5 years terms
- MCU Audit - 1 year review of recommendations
- AGO value for money audit

Investment

- 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

OntarioTech UNIVERSITY

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:		ACTION REQUESTED:	
Public	☒	**Decision**	☐
Non-Public	☐	**Discussion/Direction**	☐
		Information	☒

TO: **Audit & Finance Committee**

DATE: **June 15, 2022**

FROM: **Niall O'Halloran, Manager, Policy & Privacy**

SLT LEAD: **Sara Gottlieb, 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 lot of policy activity over the past year, in reviewing and improving existing compliance and finance policies, including revisions to:
  - Academic Appeals policy and procedure
  - Signing Authority policy and register

- o Expenses policy and supplementary procedures
- o Procurement procedures
- o Violence, harassment and discrimination policies and procedures

Policy Update

- Over the period June 1, 2020 to May 31, 2021, 20 new or amended policy instruments have been approved in accordance with the Policy Framework, down from 39 in the prior year.
- The USGC continues to support a variety of policy projects, including supporting the development of a framework of privacy policies, risk management and insurance policies for driving, and student conduct policies.
- The USGC will be beginning its deferred review of the Policy Framework, originally scheduled for last year.
- 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 seven 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
2021-22	18	16	25

TABLE 2: Policy Support by Unit June 1, 2021 to May 26, 2022

Unit	Drafting	Recommendations	Advice
University Secretary and General Counsel	15		
Student Life			1
Research Services			3
Finance	2	5	
Human Resources	3	1	
Graduate Studies			1
Registrar's Office			14
Teaching and Learning		2	
Provost's Office	1		4

SUPPORTING DOCUMENTS:

- Schedule A List of Policy Instrument approvals

Schedule A: Policy Instrument Approvals

- Expenditure Signing Authority Procedures (A&F, June 16, 2021)
- Legal Commitments Signing Authority Procedure (A&F, June 16, 2021)
- Undergraduate Academic Appeals Procedures (USC, June 15, 2021)
- Undergraduate Academic Appeals Policy (AC, June 22, 2021)
- Professional Suitability Policy (Undergraduate) (AC, June 22, 2021)
- Professional Unsuitability Procedures (Undergraduate) (AC, June 22, 2021)
- Signing Authority Policy (Board, June 24, 2021)
- Not-for-Academic Credit Digital Badges, Microcredentials, and Stackable Credentials Policy (President, July 19, 2021)
- COVID-19 Mandatory Vaccination Directive (Provost, August 31, 2021)
- Workplace Violence Procedure (GNHR, October 19, 2021)
- Expenses Policy (President, November 10, 2021)
- Credit Card Procedure (ALT, November 10, 2021)
- Procedure for Payment of Honoraria (ALT, December 14, 2021)
- Policy Against Violence in the Workplace (Board, December 19, 2021)
- Procurement of Goods and Services Procedures (A&F, February 23, 2022)
- Statement of Investment Polices (Board, March 10, 2022)
- Procedures to Prevent and Address Discrimination and Harassment by or Against Students (GNHR, March 31, 2022)
- Procedures on the Over-Expenditure of Research Funds (ALT, April 15, 2022)
- Academic Staff Responsibilities with Regard to Students (Editorial, Provost, May 2, 2022)
- Disconnect from Work Policy (President, May 25)

COMMITTEE REPORT

SESSION:		ACTION REQUESTED:	
Public	☒	**Decision**	☐
Non-Public	☐	**Discussion/Direction**	☐
		Information	☒

TO: **Audit & Finance Committee**

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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 Privacy Office.

Privacy Compliance Review

- The Privacy Office has developed and begun consultation on a framework of policy instruments to close gaps identified during Privacy Impact Assessments and a review of the privacy program based on the Generally Accepted Privacy Principles (GAPP). Many of the policy instruments in development represent current practice that is not formally documented in policy and procedure.

- We will be working with ITS and Risk Management to identify and support key information security initiatives, such as Information Security Classification Procedures, a formal process for Privacy Impact Assessment and Secure Transmission Guidelines.

Annual Privacy Compliance Activity

- Each year, the university provides statistical reporting to the Information and Privacy Commissioner related to compliance activities under FIPPA. The university reports the number and certain details of access to information requests. The table below sets out the number of access to information requests, PIA's, and privacy investigations in the 2021 calendar year with a comparison to the three previous years:

TABLE 3: Privacy Activity by year, calendar year 2018-2021

Category	Calendar year 2018	Calendar year 2019	Calendar year 2020	Calendar year 2021
Requests for personal information	11	9	4	4
Requests for general information	3	3	3	2
Informal Requests resolved by USGC	3	9	7	8
3rd party notifications	2	1	3	1
Privacy Impact Assessments	-	-	9	3
Breaches investigated	11	16	8	12

- Two requests for Personal Information and one request for General Records were carried over for completion in the 2022 calendar year. These requests have since been completed and a decision issued.
- Ontario Tech was the subject of an IPC Order, PO-4250, which was a decision on an appeal related to an access to information request from 2017. In our original decision on that request, we relied on section 65(6) of FIPPA to withhold information. The IPC's order found that that section had no application to the information being sought and ordered the university to respond to the appellant's

access request without relying on section 65(6). The Privacy Office has issued an updated decision in the access request granting access to the previously withheld records.