



**BOARD OF GOVERNORS
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF NOVEMBER 16, 2016
1:45 p.m. to 3:30 p.m., ERC 3023
PUBLIC SESSION**

Attendees: Miles Goacher (Chair), Nigel Allen, Doug Allingham (*via teleconference*), Jeremy Bradbury, Adele Imrie, Tim McTiernan, Mary Simpson

Staff: Cally Ashby, Becky Dinwoodie, Craig Elliott, Cheryl Foy, Brad MacIsaac, Susan McGovern, Pamela Onsiang

1. Call to Order

The Chair called the meeting to order at 1:53 p.m.

2. Agenda

Agenda item 9 was moved forward to number 6.

Upon a motion duly made by A. Imrie and seconded by M. Simpson, the Agenda was approved as amended.

3. Conflict of Interest Declaration

There was none.

4. Approval of Minutes of Meeting of October 5, 2016

Upon a motion duly made by N. Allen and seconded by T. McTiernan, the Minutes were approved as presented.

5. Chair's Remarks

In the interest of allowing sufficient time for discussion, the Chair kept his remarks brief.

6. Compliance & Policy

6.1 Violence Related Policies and Procedures

C. Foy provided the Committee with an update on the violence related policies and procedures. She will be meeting with external counsel to discuss the feedback received from the recent Academic Council meeting. Based on the commentary and feedback, the university will have an umbrella policy against violence and 3 distinct underlying policies, one being a standalone policy against sexual violence for students. C. Foy reviewed the recent consultation process, which included online consultation, a number of town halls and consulting with Academic Council (AC).

C. Foy advised that implementing separate policies will make demonstrating compliance easier. In terms of compliance, she is working with outside counsel at each stage of the process and the amendments are being reviewed as they are introduced. The draft policies will be presented to the Governance, Nominations and Human Resources Committee (GNHRC) the following week and to the Board at the meeting on December 7. They also committed to a holding a consultation session with AC in the time between the GNHRC and Board meetings.

J. Bradbury informed the Committee that he has been hearing more positive comments regarding the consultation process. C. Foy confirmed that consultation is being done on both the policies and procedures. The Student Code of Conduct will be updated at a later date to make it consistent with the anti-violence policies.

7. SIRC Building Construction Project

C. Elliott delivered a presentation providing an update on the SIRC building construction project progress.

8. Finance

8.1 Second Quarter Financial Reports

P. Onsiong reviewed the highlights of the second quarter GAAP financial statements with the Committee. She provided a summary of the financial metrics and noted there has not been much change from the last update. She explained the reasons for the difference in UOIT's financial metrics compared to the sector average. She confirmed that the university is on target for budgeted enrolment. P. Onsiong also went through the 2016-17 operating forecast analysis. Consistent with prior years, they will be recommending to reserve some of the surplus for future use.

8.2 Budget Assumptions, Targets & Outcomes

C. Elliott delivered the presentation entitled "Budget Update". It is estimated that the university will be within approximately 50 of our FTE target. Accordingly, they will not be seeking additional budget cuts this year. He reviewed the key points from the ten year forecast, including:

- Structural budget deficit with increasing losses each year starting in 2016/17
- Additional 2.5% cut planned in 2017/18 to address this issue and balance the budget over the next 10 years

C. Elliott also went over the significant budget assumptions. He advised that there are more students enrolling part-time. He also confirmed that the summer program had a better turnout this year.

T. McTiernan discussed the uncertainty surrounding the funding model and permitted tuition increases. Changes to either of these will likely result in adjustments to the budget forecast.

The Committee discussed strategic hiring by Faculties. C. Elliott explained that the RAM budget model was introduced in order to allocate scarce resources across faculties, including new hires and long-term strategic plans.

C. Elliott confirmed that professional development and travel budgets will be decreased by 30% across the board. Additional decreases in OPEX and strategic labour reductions determined by each budget holder make up the total \$2.5M budget cut. He reviewed the vacant position summary. He clarified that the vacant positions are both tenured/tenure track and teaching faculty positions. Faculties are being encouraged to hire for all vacant positions. He explained the rationale for returning the budget for open positions from a Faculty back to the Provost's budget. C. Elliott responded to questions from the Committee.

(D. Allingham left the meeting at 2:43 p.m.)

C. Elliott provided a summary of the budget discussion feedback. He added that the 10-year forecast was well received in presentations to PACIP and other stakeholders. S. McGovern added that donors like to see a 10-year forecast, as well.

C. Elliott will be delivering a budget presentation to the Board in December. He advised that they are still working on how to best present budget to Academic Council.

9. Investment Committee Oversight

9.1 Investment Committee Quarterly Report

N. Allen provided the Committee with an update from the Investment Committee. The investment balance is at approximately \$21.5M. The portfolio is ahead of benchmark in both the short and long-term. Post September, the bond yields have risen. He also informed the Committee of a presentation PH&N gave to the Investment Committee on the economic effects of the US election on the economy.

10. Other Business

There was none.

11. Termination

Upon a motion duly made by J. Bradbury and seconded by T. McTiernan, the public session of the meeting terminated at 3:05 p.m.

Becky Dinwoodie, Secretary