



BOARD OF GOVERNORS
Audit & Finance Committee

Wednesday, November 25, 2020

2:00 p.m. to 5:00 p.m.

[Videoconference](#)

Toll-Free: +1.888.240.2560 Meeting ID: 967 617 285

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

Staff: Becky Dinwoodie, Cheryl Foy, Les Jacobs, Lori Livingston, Brad Maclsaac, Pamela Onsiong, Bobbi-Jean White & Reagen Travers (KPMG)

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	5	2:05 p.m.
5	President's Remarks	Steven Murphy	10	2:10 p.m.
6	Annual Terms of Reference Review* (D)	Becky Dinwoodie	5	2:20 p.m.
7	Finance			
7.1	Second Quarter Financial Reports* (U)	Pamela Onsiong	10	2:25 p.m.
7.2	2020-2021 Enrolment & Budget Update* (M)	Andy Gallagher, Lori Livingston & Brad Maclsaac	15	2:35 p.m.
7.3	Budget Assumptions, Targets & Outcomes* (D)	Andy Gallagher, Lori Livingston & Brad Maclsaac	10	2:50 p.m.
7.4	New Building Financing* (M)	Andy Gallagher & Cheryl Foy	15	3:00 p.m.
8	Investment Committee Oversight			
8.1	Quarterly Report	Stephanie Chow	5	3:15 p.m.
9	Project Updates (U) – questions only	Brad Maclsaac & Les Jacob	10	3:20 p.m.

D – Discussion

M – Motion

P – Presentation

U – Update

* Documents attached

No.	Topic	Lead	Allocated Time	Suggested Start Time
10	Risk, Compliance & Policy		15	3:30 p.m.
10.1	Risk, Compliance & Policy Update (a) Compliance Policy* (D) (b) Signing Authority Policy Review Update (U) (c) Controlled Goods & Exports Compliance Update* (U)	Cheryl Foy		
10.2	Freedom of Expression Annual Report* (U)	Cheryl Foy		
11	Consent Agenda (M):	Chair	5	3:45 p.m.
11.1	Minutes of Public Session of Meeting of June 19, 2020*			
12	For Information:			
12.1	Project Updates: (a) ACE Enhancement & New Building* (b) AVIN*			
12.2	Risk, Compliance & Policy Update*			
13	Other Business	Chair		
14	Adjournment (M)	Chair		3:50 p.m.
BREAK			10	
NON-PUBLIC SESSION (material not publicly available)				4:00 p.m.
15	Call to Order	Chair		
16	Conflict of Interest Declaration	Chair		
17	Audit		15	4:00 p.m.
17.1	Year End Auditor's Management Letter (U)	Pamela Onsiong		
17.2	Engagement Audit Plan* (U)	KPMG		
17.3	Pension Plan Audit Findings Report* (U)	KPMG		
17.4	Pension Plan Financial Statements* (U)	KPMG		
KPMG Departs				
18	President's Remarks	Steven Murphy	5	4:15 p.m.
	• Debenture Update			
19	Auditor Performance Review Process* (D)	Andy Gallagher	10	4:20 p.m.
20	Million Dollar Matching Fund* (M)	Susan McGovern	10	4:30 p.m.
21	Consent Agenda (M):	Chair	5	4:40 p.m.
21.1	Minutes of Non-Public Session of Meeting of June 19, 2020*			
21.2	2020-2021 Work Plan*			
21.3	Amendments to Asset Class Management Strategy*			
22	Other Business			
23	In Camera Session (M)			
24	Termination (M)			5:00 p.m.

COMMITTEE REPORT

SESSION:

Public
Non-Public

ACTION REQUESTED:

Decision
Discussion/Direction

TO: Audit & Finance Committee (A&F)

DATE: November 25, 2020

PREPARED BY: Becky Dinwoodie, Assistant University Secretary

SUBJECT: Review of A&F Terms of Reference

COMMITTEE MANDATE:

- As part of the committee's mandate, it must conduct a periodic review of its Terms of Reference (ToR) and recommend revisions to the Board when appropriate.
- We are seeking the committee's feedback on its Terms of Reference.

BACKGROUND/CONTEXT & RATIONALE:

- Last year, the committee's Terms of Reference were reviewed in the context of the new brand, as well as any comments received since the terms were last updated in November 2018. The proposed amendments were editorial in nature and were approved by the Board in June 2020.
- This is an opportunity for the committee to review the committee's mandate, membership composition, and meeting frequency to confirm whether they are still appropriate.

COMPLIANCE WITH POLICY/LEGISLATION:

- this is compliant with the Act and By-laws

NEXT STEPS:

1. If the committee has any proposed amendments to the Terms of Reference, the amended Terms of Reference will be presented to the Board for approval on December 2, 2020.

SUPPORTING REFERENCE MATERIALS:

- A&F Terms of Reference

BOARD OF GOVERNORS Audit and Finance Committee

1. TERMS OF REFERENCE

The Audit and Finance Committee is a standing committee of the university's Board of Governors and is responsible for overseeing the financial affairs of the university with respect to all auditing, financial reporting and internal systems and control functions, budget approvals, risk management, and other internal and external audit functions and activities at the university. The Committee will report and make recommendations to the Board of Governors regarding these and other related matters.

The Committee shall also consider such other matters that are delegated to the Committee by the Board of Governors, including special examinations as may be required from time to time, and if appropriate retain special counsel or experts to assist.

Specifically, the Audit and Finance Committee shall have the following responsibilities:

a. Finance

- i) Ensuring fiscal responsibility with respect to the financial resources of the university, including:
 - 1) Reviewing and recommending approval of the annual operating budgets, capital budgets, tuition fees and ancillary fees;
 - 2) Reviewing on a quarterly basis financial statements and financial performance against budget;
 - 3) Reviewing policies on financial administration and recommending their approval by the Board;
 - 4) Reviewing and monitoring all long-term debt and providing recommendations as appropriate; and
 - 5) Providing financial oversight for major capital projects, auxiliary operations, and structures.

b. Audit and Financial Reporting

- i) Ensuring that appropriate financial controls, reporting processes and accountabilities are in place at the university, including:
 - 1) Appointing the external auditor, and approving the fee for such service;

- 2) Reviewing the external auditor's letter of engagement, independence, and the scope of services;
 - 3) Reviewing the external auditor's comprehensive audit plan, scope of the examination, and the nature and level of support to be provided by the internal audit function;
 - 4) Meeting with the external auditor, independent from management, to review audit results and when planning the upcoming audit year;
 - 5) Assessing the performance of the external audit function; and
 - 6) Providing an avenue of communication between the external auditor, management and the Board of Governors.
- ii) Reviewing and recommending to the Board approval of the university's annual audited financial statements, as well as reviewing significant findings or recommendations submitted by the external auditor.
 - iii) Overseeing the provision of internal and external audit functions at the university, including annual reviews, area specific evaluations, functional assessments and process appraisals
- c. Risk Management**
- 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.
 - iii) Receiving regular reports from management on areas of significant risk to the university, including but not limited to legal claims, development (fundraising activities), environmental issues, health, safety and other regulatory matters.

2. MEETINGS

The Committee shall meet at least four (4) times per year, or otherwise at the Committee's discretion. In accordance with the university's Act and the Board of Governors Meeting Policy and Procedures, the Committee shall conduct three types of Meetings as part of its regular administration: Public, Non-Public and *In Camera* (when required).

3. MEMBERSHIP

The Committee shall be composed of:

- Between three (3) and seven (7) external governors

- Up to three (3) elected governors

At least one member of the committee shall have an accounting designation or related financial experience.

All members of the committee shall be financially literate and have the ability to read and understand the university's financial statements, or must be able to become financially literate within a reasonable period of time after his/her appointment to the Committee. In this regard, the Chief Financial Officer or other financial expert will ensure that each new member receives appropriate training in reading and understanding the financial statements.

4. QUORUM

Quorum requires that half of the Committee members entitled to vote be present.

**Financial Update
Report to the Audit and Finance Committee
For 6 months ending September 30, 2020**

November 25, 2020

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – November 25, 2020
For 6 months ending September 30, 2020
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**ONTARIO TECH UNIVERSITY - OPERATING FORECAST SUMMARY
FOR THE YEAR ENDING MARCH 31, 2021**

April 1, 2020 - March 31, 2021				
	Total Annual Budget	Y/E Forecast	Fav. (Unfav.) Forecast vs Budget \$ / %	
Revenue				
Grants	81,023	81,842	819	1%
Tuition	68,629	77,259	8,630	13%
Student Ancillary	10,732	11,492	760	7%
Other	13,821	10,506	(3,315)	-24%
Total Revenue	\$ 174,205	\$ 181,098	\$ 6,894	4%
Expenditures				
Academic/ACRU	75,193	75,121	72	0%
Academic Support	34,356	35,740	(1,383)	-4%
Administrative	27,490	26,837	653	2%
Sub-total	\$ 137,039	\$ 137,697	(658)	0%
Purchased Services	12,315	11,921	394	3%
Total Ancillary/Commercial	7,580	6,191	1,389	18%
Debenture Interest Expense	10,541	10,541	0	0%
Total Operating Expenses	\$ 167,475	\$ 166,350	\$ 1,126	1%
Net Contribution from Operations	\$ 6,730	\$ 14,749	\$ 8,019	119%
Capital Expenses funded from Operations	2,171	5,437	(3,266)	-150%
Principal Repayments - debenture/leases	6,743	6,743	0	0%
Total Net Surplus	\$ (2,184)	\$ 2,569	\$ 4,753	-218%
Other Disclosures				
Funded through PY reserves & external financing				
New Building	\$ 20,008	\$ 19,800	\$ 208	N/A

2020/21 Operating Forecast Summary

Based on Oct 2020 enrolment data, the operating budget, after capital expenditures, shows a favourable variance of \$4.8M of which \$2.2M has been utilized to cover the original approved budget deficit, for a resulting net operating surplus of \$2.6M at the end of the fiscal year.

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

Enrolment

FTE's	2019/20 Actual	2020/21 Approved Budget *	2020/21 Oct update **	Variance to Approved Budget
Undergraduate				
Domestic	7,901	7,152	8,167	1,015
International	461	365	472	107
Graduate				
Domestic	429	382	462	80
International	183	263	196	-67
Total FTE's	8,974	8,162	9,297	1,135

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

** Oct update reflects Sep Day 10 enrolment count after the student guarantee period.

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 new funding formula implemented by the Ministry in 2017 -18, the funding for domestic students for the current year remains at the 2016 – 17 level.

The pivot to online learning last spring and the successful transition to the hybrid model, have resulted in a higher than budgeted enrolment. Except for international graduate students which shows a net unfavourable variance to budget of 67 FTE, domestic undergraduate and graduate are 1,122 FTE (~15%) more than anticipated, with increases seen across all faculties.

It is also noted that current projections are 323 FTE (~3%) more than the prior year's actual 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.

2020/21 Operating Forecast Summary (continued)

Revenues

Total revenues are favourable \$6.9M to budget and includes:

- 1) \$8.6M positive variance in tuition, attributable to a net 9.3M increase in tuition revenues due to higher than budgeted enrolment, offset by \$0.6M decrease in ELC (English Learning Center) fees.
- 2) Other revenues are unfavourable \$3.3M due to the loss in revenues for ACE, food services, daycare, continuous learning and the athletic facilities, directly attributable to the physical closure of most of the campus premises as a result of the global pandemic. This decrease is offset by a corresponding net decrease in expenses of \$1.4M (see Ancillary/Commercial under “Expenses” below).

Expenses

Total operating expenses are favourable \$1.1M to budget, and includes:

Academic Support units are unfavorable \$1.4m and reflects increases in tuition set aside disbursements to students (as mandated by the Ministry) and student ancillary expenses, both of which are fully funded from increased enrolment revenues.

Administrative units are favourable \$0.7M and includes \$1.3M of base building cost savings associated with the physical closure of most of the campus premises, offset by \$0.4M increase in legal fees and other variances, none of which is material.

Ancillary/Commercial Expenses are showing a positive variance of \$1.4M due to expense decreases associated with decreased revenues in ACE, food services, daycare, continuous learning and athletic facilities (see Other revenues in “Revenues” above).

Capital Expenses funded from Operations unfavourable variance includes \$3.2M of investment in the ACE MGP (Moving Ground Plane) project.

Summary

The current forecast is showing a net surplus of \$2.6M based on expected enrolment, spending plans and the current COVID situation in the Region and the Province which Management will continue to closely monitor. Management remains focused on student recruitment efforts and strategic investment in our IT infrastructure to support the future of the University’s hybrid learning model.

Consolidated Financial Statements of

ONTARIO TECH UNIVERSITY

For 6 months ending September 30, 2020

ONTARIO TECH UNIVERSITY
Consolidated Statement of Financial Position
As at September 30, 2020

	<u>Sep 30, 2020</u>	<u>Sep 30, 2019</u>	<u>YOY Variance</u>	<u>Mar 31, 2020</u>
ASSETS				
CURRENT				
Cash and cash equivalents	\$ 53,946,725	\$ 37,893,736	\$ 16,052,989	\$ 42,339,591
Short-Term Investments	7,052,500	24,924,246	(17,871,746)	7,052,500
Grant receivable	9,818,128	8,332,211	1,485,916	9,183,463
Other accounts receivable	43,875,791	39,955,821	3,919,970	8,543,271
Prepaid expenses and deposits	2,252,047	2,521,412	(269,364)	2,270,296
Inventories	39,416	465,112	(425,696)	57,736
	116,984,608	114,092,538	2,892,070	69,446,857
INVESTMENTS	29,607,087	28,010,771	1,596,316	26,137,454
CAPITAL ASSETS	395,798,780	392,659,869	3,138,910	396,612,877
TOTAL ASSETS	\$ 542,390,474	\$ 534,763,179	\$ 7,627,296	\$ 492,197,188
LIABILITIES				
CURRENT AND LONG-TERM LIABILITIES				
Accounts payable and accrued liabilities	34,888,478	26,092,507	8,795,972	27,506,321
Deferred revenue	79,109,999	72,113,643	6,996,357	22,206,208
	113,998,478	98,206,149	15,792,328	49,712,529
LONG TERM DEBT	303,027	548,755	(245,728)	425,924
OBLIGATIONS UNDER CAPITAL LEASE	36,593,387	37,282,197	(688,810)	36,954,011
DEBENTURE DEBT	154,875,907	161,236,208	(6,360,302)	158,105,761
DEFERRED CAPITAL CONTRIBUTIONS	157,381,631	159,723,067	(2,341,435)	162,196,325
	463,152,430	456,996,377	6,156,053	407,394,550
Net Assets				
UNRESTRICTED				
NET ASSETS, excluding current year surplus	61,266,522	63,995,371	(2,728,849)	64,154,137
ENDOWMENTS	23,660,499	22,500,614	1,159,884	23,536,115
CURRENT YEAR DEFICIT	(5,688,976)	(8,729,184)	3,040,208	(2,887,614)
	79,238,044	77,766,801	1,471,243	84,802,638
TOTAL LIABILITIES AND NET ASSETS	\$ 542,390,474	\$ 534,763,179	\$ 7,627,296	\$ 492,197,188

ONTARIO TECH UNIVERSITY
Consolidated Statement of Operations
For the 6 months ending September 30, 2020

	<u>Sep 30, 2020</u>	<u>Sep 30, 2019</u>	<u>YOY Variance</u>
REVENUE			
Grants - operating & research	\$ 40,253,061	\$ 38,233,841	2,019,219
Grant - debenture	6,750,000	6,750,000	-
Donations - operating & research	157,550	395,712	(238,162)
Student tuition fees	25,483,401	26,491,193	(1,007,792)
Student ancillary fees	5,449,851	7,603,704	(2,153,853)
Revenue from purchased services	252,468	1,715,859	(1,463,391)
Other income	1,725,181	4,957,053	(3,231,872)
Amortization of deferred capital contributions	4,975,059	4,683,125	291,934
Interest revenue	206,666	532,994	(326,328)
Unrealized gain on investments	3,327,385	514,266	2,813,119
	88,580,623	91,877,747	(3,297,124)
EXPENSES			
Salaries and benefits	54,041,355	54,341,979	(300,624)
Student aid, financial assistance and awards	6,246,543	6,195,973	50,570
Supplies and expenses	9,922,369	14,217,890	(4,295,521)
Purchased Services	5,461,706	6,398,218	(936,513)
Professional fees	444,563	855,573	(411,010)
Interest expense - Current Obligations	100,794	78,255	22,539
Interest expense - Long Term Debt	6,482,793	6,710,806	(228,013)
Amortization of capital assets	11,457,035	11,766,565	(309,531)
Loss on disposal of assets	112,441	41,671	70,770
	94,269,599	100,606,931	(6,337,332)
Excess of expenses over revenues	\$ (5,688,976)	\$ (8,729,184)	\$ 3,040,208

ONTARIO TECH UNIVERSITY
Consolidated Statement of Cash Flows
As at September 30, 2020

	<u>Sep 30, 2020</u>	<u>Sep 30, 2019</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of expenses over revenues	(5,688,976)	(8,729,184)
Items not affecting cash:		
Amortization of capital assets	11,457,035	11,766,565
Amortization of deferred capital contributions	(4,975,059)	(4,683,125)
Loss on disposal of assets	112,441	41,671
Unrealized gain on investments	(3,327,385)	(514,266)
	<u>(2,421,945)</u>	<u>(2,118,339)</u>
Working Capital		
Grant and other accounts receivable	(35,967,184)	(32,387,308)
Prepaid expenses and deposits	18,248	(354,662)
Inventories	18,319	(331,768)
Accounts payable and accrued liabilities	7,382,157	(4,900,701)
Deferred revenue	56,903,790	53,192,948
	<u>25,933,385</u>	<u>13,100,169</u>
INVESTING		
Purchase of capital assets	(10,755,378)	(12,370,886)
Investments	(142,248)	(8,687,293)
Endowment contributions	124,384	657,326
	<u>(10,773,242)</u>	<u>(20,400,853)</u>
FINANCING		
Repayment of long term debt and debenture debt	(3,352,751)	(3,035,406)
Repayment of obligations under capital leases	(360,623)	(314,152)
Deferred capital contributions	160,366	3,306,989
	<u>(3,553,009)</u>	<u>(42,569)</u>
NET CASH INFLOW / (OUTFLOW)	11,607,134	(7,343,253)
CASH BALANCE, BEGINNING OF YEAR	42,339,591	45,236,989
CASH BALANCE, END OF PERIOD	\$ 53,946,725	\$ 37,893,736

CONSOLIDATED FINANCIAL STATEMENTS

In addition to normal operating activities, these statements reflect the construction of the new A5 building, and the impact of the global pandemic on current year vs prior year expenses and on our endowed portfolio.

The Statement of Financial Position is stable at the end of the reporting quarter.

The University has expensed \$6.0M for the construction of the new building (\$9.4M as of Nov 9, 2020) and these are reflected as work-in-progress in our capital asset base of \$395.0M.

Accounts receivable balance of \$43.9M consists of \$41.1M of tuition fees receivable of which \$34.4M (84.0%) relates to the future winter 2020 semester for which payment is not due till Jan 2020. Due to COVID-19, many students have also opted to pay their fees on a monthly payment plan which, coupled with a net increase of 323 FTE over the prior year, has resulted in a net year-over-year increase in other accounts receivable.

Current Liabilities increased \$15.8M over the prior year, of which \$8.8M relates to the timing of payment of invoices and construction holdbacks and \$7.0M relates to deferred revenues as these have not been earned at the end of the reporting quarter. With regards to long-term debt, the University continues to pay back its current debt obligations and have not entered into new debt agreements in the period under consideration.

The Statement of Operations shows a net decrease of \$3.3M (3.6%) in revenues, coupled with a net decrease of \$6.3M (6.3%) in expenses.

Revenues decrease includes \$3.2M decrease in our auxiliary revenues such as ACE, parking, daycare directly attributable to COVID-19 and a decrease of \$2.1M in student ancillary fees due to the accounting recognition of deferred ancillary fees in the prior year for athletic projects and the mobile laptop program. These decreases are offset by a net increase in unrealized M2M gain on our endowed investments following a quick recovery of the equity market after the sharp downturn in March 2020 due to the global pandemic.

Expenses are flat over the prior year, except for a \$5.2M (25%) decrease in supplies and expenses and purchased services due to reduced spending attributable to budget reductions in force in the current year, including decrease in travel and related expenses, promotional expenses, and reduced base building costs as a result of the physical closure of the university in the spring and summer.

ONTARIO TECH UNIVERSITY

Financial Update – Report to Audit and Finance Committee – November 25, 2020

For 6 months ending September 30, 2020

Other note disclosures

On May 19, 2020, the University received the donation of a property (The “Stone House”) located at 2370 Simcoe Street North, Oshawa, and appraised at \$1.23M. This transaction will be recorded in the third quarter, upon receipt of the split of the appraised value between Land and Buildings (buildings being subject to amortization v/s land which is not).

On Oct 30, 2020, the University and Ontario Tech Student Union (OTSU) signed a license agreement, whereby the OTSU will pay the University a one-time license fee of \$5.0M for the use and occupation of the licensed areas in the new building currently under construction. In Nov 2020, the OTSU transferred \$3.0M of this one-time fee to the University. This transaction will be recorded in the third quarter.

2020-2021 Budget Motion

WHEREAS the 2020-2021 budget was prepared and approved in June 2020 based on a forecast using the best information available at that time;

WHEREAS the Board of Governors directed management to continue to meet with the Chair of the Audit and Finance Committee to conduct further budget reviews in light of the continuing high degrees of risk and uncertainty precipitated by the COVID-19 pandemic;

WHEREAS management has updated the forecast for 2020-2021 based on the most recent enrolment update and the Audit and Finance Committee notes the competing forces of positive budget direction in the current year, with continuing risk and uncertainty in the current and following budget years;

NOW THEREFORE the Audit and Finance Committee recommends that the Board of Governors authorizes the President to spend additional in-year revenues and savings, if any, toward strategic initiatives and those initiatives that mitigate future budget risk, in accordance with the recommendations presented by the Senior Leadership Team, and requests that the President report on these matters prior to the end of June, 2021.

2021-2022 Budget Process

Current Year Budget Update

The current budget planning environment remains unstable and difficult to predict given the ongoing, ever-changing, and currently worsening COVID-19 pandemic situation. These unstable conditions limit our ability to forecast our year end budget with any certainty.

At this point in time, the 2020-2021 Ontario Tech budget news is more positive than initially anticipated as the projected deficit for the current year has not materialized. This is primarily due to a 2% overall increase in enrolment thanks to increased registrations by continuing students. Critical to our ongoing budgeting efforts, however, is recognition of the following:

- First year, new student registrations are down by 7.5%
- Tuition revenue is down in comparison to November 2019 estimates due to changes in programmatic registrations and fewer international students.

To the extent that there may be extra funds this year, we are looking to make strategic investments to position the university for next year as it also promises to be a fiscally challenging period. These would include investments in employee and student wellness, student recruitment initiatives, and technology in support of students, staff, and faculty.

Looking Ahead to 2021-2022

As mentioned above, budget planning conditions are currently unstable and will continue to be that way for the foreseeable future.

Some key budget planning conditions (or assumptions) that we must address include:

- With the normal university-aged population demographic holding steady and an anticipated upsurge in competition for students amongst Ontario PSE institutions, an increased focus on recruitment is needed to meet the same number as were admitted in 2019.
- If we can return to new student enrolments reaching the same level as were realized in 2019, we would estimate enrolments to be approximately 9000 FTEs for next year.
- It is likely that the current tuition framework for domestic students will remain in place and hence domestic tuitions will remain frozen.
- Relying on international students to supplement domestic tuition carries significant risk.
- Ancillary service revenues will be down but these losses will be largely offset by reduced unit level expenses.

With these assumptions, we are forecasting 2021-2022 revenues to total \$189M.

	2018-19 Actual	2019-20 Actual	2020-21 Est Nov 2019	2020-21 Est May Budget	2020-21 Est Oct 2020	2021-22 Est Oct 2020
FFTEs	8,905	8,975	~9,100	~8,200	9,050-9,300	~9,000
Grants			81	81	82	81
Tuition			83	69	77-79	82
Other			30	25	22	26
Tot Rev.			194M	175M	181-3M	189M

Presentation to A&F - November 25, 2020

Overview of Loan Transaction/ Financing for new building (A5)

Prepared by Cheryl Foy, Andrew Gallagher, Edgar Hielema, Gardiner Roberts LLP, and Pamela Onsiong



Agenda

- Proposed Motion Language
- Background
- External Bank Financing – Purpose and Procurement Process
- Recommended Financing Path
- External Bank Financing – Process/Timeline
- Explanation of Transaction
 - Transaction Elements
 - Pros and Cons
 - Transaction Risks
- Compliance with Debenture
- Next Steps
- Q&A
- Motion



Proposed Motion Language

WHEREAS the Board of Governors approved negotiating and finalizing a GMP agreement for the new building construction with Eastern up to a maximum amount of \$41M and the total cost of construction and fit out not to exceed \$48M at their meeting on February 28, 2019;

WHEREAS additional financing is required to fund the completion of the new building construction;

WHEREAS the university invited three institutions to bid on the new building financing ;

WHEREAS the successful bidder was RBC;

WHEREAS the university is In the process of concluding the terms of the construction loan with RBC;

WHEREAS the Audit and Finance Committee received a summary of the key terms and risks of the RBC construction loan at their meeting on November 25, 2020;

NOW THEREFORE, upon a motion duly made by [TBD] and seconded by [TBD], the Audit and Finance Committee hereby recommends the following for approval by the Board of Governors:

1. Authorizing the university to proceed negotiating, finalizing and executing and delivering the loan agreement, hedging agreement, and all ancillary documents, and recommending that the Board of Governors pass all necessary resolutions (including in the form required by RBC), all with respect to the new building financing with RBC up to a maximum of \$25M on the terms set out in the summary presented;
2. Directing the university to provide the Board with annual updates on the final negotiated loan and hedging agreements; and
3. Authorizing and directing any two of the President, Provost, VP Academic, or VP Administration for and in the name of the Corporation 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.



Background

	<u>\$ 000's</u>
Estimated building cost at completion	48,000
Contingency for pandemic related overruns	<u>2,000</u>
Total cost	<u>\$ 50,000</u>

Sources of funding

Student Union contribution	5,000
Donations	1,000
Operating cash and short-term investments	19,000
External financing	<u>25,000</u>
	<u>\$ 50,000</u>

External Bank Financing - Purpose and Procurement Process

PURPOSE:

- To cover for the **construction and long-term financing of up to \$25.0M** of the new A5 building

PROCESS:

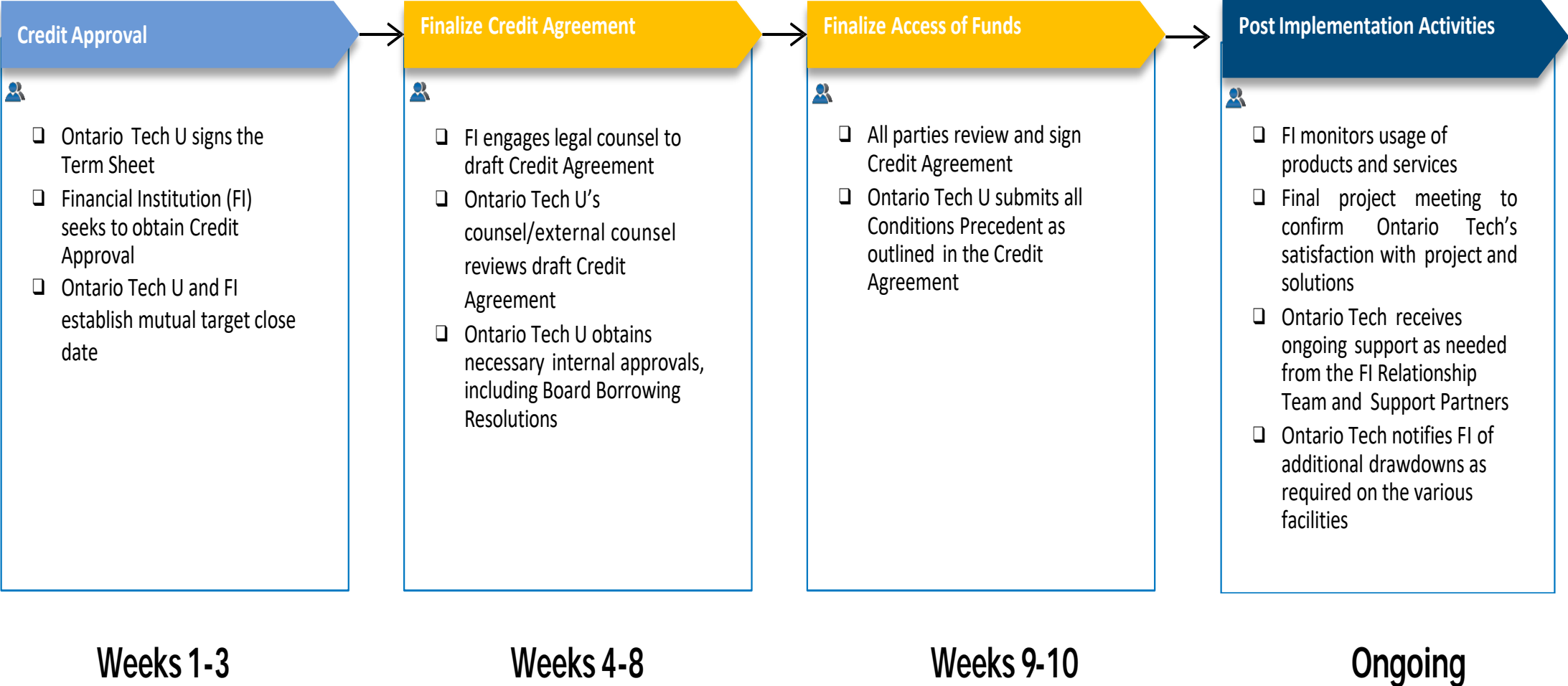
- Over the course of summer, we obtained **financing term sheets** from 3 financial institutions.
- Proposals by all 3 institutions were similar, with RBC offering the most favorable terms
- Engaged Gardiner Roberts LLP to review transaction agreements and confirm Debenture compliance.

Recommended Financing Path

- **Based on our analysis, we recommend to enter the financing arrangement with RBC:**
 - **A construction loan** of up to \$25.0M to cover construction costs from the time of drawdown to Sep 2021, at **RBC Prime less 0.5%, i.e. 1.95% as at August 5, 2020**
 - **A Bankers' Acceptance (BA) loan facility with an interest swap agreement** effective Sep 2021, at an all-in rate of **1.95% as at Aug 5, 2020**
- **Repayment & service cost of take-out financing loan of \$25.0M:**
 - Base Swap Interest component = \$5.0M
 - Credit Spread component = \$1.7M (based on a constant 0.49% credit spread over the 25-year term)
 - Total loan repayment = \$31.7M; **average annual repayment ~\$1.3M**

External Bank Financing – Process/Timeline

Where we Are Now



Explanation of Transaction

- a construction loan from RBC
- It converts to a term loan upon completion of all required construction draws.
- It is anticipated that the construction period will be one year, after which conversion to a term loan shall occur.
- The loan is unsecured, and there are no formal draw requirements built into the loan. This means that, unlike many construction loans, there is no requirement for a third party, such as an engineer or architect, to certify progress of construction as a pre-condition to allowing more draws from the construction facility.
- The loan cannot be more than \$25 million. On conversion to a term, the term will be 15 years from the conversion date, with an amortization rate based on 25 years. Accordingly, if the full \$25 million is borrowed, at the conclusion of the 15 year term, a \$10 million payment will be due, unless the remaining amount is re-financed.

Loan is Financed Through Banker's Acceptances

- Banker's Acceptances ("BA's") are negotiable instruments that function like a post-dated cheque except that they are tradeable
- RBC will finance the loan by acquiring BA's from the University, and then selling the BA's into the commercial market
- RBC is willing to do this because it considers the University to be credit-worthy.
- BA's typically have a life of less than one year. The loan documents provide that RBC is committing to acquire the University's BA's on a rolling basis, to ensure stable financing for the University.
- BA's do not attract interest in the conventional way; rather, they are sold at a discount. We anticipate that RBC will acquire the University's BA's at a discount rate equal to what RBC would obtain on the market for its own paper. RBC is also charging the University a spread of .49% per annum (the "**Acceptance Fee**") on the amount outstanding.



Hedging Agreement

- Given that the BA's underlying the loan may be of varying terms, and that the BA discount rate floats, the University will also enter into a hedging agreement with RBC.
- Pursuant to the hedging agreement, RBC will, on the University's behalf, "swap" the short term discount rates on the BA's, for a smoother long term rate. This will give the University predictability in servicing its debt.

Term Loan vs BA Loan with Interest Rate Swap

Term Loan:

Pros:

- **Simple loan structure:** monthly payments do not fluctuate during the term of the loan
- **Simple from an accounting** treatment perspective

Cons:

- Rate could be **much higher** than current rate upon renegotiation after first term
- **Charge of prepayment penalty**, calculated based on the interest rate differential or a premium fixed rate for the remaining term to maturity

BA Loan with Interest Rate Swap

Pros:

- Base swap rate is **fixed for the entire term** selected, therefore offers the University **protection against fluctuating rates** over the 25-year term
- **Exposure is only on the credit spread** which is evaluated upon maturity of the loan facility term (15 years)
- Interest rate swap facility **can be unwound** at any time subject to 2-way interest rate differential calculation breakage costs

Cons:

- A **more complex loan structure**, requiring:
 - an International Swap and Derivatives Association (“ISDA”) Agreement
 - Regulatory documents: U.S. Cross Border Letter, Canadian Representation Letter
 - LEI Entity Identifier (“LEI”) required per Ontario Securities Commission
- A **more complex accounting treatment** with the swap recorded at fair value (FV) on the Statement of Financial Position, and changes in FV reflected in the Statement of Operations

Transaction Risks

- In the event of a default under the loan, RBC is entitled to contractual damages, meaning that any outstanding swaps will be unwound at the expense of the University. This is in addition to the amount outstanding because the loan becoming due.
- The damages claimed in this scenario will be RBC's mark to market costs of unwinding the swap, and therefore dependent on the BA rates current when the swap is unwound. For instance, if the fixed rate under the swap is 2.5%, and the BA rate at the time of unwinding is 1.5%, the cost to unwind the swap will be 1% per annum of the remaining principal over the life of the commitment. (This amount would be subject to the additional fees related to replacing the unwound swap with a new swap – this is just an example.)
- Conversely, under this example, if the BA rate at the time of unwinding is 3.5%, there would theoretically be funds owing to the University if the swap was unwound, since unwinding the swap will save the counterparty money. However, it is likely that if this is the case, RBC would choose not to unwind the swap in the event of a default by the University.



Compliance with Debenture

- The proposed transaction does not contravene the University's obligations with respect to the Debentures, primarily because the University has paid down more than \$50 million of the amount outstanding under the Debentures, and therefore has certain latitude to borrow additional funds for capital projects.
- The University will have to provide no less than 60 days notice to the Trustee of the Debentures prior to borrowing from RBC, and will have to certify it is in compliance with the covenants under the Debentures.

Next Steps

- A&F recommends approval of the transaction to the Board of Governors;
- Board of Governors to pass a formal resolution approving the loan agreement and the hedging agreement.
- Notice to Debenture Trustee
- An officer of the university will also deliver a certificate setting out certain facts, which shall accompany a legal opinion from the University's external counsel.

Q&A



Motion

WHEREAS the Board of Governors approved negotiating and finalizing a GMP agreement for the new building construction with Eastern up to a maximum amount of \$41M and the total cost of construction and fit out not to exceed \$48M at their meeting on February 28, 2019;

WHEREAS additional financing is required to fund the completion of the new building construction;

WHEREAS the university invited three institutions to bid on the new building financing ;

WHEREAS the successful bidder was RBC;

WHEREAS the university is In the process of concluding the terms of the construction loan with RBC;

WHEREAS the Audit and Finance Committee received a summary of the key terms and risks of the RBC construction loan at their meeting on November 25, 2020;

NOW THEREFORE, upon a motion duly made by [TBD] and seconded by [TBD], the Audit and Finance Committee hereby recommends the following for approval by the Board of Governors:

1. Authorizing the university to proceed negotiating, finalizing and executing and delivering the loan agreement, hedging agreement, and all ancillary documents, and recommending that the Board of Governors pass all necessary resolutions (including in the form required by RBC), all with respect to the new building financing with RBC up to a maximum of \$25M on the terms set out in the summary presented;
2. Directing the university to provide the Board with annual updates on the final negotiated loan and hedging agreements; and
3. Authorizing and directing any two of the President, Provost, VP Academic, or VP Administration for and in the name of the Corporation 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.



COMMITTEE REPORT

SESSION:

Public

ACTION REQUESTED:

Decision
Discussion/Direction
Information

TO: Audit & Finance Committee

DATE: November 25, 2020

PRESENTED BY: Cheryl Foy, University Secretary & General Counsel (USGC)

SUBJECT: Compliance Policy

ACADEMIC COUNCIL MANDATE:

- In accordance with committee's Terms of Reference, the committee is responsible for overseeing risk management at the university, which includes 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 and receiving regular reports from management on areas of significant risk to the university.
- The USGC is seeking the committee's feedback on the draft Compliance Policy.

BACKGROUND/CONTEXT & RATIONALE:

- The Compliance Policy is being established to support an institutional compliance risk management framework that will seek to demonstrate good governance, compliance with laws, regulations, policies and procedures.
- The Compliance Policy applies to all university employees, students, and those holding appointments and/or honorific appointments.
- The accountability framework identifies the role of each university member and outlines the responsibilities of each role to ensure that the University has processes to identify and address compliance risk.
- Compliance risk management tools have been developed to support, manage and monitor the university's obligations (see the attached Supporting Reference Materials).

CONSULTATION:

- Developed in consultation between Compliance, Policy and General Counsel.
- Policy Advisory Committee – September 30 for consultation.
- Senior Leadership Team – November 9 for consultation.
- Academic Leadership Team – November 10 for consultation.
- Online Consultation: November 17-27.
- Academic Council – November 24 for consultation.

COMPLIANCE WITH POLICY/LEGISLATION:

- The Compliance Policy will introduce a compliance risk management framework to ensure that the University can identify and demonstrate compliance to its obligations.

NEXT STEPS:

- Additional consultation and deliberation will take place over the next several months, as per below:
 - Audit and Finance Committee: February 17 2021 for deliberation.
 - Board of Governors: February 25, 2020 for approval.

SUPPORTING REFERENCE MATERIALS:

- Compliance Policy
- Compliance Management System – Responsibility Framework
- Compliance Register
- Compliance Manual



Classification Number	<i>To be assigned by Policy Office</i>
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	University Secretary and General Counsel
Approval Date	DRAFT FOR DISCUSSION
Review Date	
Supersedes	

COMPLIANCE POLICY

PURPOSE

1. The purpose of this Policy is to demonstrate the University’s commitment to Compliance and to establish a Compliance governance framework. The Compliance governance framework will facilitate Compliance through the creation of clear roles and responsibilities, as well as processes for addressing the statutory and regulatory Obligations of the University, University Employees, and University Members.

DEFINITIONS

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

“Compliance” means to ensure that the University is aware of and demonstrating adherence to its Obligations.

“Compliance Checklist” means a document that is completed on an annual basis to evaluate whether Obligations have been completed.

“Compliance Manual” means a comprehensive document compiling the Compliance Obligations of the University including Policies and Procedures (with reference to specific legislation, rules, and regulations) that address Compliance risks to which the University is exposed.

“Compliance Monitoring Plan” means a plan and timetable to monitor the institutional Compliance Checklist Process, Compliance risk assessments and CRMP’s.

“Compliance Register” means a comprehensive listing of key statutory and regulatory requirements of the University, along with an assigned Department Compliance Officer.

“Compliance Risk Management Plan” (“CRMP”) means a document that should comprise of the following:

- The legal requirements that have to be complied with;
- The control measure that will ensure Compliance. This may include the development and implementation of a policy, procedure, or other control;
- The responsible person for implementing the control measure;
- The target date for implementing the control measure;
- The monitoring plan to ensure implementation of the control measure; and
- The frequency of monitoring.

“Department Compliance Officer” means a member of SLT with delegated responsibility for addressing specific Compliance Obligations and certifying an annual Compliance Checklist in

their areas of responsibility. The Provost and Vice-President, Academic along with the Department Compliance Officers responsible for Finance, Human Resources, Research & Innovation, External Relations, Legal, and Governance may delegate part or all of his/her Compliance management duties to a University Employee, but s/he remains responsible for Compliance management of their respective area.

“Obligation” means a requirement mandated under federal, provincial or municipal laws, regulations, University policy, procedure, directive or by-law.

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

“Risk Review” means an annual risk identification and Risk Assessment process, conducted in accordance with the University’s Risk Management Policy and facilitated by the Risk Management Committee.

“Senior Leadership Team” (“SLT”) is comprised of the President, Provost and Vice-President, Academic, the heads of Finance, Human Resources, Research & Innovation, External Relations, Legal, and Governance. All of the members of SLT (with the exception of the President) are also known as Department Compliance Officers.

“Supervisor” means a person who has charge or authority over the employment activities of a University Employee;

“University Dean” means a senior level academic administrator who leads an academic unit and is employed by the University.

“University Member” means any individual who is:

- Employed by the University (**“University Employee”**);
- 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

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

POLICY

Ontario Tech University is committed to Compliance, integrity, ethical behaviour and good governance. The University is required to comply with numerous Obligations relating to its key activities and stakeholders, and to effectively integrate these Obligations into day-to-day operations. Compliance is fundamental to the University achieving its strategic, operational and business objectives. This policy establishes a framework to identify, manage, and define accountabilities and reporting on Obligations.

5. Responsibilities and Accountabilities

5.1. University Secretary and General Counsel (“USGC”) is responsible to:

- Direct and oversee Compliance risk management through the development, implementation and monitoring of the University’s Compliance management framework.

5.2. SLT is responsible to:

- Meet regularly and whenever required by the University Secretary and General Counsel, to discuss and give directions regarding Compliance risk management and strategies; and
- Decide whether any Compliance matters will be reported to the Board of Governors.

5.3. Department Compliance Officer is responsible to:

- Be aware of Obligations applicable to their area of responsibility;
- Ensure Compliance with applicable Obligations;
- Implement and monitor a Compliance risk management program that satisfies the specific Compliance Obligations for which they are accountable, including policy, procedures and training program(s);
- Annually certify the Compliance Checklist; and
- Ensure appropriate delegation of part or all of their Compliance risk management duties to University Employees, while taking measures to ensure appropriate oversight by the Department Compliance Officer.

5.4. USGC Delegate is responsible to:

- Identify Compliance management requirements to the affected departments and following-up on the development and implementation of required policies, procedures and other controls;
- Report Compliance management deficiencies to SLT to ensure corrective actions are implemented;
- Compile and maintain the Compliance Manual;
- Compile and maintain the Compliance Register;
- Monitor legislative and regulatory changes and work with the Department Compliance Officer to advise the affected departments of proposed changes to ensure adequate planning for upcoming changes;
- Perform independent Compliance monitoring (control effectiveness reviews);

- Evaluate Compliance breaches with a view to identify trends and/or areas of process improvement, recommendations and remedial actions, and;
- Support the Policy & Compliance Advisor in the review of Compliance policies and procedures.

5.5. Policy & Compliance Advisor is responsible to:

- Coordinate legal reviews;
- Assist with the development of institutional policies;
- Consult with policy owners regarding Compliance risks and gaps;
- Conduct research and policy scans;
- Provide other recommendations; and
- To maintain the Policy Framework and Policy Library by ensuring all links to associated documents, such as procedures are functional.
All policies, procedures, guidelines and standards are posted on the Policy Library website administered by the Office of the University Secretary and General Counsel.

5.6. Human Resources is responsible to:

- Establish a system to enable the ability to track the completion of Compliance training for those courses offered by Human Resources for University Employees; and
- In collaboration with applicable Supervisors, the Department Compliance Officer responsible for Human Resources (or delegate) will follow up with any University Employees who have not completed Compliance training within the 6-month time frame required by the Ethical Conduct Policy.

5.7. University Deans are responsible to:

- Ensure Compliance with laws, regulatory requirements, University Policies, Procedures, Directives, By-Laws, accreditation and professional body requirements that are applicable to their area of responsibility are complied with in accordance with this policy and other related manuals and procedures;
- Implement and monitor a Compliance risk management program that satisfies the specific Compliance Obligations for their academic unit, including policy, procedures and training program(s); and
- Certify the annual Compliance Checklist confirming Compliance with laws, regulatory requirements, University policies, procedures, directives, by-laws, accreditation and professional body requirements. The University Dean may delegate part or all of their Compliance risk management duties to University Employees, but remains responsible for Compliance management for their academic unit.

5.8. Supervisors are responsible to:

- Ensure that University Employees under their authority are aware of their Compliance Obligations relevant to their jobs; and

- Ensure that University Employees under their authority complete the requisite Compliance training within the six-month time frame required by the Ethical Conduct Policy.

5.9. University Employees are responsible to :

- Comply with applicable laws, regulatory requirements and Compliance related policies and standard operating procedures at all times; and
- Report a Compliance breach or deficiency in Compliance management in accordance with section 11 of this policy and other related procedures without delay.

COMPLIANCE RISK MANAGEMENT

6. Compliance Manual

6.1. The Compliance Manual is a document compiling the Compliance Obligations of the university and includes:

- Specific legislation, rules and regulations;
- Primary and secondary Obligations;
- Penalties;
- Limitation periods;
- Director/Officer liability; and
- Policies and procedures that address the Compliance risk.

6.2. The USGC Delegate has the responsibility for developing, implementing and monitoring the legislative landscape of the University;

6.3. The Compliance Manual is supported by the Compliance Register and the Compliance Checklist.

7. Compliance Register

7.1. The Compliance Register includes:

- A list of applicable legislation and regulations; and
- An assigned Department Compliance Officer/University Deans with primary responsibility for each set of Obligations.

7.2. Department Compliance Officer(s)/University Deans have the responsibility for developing, implementing and monitoring a policy, program and training to satisfy each subset of Obligations assigned in the Compliance Register.

7.3. The Compliance Register is supported by the Compliance Manual and the Compliance Checklist.

8. Compliance Checklist

8.1. Department Compliance Officer/University Deans will work with the USGC Delegate to identify applicable laws and regulations that pose Compliance and reputational

risk to the University. The Compliance Checklist will outline detailed Obligations of each functional area, along with information related to risk mitigation efforts that have been implemented, including: policies, procedures and processes that address the Compliance risks associated with the identified Obligations.

- 8.2. Department Compliance Officer/University Deans will certify the results of the annual Compliance Checklist.
- 8.3. The USGC Delegate will periodically review the Certified Compliance Checklist(s), to assess the sufficiency of the controls developed to address the Compliance risks of the University.

Additional Compliance management deficiencies may also be identified by:

- Specific Compliance risk self assessments;
- Monitoring and/or analysis of incidents of Compliance process breakdown; and;
- External audit findings.

- 8.4. The Department Compliance Officers with responsibility for Finance, and Human Resources are each responsible for Compliance management for their specific areas of oversight, with the assistance of external consultants and advisors. They will ensure that all compliance breaches and deficiencies are promptly reported to SLT to ensure that appropriate actions are undertaken to address the related compliance matter.
- 8.5. Certified Compliance Checklists will be submitted to the USGC Delegate each year on a specified time table ("Compliance Monitoring Plan"). Results of the annual Compliance Checklists, will be reported to the Audit and Finance Committee of the Board as part of its Compliance oversight role.
- 8.6. USGC Delegate will monitor legislative and regulatory changes over time and will update Compliance Checklists to comply with identified Obligations. Department Compliance Officers and University Deans will also have the responsibility of monitoring applicable Compliance Obligations within their area of responsibility and communication of any relevant changes to the USGC Delegate.

9. Risk Assessment

- 9.1. The USGC Delegate will evaluate the impact of non-Compliance in consultation with General Counsel, and then will identify the level of risk associated with the non-compliant Obligations. All identified risks will be included in department risk registers, as part of the annual Risk Review.

10. Compliance Risk Management Plan ("CRMP")

- 10.1. For each Compliance risk that has been identified as "High"; a Compliance risk management plan ("CRMP") for each risk must be developed. Where the legal requirement generally affects a specific department or academic unit, the Department Compliance Officer or University Dean of the affected area has the primary responsibility for developing the relevant CRMP. If the requirement affects

more than one department or academic unit, then the General Counsel will decide which Department Compliance Officer or University Dean will be responsible for developing the CRMP in line with established procedures.

- 10.2. For risks that are determined to be low and/or medium risk, the USGC Delegate will work with Department Compliance Officer to monitor and address the gap or deficiency in Compliance Obligations.

11. **Non-Compliance Reporting**

- 11.1. If any University Member identifies or has evidence of a violation of the Compliance Policy the University Member must make a Report to the General Counsel in accordance with the Safe Disclosure Policy and Procedure.
- 11.2. **No Reprisal:** The University will not discharge, discipline, demote, suspend, threaten or in any manner discriminate against any University Member based on any good faith and lawful actions of such University Member to responsibly and carefully report Compliance issues using the channels provided by the University. Those who make disclosure are protected from reprisal.

12. **Training & Education**

- 12.1. The Compliance Office will support the development and implementation of institutional Compliance training and education programs required in order to reinforce the importance of Compliance management. The type of training and education will be developed and conducted as appropriate.

MONITORING AND REVIEW

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

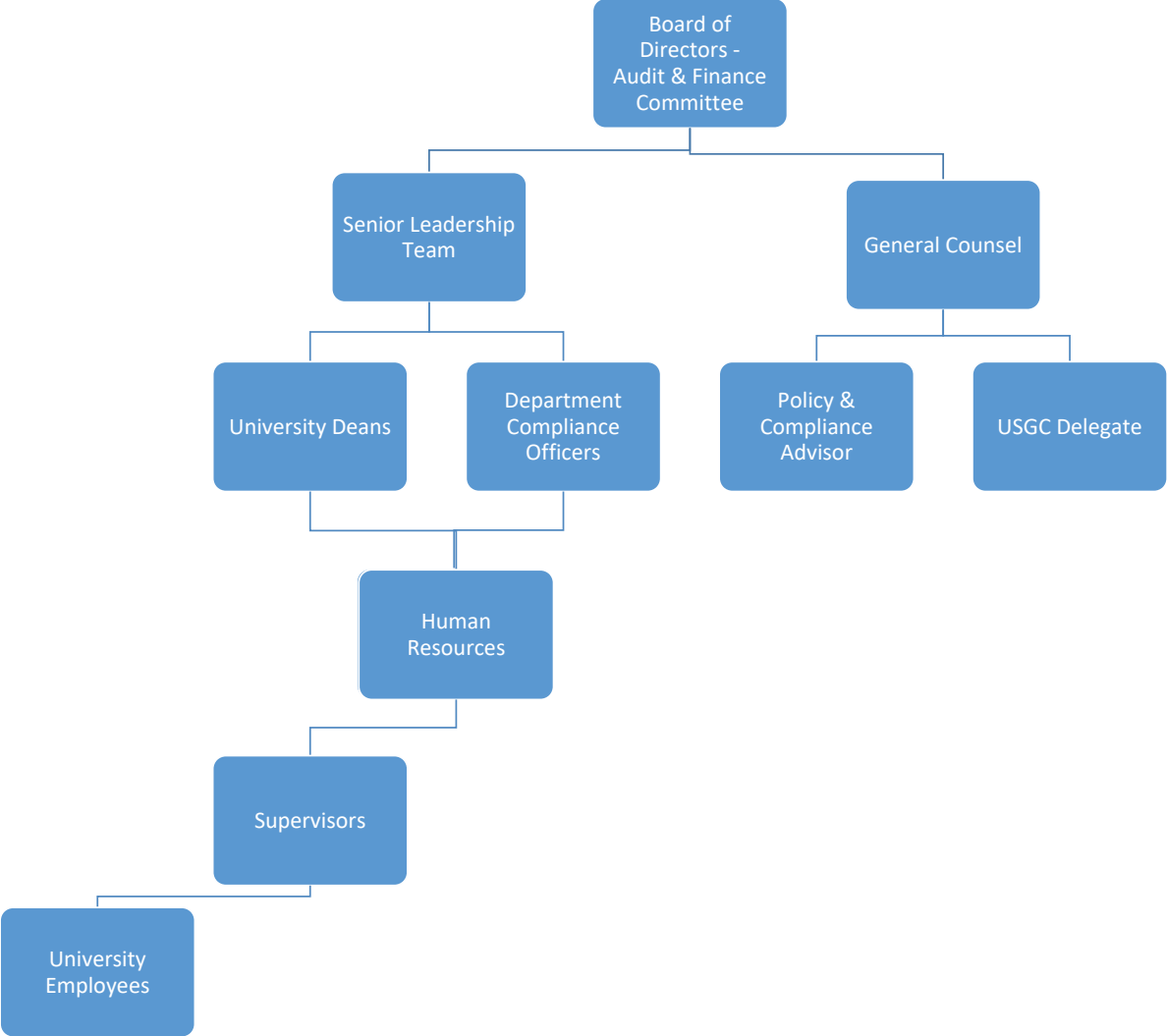
RELEVANT LEGISLATION

All legislation applicable to university activities.

RELATED POLICIES, PROCEDURES & DOCUMENTS

All university policies applicable to Compliance Obligations.

Compliance Management System (November 2020)



STATUTE	CITATION	REQUIREMENTS (PRIMARY)	REQUIREMENTS (SECONDARY)	PENALTY	LIMITATION PERIOD	DIRECTOR/OFFICER LIABILITY (Yes/No)	POLICIES/PROCEDURES THAT ADDRESS COMPLIANCE RISK(S)	COMPLIANCE DATE(S)	ACTION ITEMS
Accessibility for Ontarians With Disabilities Act, 2005, SO 2005, c 11		<ul style="list-style-type: none"> Comply with the accessibility standard within the time period set out in the standard. File an accessibility standard report with the director annually or at such other times as the director may specify. Make the accessibility report available to the public. The accessibility report will include a statement certifying the information as accurate and the statement shall be signed by a director, senior officer or other responsible person with authority to bind the org. 	<ul style="list-style-type: none"> If the accessibility report is filed electronically, the requirement is met if the report is signed by way of electronic signature. 	<ul style="list-style-type: none"> The director may by compliance order require the org to: <ol style="list-style-type: none"> File an accessibility report and provide any other information that complies with the requirements under this Act within the time specified in the order; Pay an administrative penalty as per regs. Every person (directors/officers) who is guilty of an offence under this Act is liable to a fine of not more than 50k for each day or part of a day on which the offence occurs or continues to occur, if the person is a corporation to a fine of not more than 100k for each day or part of a day. 	n/a	Yes	Policies/Plans Accessibility Policy Accessible Customer Service Multi Year Accessibility Plan 2020-2025 Procedures Accommodation for Employees and Job Applicants with Disabilities Audio Recording of Lectures by Students with Disabilities Use of Memory Aids by Students with Disabilities Procedures for Academic Accommodation for Students with Disabilities Procedure for On-Campus Medical Cannabis Use by Students Procedures for the Use of Service Animals on Campus	January 1, 2013	<ol style="list-style-type: none"> Annual review of multi-year plan Meet with Accessibility working group Update onboarding to include AODA training within 6 months.
Integrated Accessibility Standards, O Reg 191/11 http://canlii.ca/t/8pfx This regulation establishes the accessibility standards required under AODA.	Integrated Accessibility Standards, O Reg 191/11, s 3 ESTABLISHMENT OF ACCESSIBILITY POLICIES	<ul style="list-style-type: none"> Establishment of accessibility policies 	<ul style="list-style-type: none"> Statement of organizational commitment to meet accessibility needs of persons with disabilities in a timely manner. Statement of organizational commitment to meet accessibility needs in a timely manner. Make documents under this section publicly available and provide them in an accessible format. 	\$100,000 in the case of a corporation. <i>Integrated Accessibility Standards, O Reg 191/11, s 83 <http://canlii.ca/t/52rml#sec83></i>	The director shall determine the contravention history of the person or organization over the current two reporting cycles period. s 83 < http://canlii.ca/t/52rml#sec83 >	n/a	Policies Accessibility Policy Accessible Customer Service Policy	January 1, 2013	
	Integrated Accessibility Standard s, O Reg 191/11, s 4 ACCESSIBILITY PLANS	<ul style="list-style-type: none"> Establish, implement, maintain and document a multi-year accessibility plan which outlines the organization's strategy to prevent and remove barriers and meet its requirements. 	<ul style="list-style-type: none"> Post the accessibility plan on their website, if any, and provide the plan in an accessible format upon request. Review and update the accessibility plan at least once every five years. Establish review and update accessibility plans in consultation with persons with disabilities and if they have established an accessibility advisory committee, they shall consult with the committee. Prepare and post an annual status report on the progress of measures taken to implement the strategy. 				Policies UOIT Multi-Year Plan	January 1, 2013	
	Integrated Accessibility Standards, O Reg 191/11, s 5 PROCURING OR ACQUIRING GOODS, SERVICES OR FACILITIES	<ul style="list-style-type: none"> Consider accessibility when procuring goods, services or facilities 	<ul style="list-style-type: none"> If it is determined that it is not practicable to incorporate accessibility design, criteria and features, provide upon request, an explanation. 			n/a	Policies Accessibility Policy Accessible Customer Service Policy	January 1, 2013	
	Integrated Accessibility Standards, O Reg 191/11, s 6 SELF-SERVICE KIOSKS	<ul style="list-style-type: none"> Incorporate accessibility features when designing, procuring or acquiring self-service kiosks. 	<ul style="list-style-type: none"> Have regard to the accessibility for persons with disabilities when designing, procuring or acquiring self-service kiosks. 			n/a	Policies Accessibility Policy	January 1, 2013	

<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 7</p> <p>TRAINING</p>	<ul style="list-style-type: none"> •Provide training on the requirements of the accessibility standards and on the <i>Human Rights Code</i> as it pertains to person with disabilities. 	<ul style="list-style-type: none"> •Training to be provided to all persons who are an employee of, volunteer, participate in developing the orgs policies and all other persons who provide goods, services or facilities on behalf of the organization. •Training should be provided as soon as practicable. •Provide training in respect of any changes to the policies on an ongoing basis. •Keep a record of the training provided under this section, including dates on which the training is provided and the number of individuals to whom it is provided. 			n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2014</p>	<p>Review training records</p>
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 11</p> <p>FEEDBACK</p>	<ul style="list-style-type: none"> •Organizations that have a process for receiving and responding to feedback shall ensure that the processes are accessible to persons with disabilities by providing or arranging for the provision of accessible formats and communications supports, upon request. 	<ul style="list-style-type: none"> •Notify the public about the availability of accessible formats and communications supports with respect to the feedback process. 			n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2014</p>	
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 12</p> <p>ACCESSIBLE FORMATS AND COMMUNICATION SUPPORTS</p>	<ul style="list-style-type: none"> •Upon request, provide or arrange for accessible formats and communication supports for persons with disabilities in a timely manner at a cost that is no more than the regular cost charged to other persons. 	<ul style="list-style-type: none"> •Consult with the person making the request in determining suitability. 			n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2015</p>	
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 13</p> <p>EMERGENCY PROCEDURE, PLANS OR PUBLIC SAFETY INFORMATION</p>	<ul style="list-style-type: none"> •Prepare emergency procedures, plans or public safety information and make the information available to the public in an accessible format (when requested) or with communication supports as soon as practicable. 				n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>December 31, 2012</p>	
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 14</p> <p>ACCESSIBLE WEBSITES AND WEB CONTENT</p>	<ul style="list-style-type: none"> •Make internet websites and web content conform with WCAG 2.0 Level A (2014) and AA (2021) 	<ul style="list-style-type: none"> •Applies to websites and web content, including web-based applications that an org controls directly or through a contractual relations that allows for modification of the product. •Applies to content published after January 1, 2012. 			n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2014</p> <p>January 1, 2021</p>	<p>Update attestation to include for 2021</p>
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 15</p> <p>EDUCATIONAL AND TRAINING RESOURCES AND MATERIALS, ETC.</p>	<ul style="list-style-type: none"> •If notification of need is given: Provide educational or training resources in an accessible format, procuring or obtaining by other means an accessible or conversion ready electronic format of education or training resources or materials, arranging for a comparable resource in an accessible or conversion ready electronic format. •Provide student records and information on program requirements, availability and descriptions in an accessible format to persons with disabilities. 				n/a	<p>Procedures</p> <p>Academic Accomodation for Students with Disabilities</p>	<p>January 1, 2013</p>	

<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 16</p> <p>TRAINING TO EDUCATORS</p>	<ul style="list-style-type: none"> •Provide educators with accessibility awareness training related to accessible program or course delivery and instruction. •Keep a record of the training provided under this section, including dates on which the training was provided and the number of individuals to whom it is provided. 				n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2013</p>	<p>Follow up on faculty training-</p>
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 17</p> <p>PRODUCERS OF EDUCATIONAL OR TRAINING MATERIAL</p>	<ul style="list-style-type: none"> •Producers of educational or training textbooks shall upon request make accessible or conversion ready versions of the textbooks available to the institutions (by Jan 1, 2015). •Producers of print-based resources for educational institutions shall make accessible or conversion ready versions of the printed materials available to the institution (by Jan 1, 2020). 				n/a	<p>Procedures</p> <p>Academic Accomodation for Students with Disabilities</p>	<p>January 1, 2015</p> <p>January 1, 2020</p>	<p>Update attestation to include for 2021</p>
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 18</p> <p>LIBRARIES OF EDUCATIONAL AND TRAINING INSTITUTIONS</p>	<ul style="list-style-type: none"> •Procure or acquire by other means an accessible or conversion ready format of print (2015), digital (2020) or multimedia resources or materials for a person with a disability (upon request). 	<ul style="list-style-type: none"> •Special collections, archival materials, rare books and donations are exempt. 			n/a	<p>Procedures</p> <p>Academic Accomodation for Students with Disabilities</p>	<p>January 1, 2015</p> <p>January 1, 2020</p>	<p>Follow up on faculty training-</p>
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 22</p> <p>RECRUITMENT, GENERAL</p>	<ul style="list-style-type: none"> •Notify employees and the public about the availability of accommodation during the recruitment process. 				n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2014</p>	
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 23</p> <p>RECRUITMENT, ASSESSMENT OR SELECTION PROCESS</p>	<ul style="list-style-type: none"> •Notify job applicants when they are individually selected to participate in an assessment or selection process that accommodations are available upon request. 	<ul style="list-style-type: none"> •Consult with the applicant and provide or arrange for the provision of a suitable accommodation. 			n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2014</p>	
<p><i>Integrated Accessibility Standard s</i>, O Reg 191/11, s 24</p> <p>NOTICE TO SUCCESSFUL APPLICANTS</p>	<ul style="list-style-type: none"> •When making offers of employment, notify the successful applicant of its policies for accommodating employees with disabilities. 				n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2014</p>	
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 25</p> <p>INFORMING EMPLOYEES OF SUPPORTS</p>	<ul style="list-style-type: none"> •Inform employees of policies used to support employees with disabilities, including policies on job accommodations 	<ul style="list-style-type: none"> •Provide information to new employees as soon as practicable after they begin their employment. •Update employees on changes to existing policies 			n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2014</p>	
<p><i>Integrated Accessibility Standards</i>, O Reg 191/11, s 26</p> <p>ACCESSIBLE FORMATS AND COMMUNICATION SUPPORTS FOR EMPLOYEES</p>	<ul style="list-style-type: none"> •When requested, consult with an employee to provide or arrange for accessible formats and communication supports to help the employee perform their job or any other information that is generally available to other employees in the workplace. 				n/a	<p>Policies</p> <p>Accessibility Policy</p>	<p>January 1, 2014</p>	

<p><i>Integrated Accessibility Standards , O Reg 191/11, s 27</i></p> <p>WORKPLACE EMERGENCY RESPONSE INFORMATION</p>	<ul style="list-style-type: none"> •Provide individualized workplace emergency response information to employees who have a disability, if required. •Provide information as soon as practicable after the employer becomes aware of the need. 	<ul style="list-style-type: none"> •If the employee needs assistance, with the employees consent, a copy of the plan can be provided to the person designated by the employer to provide assistance. •Review the individualized plans when the employees move to a different location in the org, when the employees overall accommodations needs or plans are reviewed and when the employer reviews its general emergency response policies. 				n/a	<p>Policies</p> <p>Accessibility Policy</p>	December 31, 2012	
<p><i>Integrated Accessibility Standards , O Reg 191/11, s 28</i></p> <p>DOCUMENTED INDIVIDUAL ACCOMMODATION PLANS</p>	<ul style="list-style-type: none"> •Develop a written process for the development of documented individual accommodation plans. •Accommodation plans should include the following elements: <ol style="list-style-type: none"> 1. The manner in which an employee requesting accommodation can participate in the development of the individual accommodation plan. 2. The means by which the employee is assessed on an individual basis. The manner in which the employer can request an evaluation by an outside medical or other expert, at the employer's expense, to assist the employer in determining if accommodation can be achieved an, if so, how accommodation can be achieved. 3. The manner in which the employer can request an 	<ul style="list-style-type: none"> •Include information regarding accessible formats and communications supports provided. •Include emergency response information •Include any other accommodation that is to be provided. 				n/a	<p>Policies</p> <p>Accessibility Policy</p>	January 1, 2014	
<p><i>Integrated Accessibility Standards , O Reg 191/11, s 29</i></p> <p>RETURN TO WORK PROCESS</p>	<ul style="list-style-type: none"> •Develop and have in place a return to work process for employees who have been absent from work due to a disability and require disability related accommodations •The return to work process will outline the steps the employer will take to facilitate the return to work ant the use of the documented individual accommodation plan 					n/a	<p>Policies</p> <p>Accessibility Policy</p>	January 1, 2014	
<p><i>Integrated Accessibility Standards , O Reg 191/11, s 30</i></p> <p>PERFORMANCE MANAGEMENT</p>	<ul style="list-style-type: none"> •Take into account the accessibility needs of employees with disabilities, including accommodation plans with respect to performance management. 					n/a	<p>Policies</p> <p>Accessibility Policy</p>	January 1, 2014	
<p><i>Integrated Accessibility Standards , O Reg 191/11, s 31</i></p> <p>CAREER DEVELOPMENT AND ADVANCEMENT</p>	<ul style="list-style-type: none"> •Take into account the accessibility needs of employees with disabilities, including accommodation plans with respect to career development and advancement. 					n/a	<p>Policies</p> <p>Accessibility Policy</p>	January 1, 2014	
<p><i>Integrated Accessibility Standards , O Reg 191/11, s 32</i></p> <p>REDEPLOYMENT</p>	<ul style="list-style-type: none"> •Take into account the accessibility needs of employees with disabilities including accommodation plans with respect to redeployment 					n/a	<p>Policies</p> <p>Accessibility Policy</p>	January 1, 2014	

<p>PART IV.1 DESIGN OF PUBLIC SPACES STANDARDS (ACCESSIBILITY STANDARDS FOR THE BUILT ENVIRONMENT)</p> <p><i>Integrated Accessibility Standards, O Reg 191/11, s 80.1-80.44</i></p>	<p>Make new or redeveloped public spaces accessible: recreational trails beach access routes outdoor public use eating areas outdoor play spaces public outdoor paths of travel on and off street parking areas service counters fixed waiting lines waiting areas with fixed seating</p>	<p>Review guides for more information: https://docs.ontario.ca/document/s/4845/guidelines-to-iasr-english.pdf https://www.prontario.org/public/training/Pathways%20to%20Recreation.pdf</p>			n/a		January 1, 2016	
<p><i>Integrated Accessibility Standards, O Reg 191/11, s 80.46</i></p> <p>ESTABLISHMENT OF POLICIES</p>	<ul style="list-style-type: none"> •Develop, implement and maintain policies governing goods, services or facilities •Disability accommodation provisions for goods, services or facilities must be integrated with others unless an alternative is necessary. •Persons with disabilities must be given equal opportunity to obtain, use and benefit from the goods, services or facilities. •When communicating with a person with a disability, take into account the person's disability. •Policies must deal with assistive devices by persons with disabilities and how they obtain, use or benefit from the goods, services or facilities or with the availability of other measures. 	<ul style="list-style-type: none"> •Prepare policies established under this section and upon request provide a copy. •Notify individuals that the documents are available upon request. •Notice is presumed given if notice is published on the website or posted in a conspicuous place on premises owned or operated by the provider. 			n/a	<p>Policies Accessible Customer Service Policy</p>	January 1, 2010	
<p><i>Integrated Accessibility Standards, O Reg 191/11, s 80.47</i></p> <p>USE OF SERVICE ANIMALS AND SUPPORT PERSONS</p>	<ul style="list-style-type: none"> •People with a disability should be able to enter a premises accompanied by a service animal or guide dog and to keep that animal with him, unless permitted otherwise by law. If permitted by law, provide alternative measures for the individual to access the goods, services or facilities. •People with a disability who access a good, service or facility with a support person, should be permitted to enter the premises together and the person is not prevented from access to the support person while there. • Providers may require a person with a disability to be accompanied by a support person when on the premises, but must consult with the person with a disability and considering the available evidence, the provider determines that, 	<ul style="list-style-type: none"> •If there is an amount payable for the support person's admission, the provider shall ensure that notice is given in advance. •If it is required that persons with a disability be accompanied by a support person and there is a fee the fee shall be waived. •Notify the public regarding the availability of docs by posting the information regarding availability in a conspicuous place. 			n/a	<p>Policies Accessible Customer Service Policy</p>	January 1, 2010	

<p><i>Integrated Accessibility Standards , O Reg 191/11, s 80.48</i></p> <p>NOTICE OF TEMPORARY DISRUPTIONS</p>	<ul style="list-style-type: none"> •Providers must provide public notice of disruption to its goods, services or facilities that people with disabilities use when there is a temporary disruption of any kind. •Notice of the disruption must include the reason for the disruption, its anticipated duration and the description of alternatives available (if any) •Prepare a document setting out the steps that will be taken in connection to a temporary disruption , and upon request give a copy of the document to any person. 	<ul style="list-style-type: none"> •Notify the public that you have information regarding temporary disruptions. •Notice is effected if the information is posted in a conspicuous place on premises owned or operated by the provider or by posting on the website. 			<p>n/a</p>	<p>Policies Accessible Customer Service Policy</p>	<p>January 1, 2010</p>	
<p><i>Integrated Accessibility Standards , O Reg 191/11, s 80.49</i></p> <p>TRAINING FOR STAFF, ETC.</p>	<ul style="list-style-type: none"> •Providers shall ensure that all employees, volunteers, those who participate in developing the provider's policies and every other person acting on its behalf has been trained on it's accessibility program. •Training must include a review of the purposes of the Act and the requirements of this Part and instruction about the following: <ol style="list-style-type: none"> 1. How to interact and communicate with person with various disability. 2. How to interact with persons with disabilities who use an assistive device or require the assistance of a guide dog or other service animal or the assistance of a support person. 3. How to use equipment or devices available on the provider's premises or otherwise provided by the provider that may help with the provision of goods, services 	<ul style="list-style-type: none"> •Prepare a document describing its training policy, summarizes the content of the training and specifies when the training is to be provided. Provide document if requested. Notify individuals about the document is available upon request. •Notice is effected by posting the information at a conspicuous place on premises owned or operated by the by the provider or by posting on the website. 			<p>n/a</p>	<p>Policies Accessible Customer Service Policy</p>	<p>January 1, 2010</p>	
<p><i>Integrated Accessibility Standards , O Reg 191/11, s 80.50</i></p> <p>FEEDBACK PROCESS REQUIRED</p>	<ul style="list-style-type: none"> •Establish a process for receiving and responding to: <ul style="list-style-type: none"> -feedback about the manner in which goods, services or facilities are provided to people with disabilities; and -feedback about whether the feedback process established is accessible 	<ul style="list-style-type: none"> •The feedback process must specify the actions that the provider will take if a complaint is received about the manner in which it provides goods, services or facilities to persons with disabilities. •Ensure the feedback process is accessible •Make information about the feedback process readily available to the public •Prepare a document outlining the feedback process and provide a copy upon request to any person. •Notify individuals about the document and its availability upon request. •Notice is effected by posting the information at a conspicuous place on premises owned or operated by the provider or by posting on the website. 			<p>n/a</p>	<p>Policies Accessible Customer Service Policy</p>	<p>January 1, 2010</p>	<p>Does not identify how to submit feedback and what we will be doing with that feedback.</p>

COMPLIANCE REGISTER

(Updated: 11/20/2020)

THIS IS A WORK IN PROGRESS UNTIL NOTED OTHERWISE

PROVINCIAL LEGISLATION			
STATUTE	SUMMARY OF APPLICABLE LEGISLATIVE REQUIREMENTS	RESPONSIBLE DEPARTMENT COMPLIANCE OFFICER(S)	AUDIT, REPORTING OR INSPECTION
<p><u>Accessibility for Ontarians with Disabilities Act</u></p> <p>Citation: <i>Accessibility for Ontarians with Disabilities Act, 2005, SO 2005, c 11.</i></p>	<p>Comply with the <i>Integrated Accessibility Standards Regulation</i> that seeks to promote the independence and dignity for Ontarians living with a disability. There are 6 accessibility standards, including Customer Service, Employment, Information & Communications, Design of Public Spaces, Transportation and General. Staggered implementation of legislation from 2010-2025.</p>	<p>Cheryl Foy (USGC)</p> <p>Stakeholders:(</p> <ul style="list-style-type: none"> • Provost's Office • Communications & Marketing • Human Resources • Information Technology • Library • Campus Safety • Office of Campus Infrastructure & Sustainability • Student Accessibility Services • Teaching & Learning Centre 	<p>Submit bi-annual accessibility compliance report to Accessibility Directorate of Ontario;</p> <p>Complete multi-year accessibility plan on a 5 year cycle with an annual review.</p> <p>Ad hoc compliance desk audits performed with notice.</p>

COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

Financial Impact Yes No

Included in Budget Yes No

TO: Audit & Finance Committee

DATE: November 24, 2020

FROM: Cheryl Foy, University Secretary and General Counsel

SUBJECT: Controlled Goods Compliance Program 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 significant risk to the university including regulatory matters, as well as policy development and approvals at the university, in accordance with the Policy Framework.

BACKGROUND/CONTEXT & RATIONALE:

- The purpose of this Report is to provide the Board with an update on the status of controlled goods and export control activities being undertaken by the Secretariat.

CONTROLLED GOODS

Administrative Update

- Under the Government of Canada’s Controlled Goods Program, the university is required to appoint an “Authorized Individual” who is responsible for the compliance obligations of the registrant (university). Under the University’s current registration, the University Secretary & General Counsel (“USGC”) has served as the Authorized Individual for the institution. Due to the implementation of the Controlled Goods compliance program, the Vice President, Research &

Innovation (“VPRI”) will assume the institution’s Authorized Individual duties (subject to a security assessment). Compliance obligations have been documented, provided to and acknowledged by the VPRI.

- The USGC retains general compliance oversight responsibility through the compliance risk management framework.

Policy Update

- Compliance is working with the Office of Research Services (“ORS”) and to develop and implement the final program policy.
- The Controlled Goods Program Policy has completed the online consultation process, and is scheduled for consultation with the Research Board on November 19, 2020.
- Additional consultation with Academic Council and the Board of Governors is planned for January and February 2021, respectively.

Procedure Update

- The Security Plan and supporting documents required under the University’s updated Controlled Goods Program registration have been provided to ORS for review and finalization. Compliance continues to work with ORS and stakeholders to ensure completion of all process implementation recommendations.

Next Steps

Appoint a Designated Official

- As per the Controlled Goods Program Policy, two Designated Officials have been appointed.
- The appointees will undergo a security assessment and mandatory training offered by the Controlled Goods Program Directorate.

Training & Awareness

- Finalize training module for university member training.
- Communications to university members, introducing the policy, procedures and training requirements.

EXPORT CONTROLS

- This is another priority area identified by the USGC.
- Export Controls are currently managed by the ORS.
- Compliance and Legal is working with ORS to conduct a sufficiency assessment of the existing compliance framework.
- Compliance and Legal have undertaken an environmental scan of university related export control policies and procedures to support assessment efforts.

REPORT

TO: Higher Education Quality Council of Ontario (HEQCO)
FROM: Lori Livingston, Provost and Vice President, Academic
DATE: August 28, 2020
SUBJECT: Ontario Tech University Freedom of Expression Policy Annual Report 2020

History

All publicly-assisted colleges and universities are required to develop an annual report on Campus Free Speech Policy implementation, post it online and submit it to the Higher Education Quality Council of Ontario (HEQCO) by September 1 each year. This report has been written in response to this annual reporting requirement.

Please find the University's responses below related to questions found on the Freedom of Speech Annual Report Template:

Section A: Institutional Policy

- Has your institution amended its free speech policy (or policy framework) since the time of your 2019 report? If so, please explain the reason for the change and provide the link to its location on your institutional website.

The [Freedom of Expression Policy](#) was last approved in November, 2018 and has not been updated or amended since.

- Where are members of the institutional community (or guests) directed when there is a free speech related question or complaint about an event on campus? Please provide contact information.

As outlined in the [Freedom of Expression Policy](#), the following direction is provided:

- **General complaints related to Freedom of Expression in University Space or the Online University Environment under this policy can be submitted to the Office of the Provost for resolution.**
- **Complaints related to decisions made by the University under this Policy are covered by the University's Safe Disclosure Policy. In other words, a complaint that the Freedom of Expression Policy has been improperly administered would be processed under the University's Safe Disclosure Policy and would be considered by the University's General Counsel.**

- **Complaints related to the activities of recognized student organizations are covered by the University's Policy on Recognition of Student Organizations.**
- **Complaints regarding conduct by Employees in contravention of the Freedom of Expression Policy are covered under the following applicable policy instruments:**
 - **Harassment, violence or discrimination complaints are investigated under the Policy Against Harassment, Violence and Discrimination in the Workplace, and in accordance with any applicable collective agreements.**
 - **Other violations can be addressed by the procedures for receiving and resolving complaints in section 9.1, in accordance with any applicable collective agreements.**
- What is your institution's policy on holding events where there are security concerns? To your knowledge, were there any instances where a non-curricular event did not proceed due to security concerns or their related costs?

All events on campus are approved through a risk management framework, which includes discussions with the Office of Security and Emergency Management as necessary. To our knowledge, there were no instances where a non-curricular event did not proceed due to these concerns.

Section B: Complaints

- Between **August 1, 2019** and **July 31, 2020**, did any member of the institutional community (or guests) make an official complaint about free speech on campus?
No
- If there has been a complaint (or more than one):
 - What were the issues under consideration? Identify and points of contention (e.g., security costs, safety student unions and/or groups, operational requirements, etc.).
NA
 - How did the institution manage the free speech complaint(s)? Was the complaint addressed using the procedures set out in the policy? How were issues resolved?
NA

Section C: Summary Data

Please include the following data for any free speech-related official complaints received by the institution:

- Number of complaints received under the free speech policy relating to non-curricular events and to curricular events.
0
- Number of complaints reviewed that were dismissed.
0
- Number of complaints or incidents where the institution determined that the free speech policy was not followed appropriately.
0
- Number of complaints or incidents under the free speech policy which resulted in the institution applying disciplinary or other institutional measures.
0
- To your knowledge, were there any free speech complaints forwarded to Ontario Ombudsman?
Not to our knowledge.
- To the best of your ability, please provide an estimate of the number of **non-curricular events** held at the institution between **August 1, 2019 and July 31, 2020**. Non-curricular events include, for example, invited speakers, sporting events, rallies, conferences, etc., as opposed to regular events held as part of an academic program or course.

Between August 1, 2019 and July 31, 2020, there were approximately 400 non-curricular events held on campus.

Should there be additional questions, please feel free to contact the Provost's office via email at provost@ontariotechu.ca.

Sincerely,



Lori A. Livingston, PhD
Provost and Vice-President, Academic



BOARD OF GOVERNORS
Audit & Finance Committee

Minutes of the Public Session of the Meeting of Friday, June 19, 202
9:00 a.m. to 10:55 a.m., Videoconference

- Members:** Nigel Allen (Chair), Doug Allingham, Stephanie Chow, Laura Elliott, Mitch Frazer, Dale MacMillan, Steven Murphy, Dietmar Reiner
- Staff:** Jamie Bruno, Becky Dinwoodie, Cheryl Foy, Andrew Gallagher, Lori Livingston, Brad MacIsaac, Susan McGovern, Pamela Onsiong, Les Jacobs
- Guests:** Shay Babb, Jackie Dupuis, Mike Eklund, Barb Hamilton, Christine McLaughlin, Elita Partosoedarso, Bobbi-Jean White (KPMG)

1. Call to Order

The Chair called the meeting to order at 9:00 a.m.

2. Agenda

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

3. Conflict of Interest Declaration

There was none.

4. Chair's Remarks

The Chair kept his remarks brief. He noted it was his last meeting as Chair of the committee as his term on the Board comes to an end. He shared that his time on the Board seemed to go by very quickly and he enjoyed being part of this committee. He remarked that the committee will be in good hands as L. Elliott succeeds him as committee Chair.

5. Community Reports/Presentations

5.1 Budget & Budget Process

M. Eklund delivered a presentation on the budget process. He discussed concerns about the level of consultation in the budget process this year as compared to other years. He also noted a history of surpluses over the past ten years and a pattern of additional revenue, expenses being reduced, and surpluses being allocated to capital reserves. M. Eklund discussed the \$18M shortfall for the new building project when it was approved by the Board in November 2019 and his perception that this was a risky undertaking.

In terms of the current year, M. Eklund observed that consultation with the university community has been sparse and that in previous years, it was a more robust process. The university is looking at a shortfall because of anticipated reduced enrolment. He commented that a deficit budget seems appropriate in light of the global crisis. M. Eklund acknowledged that we are in a global crisis but it is a temporary one and we will get through it. He noted that there are funds available to support students, faculty and staff.

M. Eklund stated that the university's core mission is to support our students. They are learning of layoffs and a reduction in sessional instructors. It is important to find ways to leverage our strengths to advance our core mission. He thanked the committee for their time and invited questions.

A member asked what M. Eklund would propose as an alternative to deal with the anticipated budget deficit. M. Eklund responded that he appreciates the fact that the administration is putting forward a deficit budget model and suggested that investing in the core mission of the institution now would be the best way to improve student enrolment and to ensure we provide an excellent education to our students. In order to build this year, M. Eklund suggested investing in faculty and teaching supports to ensure we can deliver the best service to our students.

6. President's Remarks

6.1 Pandemic Update

The President confirmed that the senior leadership continues to work to manage the fiscal situation, which is their top priority. He discussed the costs associated with dealing with the pandemic and with the transition to online learning. The university is anticipating decreased enrolment over the summer and continuing into the fall and winter. This creates a difficult fiscal situation. The smaller incoming cohort will result in fundamental structural issues. He commended the university community for coming together to support the university during this time.

The President discussed the opportunities coming out of the pandemic to accelerate the sector. The key question is whether universities can sustain their technological

advancements made during this time. He noted that Ontario Tech is a university that has always had technology as a foundation, as it is built into our name and our Act.

The President anticipated that it would likely be 2021-22 before there is any semblance of normalcy returning to our sector. Hopefully, we will be able to learn from a full calendar year of being online. This will provide faculty with an opportunity to learn what aspects of online learning to keep in their courses. The President would definitely prefer to be back on campus. He discussed thinking about lifelong learners as a means of increasing revenues. It will also be helpful to continue to look at micro credentials and offer them in a variety of ways.

The President remarked that given the current storm clouds, it is important to let the university community know that he sees a bright future for the institution. While other universities are calling for a blended learning strategy, we are not seeing the same quality of blended learning as that offered at Ontario Tech. We will be able to offer the vast majority of our curriculum online, which will put us in a position to differentiate ourselves and come out stronger from COVID-19. We have a system that can easily adapt to online learning. It is important to make our systems robust in terms of our online presence.

The President also discussed the great things happening at the university, including:

- Brilliant Energy Institute – biggest area of emphasis in the university; people working on it from the majority of Faculties; recent meeting included CEOs from organizations across the sector and addressed the lack of a coherent energy strategy in Canada; it was a very positive meeting and there is great enthusiasm for the initiative.
- Wastewater project – the President commended the Board Chair for his support of this project; it will be run in the Durham Region with the cooperation of Durham Region and Durham Health Authority; will be examining wastewater in Durham sewage system, which will provide an excellent snapshot in real time of how much of the virus is in the community on a per capita basis without having to do individual testing.

7. Finance

7.1 2020-2021 Budget

L. Livingston and A. Gallagher delivered the budget presentation, which was included in the meeting material. L. Livingston advised that the recommendations are being made using a principled approach. A. Gallagher reviewed the Scenario A Plan, which is the most favorable scenario. The team is continuing to work to reduce the anticipated deficit while minimizing the impact on staff. A. Gallagher advised that currently 33% of the university's staff have been impacted.

L. Livingston noted that they are also focused on the university's strategic risks and mitigating them. She discussed the communications plan and town halls related to COVID and budget planning.

They responded to questions from the committee members. A member commented that it is a challenging time to be a CFO and they appreciate the thoughtfulness of the development of the budget and the strategic focus. There was a discussion regarding the risks associated with additional costs related to the pandemic (e.g. PPE) and how the university is working to mitigate those costs. A member also asked about whether additional measures might be required for cybersecurity in the future. It was confirmed that the university has cybersecurity insurance in place and examples were provided of recent cybersecurity prevention efforts (e.g. identifying external e-mails as coming from an external source and two step authentication). There was also discussion regarding budget efficiencies (e.g. savings associated with buildings being closed).

L. Livingston clarified that they were seeking conditional approval of the budget at that time and they would have a better sense of enrolment in September, as well as a better idea of cost escalations. A member noted that it is never good to be in a deficit position and if they can hold the deficit at \$2.1M, that would be very good. A. Gallagher commented that the Board is being asked to approve the budget in a fluid environment and the budget will continue to be revisited as they go along.

WHEREAS management presented a proposed unbalanced budget in February 2020 based on the forecast at that time;

WHEREAS the COVID-19 pandemic necessitated the effective closure of most of the university's physical operations, with the focus shifting to online program delivery and remote working for substantially all faculty and staff, as of March 13, 2020;

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

WHEREAS there is additional risk to the budget this year because of the economic uncertainty precipitated by the COVID-19 pandemic;

NOW THEREFORE, upon a motion duly made by D. Reiner and seconded by D. MacMillan, pursuant to the recommendation of management, the Audit and Finance Committee unanimously recommended:

- *that the Board of Governors approves the 2020-2021 budget, as presented; and*
- *that management meet with the Chair of the Audit and Finance Committee in August and September 2020 to conduct further budget reviews.*

7.2 Fourth Quarter Financial Reports

P. Onsiong reviewed the fourth quarter financial reports with the committee.

8. Investment Committee Oversight

8.1 Quarterly Report

S. Chow delivered the Investment Committee's quarterly report. She discussed the pandemic's effect on the markets. She confirmed that the Investment Manager has kept the committee informed of developments throughout this period. S. Chow reported that in the month of March, the portfolio had experienced a 7.8% decline in market value, which was ahead of the benchmark. The committee continues to maintain a long-term perspective for the portfolio. S. Chow advised that the markets started to rebound in April. She also confirmed that there were no recommended changes to the portfolio strategy at that time.

S. Chow advised that the Investment Committee received the annual ESG report at their last meeting. An ESG strategy helps mitigate risk to the portfolio through active stewardship, gender diversity on boards, and active shareholder engagement. She also advised that the committee is continuing to review the direct real estate investment strategy and that the proposed changes fall within the SIP and Asset Class Management Strategy.

9. Project Updates

9.1 New Building

B. Maclsaac provided a status update on the progress of the new building project. He advised that Eastern and the university are sharing the COVID stoppage costs in accordance with the agreement in place. He also advised that the \$700,000 contingency amount remains intact. They are looking at the project timeline over the next few months to see how physical distancing impacts the project and if there is a second wave, the timeline might be further impacted. B. Maclsaac responded to questions from the committee. In response to a question about particular project costs that would arise from the pandemic, B. Maclsaac advised that there are minimal costs associated with pandemic measures (e.g. hand sanitizer, maintenance costs).

9.2 ACE Enhancement

B. Maclsaac updated the committee on the status of the ACE Enhancement project. For the most part, the physical expansion is almost complete and is anticipated to be done by September 2020. With the pandemic, there have been significant delays to the integration side of the project as international experts are currently unable to come over to work on the integration. B. Maclsaac advised that the project will likely be completed by January 2021. He noted that costs continue to go up in a number of different areas and more time is needed to determine the extent of the impact. The project has a \$14.86M budget, with the contingency bringing it to \$15.075M. B. Maclsaac advised that the budget is at risk and they are looking at ways to keep the project within budget (e.g. value engineering, strategic delays, etc.). He responded to questions from the committee:

- Any extra monitoring being done to ensure physical distancing/PPE measures being followed as one case of COVID could cause huge problems down the road?
 - Director of Risk Management doing site visits – issues were noted & an emergency meeting was called; contractors have since stepped up the protocols and site visits are ongoing.
- What are the knock-on effects of these delays?
 - Industry partnerships & contracts – effects on commercial revenues (as set out in the associated presentation).

9.3 Advancement Update: Land Exchange & Stone House

Land Exchange

S. McGovern updated the committee on the land exchange with the City of Oshawa. She advised that the approximate difference in land value between the City's land and university's land was \$1.9M, the value of which will be donated to the university. The City is currently reviewing the agreement of purchase and sale and the deal will be moving forward.

Stone House

S. McGovern provided an update on the transfer of the Stone House to the university. She advised that over the last year, she and her team worked on a gift agreement with Mr. Libfeld (\$2M in total, including \$1M in student supports). Tribute Communities has gifted the property to the university and it will be called the Stone House at Ontario Tech. The intention is for the Stone House to be used for the university and the community. The Stone House has a heritage designation, as it was EP Taylor's. C. Foy informed the committee that she is awaiting comments on the heritage review and the deal should be closed in the next couple of weeks.

10 Compliance & Policy

10.1 Policy Framework: Temporary Amendment to Consultation Path

C. Foy presented the proposed amendments to the Policy Framework. She explained that the amendments would allow for an abbreviated consultation path as the university needs a mechanism to expedite policy changes in emergency situations. The proposed amendments set out the conditions where an abbreviated policy consultation path would be appropriate. C. Foy clarified that the changes would not affect the requirement to consult with Academic Council.

Upon a motion duly made by D. MacMillan and seconded by S. Chow, the Audit & Finance Committee recommended the approval of the Interim Policy Framework by the Board of Governors, as presented.

10.2 Ethical Conduct Policy Instruments

C. Foy provided an overview of the policy documents. She thanked B. Dinwoodie and N. O'Halloran for their work on the policy. She noted there has been a higher level of engagement from the community on these instruments. Academic Council (AC) had an engaged discussion about the policy documents at their most recent meeting and an additional special consultation session was held with AC that past Tuesday. C. Foy explained the rationale for the development of the policy. She noted that the definition of "gift" has been aligned with that of the broader public service, which is "nominal". C. Foy committed to educating the community as to what nominal means.

C. Foy shared that AC members expressed concern about the policy conflicting with academic freedom. Accordingly, a statement has been added to affirm that the policy is not intended to conflict with academic freedom. AC also discussed concerns about the limit to the value of attending speaking engagements/panel presentations. The policy documents were updated to exclude these as exempt outside activities. C. Foy also confirmed that the Policy Office always considers how policy intersects with the Collective Agreement (CA) and additional changes were made to ensure consistency with the CA.

C. Foy discussed the complexity of developing the policy and acknowledged the assistance of L. Jacobs and the faculty community. C. Foy provided an overview of the consultation process, during which they received robust, engaged commentary. Taking the feedback into consideration, a one-year review is being recommended to assess the implementation of the policy and how it has affected the university community. She emphasized that it is important to get the policy in place and further amendments can be made down the road. C. Foy also discussed the consultation that took place with the Indigenous Centre.

C. Foy responded to questions from the committee. In response to a question about enforcement and disclosure, she noted the challenge of educating the university community with limited resources. She confirmed that the Compliance and Copyright Office will be responsible for the gift registry. They are working on an implementation plan and implementation will take time and cultural change. D. Reiner shared that OPG extended its Code of Ethics requirements into partnerships and suppliers by establishing a Supplier Code of Conduct, which sets out expectations related to business conduct. He suggested that this might be something for the university to consider in the future. There was also a suggestion to include a provision that affirms that the "silence of bystanders" is not acceptable. A question was also raised about whether any amendments to the policy documents are required in light of the recent racism issues. C. Foy advised that no changes to the Ethical Conduct policy documents are required but they are reviewing the university's Harassment and Discrimination Policy.

Upon a motion duly made by D. Reiner and seconded by D. MacMillan, the Audit and Finance Committee recommended the Code of Ethical Conduct, as presented, for approval by the Board of Governors and approved the Gift Registry Procedures, Code of Ethical Conduct Investigation Procedures and Conflict of Interest Procedures, as presented.

10.3 Annual Risk Management Report

C. Foy presented the draft annual risk management report. She focused on the cover letter, which highlights what advancements have been made over the past year. The Department, particularly J. Dupuis, has been very involved in the COVID-19 response, including the transition to working from home and the closure of campus, as well as the planning for return to work. C. Foy advised that the pandemic preparations began in mid-February and has taken up a significant amount of time since then.

C. Foy advised that the President continues to be a strong advocate for changing toward a risk culture. She reminded the committee that it was not long ago that the budget was presented without a risk analysis, as well as capital projects. She highlighted the President's quote in the cover letter. C. Foy highlighted the continuing progress being made. She was also pleased to advise that she and J. Dupuis are recognized as leaders in the university risk management sector. They are regularly asked to present and share their risk management tools. C. Foy is looking into how these tools can be shared through OER.

Given the financial constraints the university is facing, they will carry on with one person responsible for risk, which limits the amount of progress that can be made. They will continue to focus on strategic risks and have made good progress. She confirmed that the university's finances are a key foundational risk. Cybersecurity and privacy are also key risk considerations. They are assembling a cross functional team to manage cybersecurity and implement best practices.

C. Foy advised that they continue to move the yard stick forward and reported that risk management is a vibrant activity at the university. D. Reiner congratulated C. Foy and her team on the progress made.

10.4 Annual Policy Review & Compliance Update

C. Foy commented that the policy framework was implemented to provide clarity and structure to the community. She advised that policy gaps are being identified by the community and bringing them to the Office of the University Secretary & General Counsel, which is a good thing. C. Foy discussed the migration of the academic calendar into the policy framework to ensure the correct process is being followed.

11. Consent Agenda:

11.1 Annual Board Report 2019-2020

11.2 Minutes of Public Session of Meeting of April 17, 2020

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

12. For Information:

12.1 AVIN Update

12.2 Annual Insurance Report

12.3 Ancillary Fees Update

13. Other Business

14. Adjournment

Upon a motion duly made by D. Reiner and seconded by S. Chow, the public session adjourned at 11:09 a.m.

Becky Dinwoodie, Secretary

COMMITTEE/BOARD 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: November 25, 2020

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 ground water delayed the project but the revised scheduling is on track. With COVID concerns some construction has been pulled forward (i.e. wiring and wall enclosure) noting we may incur delays later depending on regional restrictions. With 39 of 41 sub-contracts awarded we are on budget.

ACE MGP was expected to be installed December 2020 with full integration by February 2021. Until November 2020 we were on time and budget. However, due to COVID restrictions technical expertise required for integration is not able to cross the border for the planned December installation. Discussions have begun on the preparations that can be done virtually. Over the coming weeks the teams will be exploring a February

visit for installation. We will update A&F members at the next meeting about the impact on budget (if any) and project completion time.

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 October 2020 attached

ACE Enhancement Project



Monthly Project Update
OCTOBER 2020

Progress Update (31 October 2020) :

Moving Ground Plane Integration into CWT

- MGP controls testing on going
- Turntable fabrication on going
- Ride height control and drag links fabrication works on going
- Compressor line installation completed
- Electrical & process piping installation completed
- TSSA and ESA inspection completed



Forecast Schedule

Next Period Target

- Turntable fabrication completion
- Old belt repair continue
- Continue Ride height control and drag links fabrication
- Testing and Commissioning of cooling system

Forecast: Installation works completes by December 2020
Commissioning & full integration by January 2021

COVID-19 : New Norm at ACE

- ❑ The government directed all businesses not covered by the updated Emergency Order to close effective as of Saturday, April 4, 2020
- ❑ Announcement was made that institutional construction is permitted to start on May 4 with compliance to safety & health guidelines
- ❑ On the week of May 4 ACE team prepared the Facility for the new Norm
- ❑ 11 May 2020 ACE facility was re-opened to resume the project
- ❑ Health & Safety measures were in place in compliance to the new norm
- ❑ Mandatory use of face mask implemented
- ❑ **MTS personnel to be quarantined coming December arrival to Canada**

➤ **Target Completion affected by Covid-19**

Site Safety:

- Nothing to report – no incident this period
- Refer to Covid-19 slide

Change Orders:

- Nothing to report this period

Procurement Summary:

- Nothing to report this period

Financial Summary:

- Total Actual Cash Flow to date \$14.42M
- Project estimated cost at completion \$15.67M
- Committed Funding as at 2019 November \$15.075M
- Additional funding to meet project cost \$600K
- Cash flow Breakdown of Sources and Uses of funds next slide.

A&F Roll up Financial Report as of 30 October 2020

ACE ENHANCEMENT PROJECT		OCTOBER 2020				
Sources of Funds - Cash Flow						
Description	Total Funding	Actual Total Todate	Oct 2020	Funding at Completion	Funding Balance	Remarks
FEDDEV	\$ 9,465,000	\$ 8,518,500	\$ -	\$ 9,465,000	\$ 946,500	10% to be released upon 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	\$ 658,533	\$ -	\$ 1,000,000	\$ 341,467	
ONTARIO TECH (Announce Contribution)	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -	
ONTARIO TECH (Loan to ACE)	\$ 2,510,000	\$ 2,689,587	\$ 819,571	\$ 2,510,000	\$ (179,587)	in lieu of committed funds above
THE GREENBRIAR FOUNDATION	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -	
GA HAYBALL FOUNDATION	\$ 225,000	\$ 225,000	\$ -	\$ 225,000	\$ -	
ACE INTERNAL (ERF/ Research Fund)	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ -	
ONTARIO TECH (Additional Loan to ACE)	\$ 209,353	\$ 209,353	\$ 209,353	\$ 209,353	\$ -	
Totals	\$ 15,674,353	\$ 14,415,973	\$ 1,193,924	\$ 15,674,353	\$ -	
Uses of Funds - Cash Flow						
Description	Total Budget	Actual Total Todate	Oct 2020	Estimate at Completion**	Variance / Cost Increase	Remarks
Moving Ground Plane Integration into CWT	\$ 3,350,000	\$ 5,368,710	\$ 969,062	\$ 5,998,071	\$ 2,648,071	More complex turntable integration design and build. Repair to MGP
Aerodynamic Enhancements Required for MGP	\$ 2,540,000	\$ 1,796,989	\$ 236,424	\$ 2,269,894	\$ (270,106)	Value engineered design
Acoustics	\$ 845,000	\$ 679,637	\$ (22,039)	\$ 845,000	\$ -	Major delays due to Covid-19
Precision Measurement Capability	\$ 1,850,000	\$ 1,067,849	\$ -	\$ 1,108,004	\$ (741,996)	In-house design and build
Chamber Modifications	\$ 630,000	\$ 702,413	\$ 7,106	\$ 689,021	\$ 59,021	System requires more process air and vacuum
Base Building Modifications	\$ 3,645,000	\$ 3,375,592	\$ 4,304	\$ 3,394,993	\$ (250,007)	No Storage Building
Engineering and Project Management	\$ 2,000,000	\$ 1,424,782	\$ (932)	\$ 1,369,370	\$ (630,630)	Contingency & commissioning move to MGP Integration
				\$ -		
Totals	\$ 14,860,000	\$ 14,415,973	\$ 1,193,924	\$ 15,674,353	\$ 814,353	Unforeseen full integration and covid-19 effect

New Building Project



Monthly Project Update OCTOBER 2020

New Building Update

This Period Achievements (31 October 2020)

- Lower roof slab completed
- Upper roof slab completed
- Partition works progressing up to 2F
- Mechanical & electrical works progressing up to 3F
- Door frame installation started at LL
- External sheathing installation in progress
- Curtain wall support installation in progress
- Steel Staircase delivered
- Trade procurement preparation for remaining packages
- Branding, Signage & wayfinding design on going
- Furniture tender package completed under legal review
- Audio Visual system bid package completed under legal review

New Building Update



Photo taken 31 October 2020 Northeast elevation



Roof completed ↑
←M&E installation



↑Partition
works 1F



←Electrical
Room at LL



View at Atrium –
2F to LL



South View –
Exterior Sheathing
installation



Precast Staircase &
Handrail installed

Forecast Schedule

Next Month

- Mechanical and electrical works at LL continues
- Partition, door frames and M&E rough-in works continues
- Exterior sheathing installation continues
- Steel staircase installation
- Curtain wall supports and framing install continues
- Continue samples and submittals review
- Continue RFI responses
- Continue Sub-trades and suppliers procurement
- Award Audio Visual system contract
- Award Furniture contract

Overview

- Building occupancy is anticipated to be end August 2021.
- Baseline schedule is currently on track
- Productivity might be affected as the building envelope closes.

COVID-19: Update

- ❑ On 4 April 2020 construction site was closed
- ❑ During closure, daily site maintenance conducted to ensure safety & security on site
- ❑ On 4 May 2020, government permitted institutional construction sites to start operation
- ❑ Construction site re-opened on 4 May 2020, with the implementation of new Health & Safety guidelines
- ❑ MOL conducted site inspection on 15 June 2020 and reported no non-compliance with the new norm
- ❑ Mandatory wearing of face mask implemented inside the building
- ❑ NO COVID CASE IDENTIFIED on site



Health and Safety:

- No safety incident to report
- Refer COVID-19 slide

Change Orders:

- Nothing to report this period

Procurement Summary:

- 39 Trades awarded out of 41 bid packages
- Audio-Visual System, evaluation completed, under legal review
- Furniture, evaluation completed, under legal review

Financial Summary:

- Total committed donations to date \$201,880
- Total committed amount to date \$44.37M
- Total project cash outflow to date \$19.45M
- Breakdown of Sources and Uses of funds next slide

A&F Roll up Financial Summary as of 31 October 2020

PROJECT FINANCIAL SUMMARY REPORT FOR MONTH ENDING				OCTOBER 2020			
Sources of Funds - Cash flow							
	Total Funding	Committed Todate	Actual YTD Oct 2020	Oct 2020	Required Funding till Completion	See Notes	
Ontario Tech	\$ 48,000,000	\$ 47,798,120	\$ 19,365,776	\$ 1,731,332	\$ 47,798,120		
Carpenter Union		\$ 100,000	\$ 35,000	\$ -	\$ 100,000		
Greenbriar Foundation		\$ 50,000	\$ 50,000	\$ -	\$ 50,000		
St. Marys Cement Inc.		\$ 50,000			\$ 50,000		
Individual Donations		\$ 1,880	\$ 1,160	\$ 120	\$ 1,880		
Totals	\$ 48,000,000	\$ 48,000,000	\$ 19,451,936	\$ 1,731,452	\$ 48,000,000		
Uses of Funds - Cash flow							
Description	Total Budget	Committed Todate	Actual YTD Oct 2020	Oct 2020	Estimate at Completion		
GMP Contract	\$ 39,996,403	\$ 40,172,812	\$ 16,254,524	\$ 1,637,271	\$ 40,172,812		1
FF&E	\$ 3,246,505	\$ -	\$ -	\$ -	\$ 3,246,505		
Soft Cost	\$ 1,940,732	\$ 1,582,075	\$ 1,159,540	\$ 94,181	\$ 1,880,031		
Portable Relocation	\$ 1,738,512	\$ 1,932,758	\$ 1,721,058	\$ -	\$ 2,326,758		
New Parking (50% sharing)	\$ 327,848	\$ 327,848	\$ 316,815	\$ -	\$ 316,815		
Contingencies	\$ 750,000	\$ 353,313	\$ 353,313		\$ 57,080.14		1
Totals	\$ 48,000,000	\$ 44,368,807	\$ 19,451,936	\$ 1,731,452	\$ 48,000,000		
Notes:							
1 Change Order #2 (\$21K) taken from contingency balance and move to GMP contract.							

COMMITTEE/BOARD 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: November 25, 2020

PRESENTED BY: Les Jacobs, VP, Research and Innovation

SUBJECT: Autonomous Vehicle Innovation Network (AVIN) Update

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 AVIN Program at Ontario Tech University

BACKGROUND/CONTEXT & RATIONALE:

Announced in the 2017 Ontario Budget, AVIN is an \$80-million, five-year investment, delivered by OCE to support Ontario's continued leadership in Autonomous Vehicle Innovation.

The AVIN program is proceeding as planned. All of the planned infrastructure investments were completed in calendar year 2019.

Investments in new Autonomous Vehicle R&D Capabilities through \$5M in AVIN Funding for Technology Development Site:

Infrastructure

- EV Charging/Microgrid Test Bed
- Simulated Automotive Wireless Environment

- Software Validation and Certification
- Data Storage, Real Time Analysis and Visualization
- Fabrication Space
- ACE Innovation Garage

Services

- Business and Technical Advisory Services
- Programming for Entrepreneurs and SMEs
- Full time technical staff

The balance of the program, which concludes in March 2022, has remaining budget allocations primarily to cover salary costs for engineering and administrative support along with funding for marketing and outreach. The project has generated multiple spin off projects both within and outside the AVIN funding program and was a key component to Ontario Tech University securing its leading role in APMA's Arrow program.

(<https://news.ontariotechu.ca/archives/2020/10/ontario-tech-named-lead-academic-institution-for-phase-2-of-project-arrow-all-canadian-concept-vehicle.php>)

Project Arrow will allow Ontario Tech University to Demonstrate Research Excellence in

- Canada's Energy and Environmental Future
- Autonomous Vehicles and Systems
- Intelligent Manufacturing and Materials Innovation
- Data Science, Artificial Intelligence and New Technologies

We will update A&F members at the next meeting about the impact on budget (if any) and time.

RESOURCES REQUIRED:

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

CONSULTATION:

Ongoing consultations take place with ACE Management, VP Research and Innovation, partners in AVIN's Durham activities (SPARK Centre and Durham College) along with the Ontario Centres of Excellence who administer the AVIN funding program.

NEXT STEPS:

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

SUPPORTING REFERENCE MATERIALS:

- PowerPoint summary attached

A photograph of a car completely covered in a thick layer of ice, parked in a large, brightly lit industrial testing facility. The car is the central focus, with its entire surface, including the wheels and windows, encrusted with ice. The facility has a high ceiling with numerous industrial lights and sensors. The background shows the metallic walls and floor of the testing chamber.

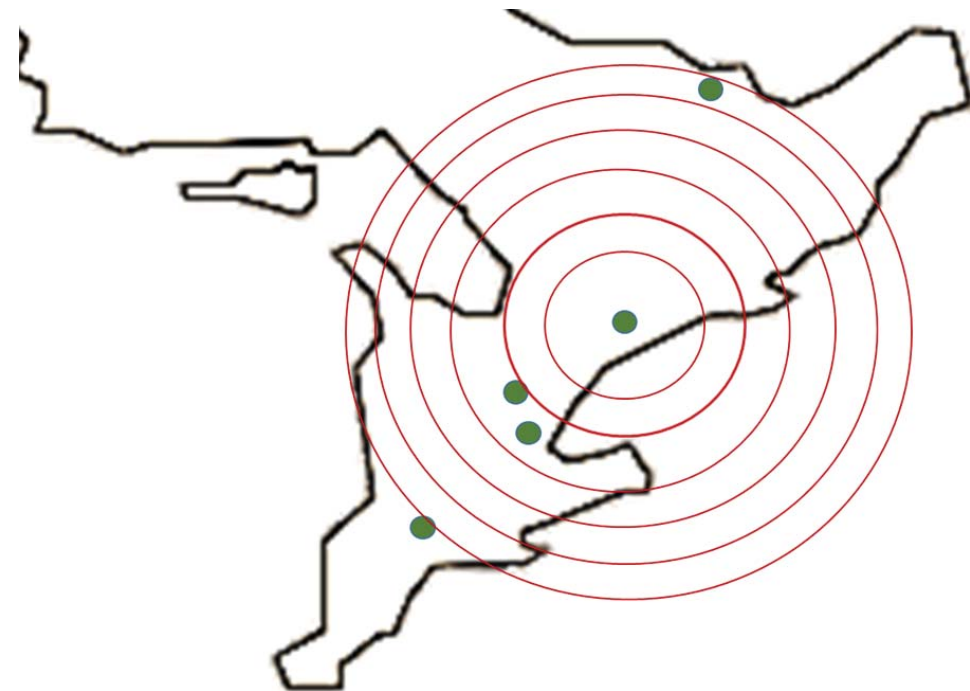
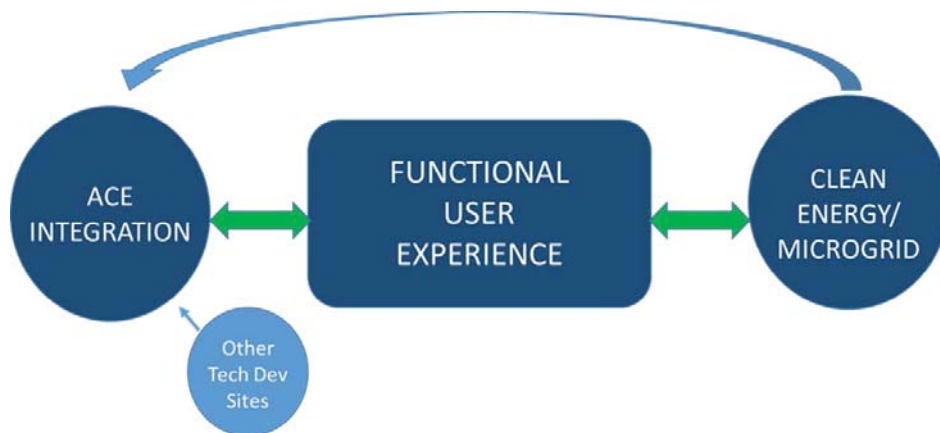
Ontario Tech University

*The Anchor for Durham's Technology Development Site for
the Autonomous Vehicle Innovation Network (AVIN)*

What Is AVIN?

Announced in the 2017 Ontario Budget, AVIN is an **\$80-million, five-year investment**, delivered by OCE to support Ontario's continued leadership in Autonomous Vehicle Innovation.

Durham Region Tech Dev Site



Investments in new Autonomous Vehicle R&D Capabilities through \$5M in AVIN Funding for Technology Development Site

Infrastructure

- EV Charging/Microgrid Test Bed
- Simulated Automotive Wireless Environment
- Software Validation and Certification
- Data Storage, Real Time Analysis and Visualization
- Fabrication Space
- ACE Innovation Garage

Services

- Business and Technical Advisory Services
- Programming for Entrepreneurs and SMEs
- Full time technical staff



Making Communities Safe for Vulnerable Road Users

Partnering with SmartCone Technologies to Leverage AV Tech for Community Safety

Intelligent Intersection:

- Collect Data to understand movement of people and vehicles

Intelligent Crosswalks:

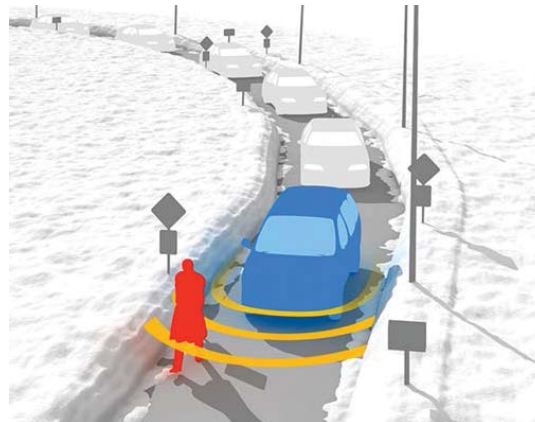
- AI powered monitoring, communication and alerts for both Vulnerable Road Users and connected vehicles at crosswalks

Intelligent Bike Lanes:

- Driver right turn alerts for oncoming cyclists in bike lanes

Crowd Control (Events/School Zones/EMS):

- Drop and Go Perimeter Zones
- Temporary Crossings
- Trusted Vehicle Zones (schools)



Sample of other AVIN Projects

Leading Ontario in R&D related to AVs in the community.

- Autonomous Vehicle Charging
- Whitby Autonomous Shuttle Demo
- AV Software Testing Platform with Toronto based QA Consultants
- High Power Charging for Autonomous Transit
- Runways to Roadways for Municipalities



Electric Vehicle Charging

eCamion and Ontario Tech EV Charging Initiatives

AUTONOMOUS CHARGING



BUS CHARGING

Deliverables achieved:
System design
Overhead pantograph with Upto 600 kW power

OCTOBER 2018 - MARCH 2021



Coupling Energy Storage with EV Charging and Facility/Community Energy Integration

Energy Storage
and EV Charging
with OPUC

4 Systems to be deployed
in Ontario Tech Campus

FACILITY INTEGRATION

Ontario Tech
OPUC

EV charging	E-bus charging	renewables integration
facility integration	demand response	grid connection



Community Partner in the Commercial Demonstration of Energy Related Technologies

Initiative	Partners
Develop electric vehicle charging test bed (AVIN RTDS)	Ontario Tech University, e-Camion, OPUC
Develop an autonomous robotic arm capable of charging autonomous vehicles	Ontario Tech University, e-Camion, OPUC, Durham Region Transit
Deploy energy storage and overhead charging technology for transit vehicles	Ontario Tech University, Durham Region Transit, e-Camion, OPUC
Install level 3 chargers in Oshawa to close gaps in EV charging infrastructure	Ontario Tech University, e-Camion, OPUC
AI-Enabled Demand Side Management for Energy Sustainability (AIDEMS)-Eureka AI Program	Ontario Tech University, eCAMION, OPUC, +European Consortium (Sweden, Germany, Turkey)
Ontario-Specific Open Source Advanced Bus Controls Project	Ontario Tech University, Oshawa PUC, City of Oshawa

7 Projects ranging from EV Charging, Energy Use Reduction and AI-based methods for integration of renewables and energy storage into energy distribution grid within communities



Rendering of eCamion “Joule” Charging Stations

Project Arrow

“At the intersection of advanced mobility and climate change lies the challenge of our times. Future generations will ask if we ran faster or stretched out our arms farther. The Arrow will be remembered as the gauntlet we dropped in response to this call to action.” Flavio Volpe, President APMA

A project that will allow Ontario Tech University to Demonstrate Research Excellence in

- Canada’s Energy and Environmental Future
- Autonomous Vehicles and Systems
- Intelligent Manufacturing and Materials Innovation
- Data Science, Artificial Intelligence and New Technologies



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Audit & Finance Committee

DATE: November 25, 2020

FROM: Cheryl Foy, University Secretary and General Counsel

SUBJECT: Compliance, Policy, and Risk 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 significant risk to the university including regulatory matters, as well as policy development and approvals at the university, in accordance with the Policy Framework.

BACKGROUND/CONTEXT & RATIONALE:

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

Policy Update

The Secretariat is drafting and supporting amendments to key human rights, workplace violence, student conduct, and appeals policy instruments. Those instruments will be proceeding with mandatory consultation and approval steps over the coming months.

The Secretariat is continuing to support policy work arising from the COVID-19 pandemic, including instruments related to the mandatory use of face coverings, and remote work. We have also identified the need for policy instruments to direct employees in the use of digital signatures, and are working in collaboration with Finance to develop processes for their use.

A total of 19 Policy Instruments have been approved from June 1, 2020 to October 31, 2020. A complete list of Policy Instrument approvals has been included as Schedule A.

Privacy Update

Privacy Impact Assessments: The Secretariat has provided support to facilitate the use of remote working and learning tools in accordance with compliance obligations under Ontario privacy law. The goal is to establish criteria to conduct privacy assessments of key technologies used by the university community. We have conducted privacy impact assessments and reviews of 9 tools to support compliance with the Freedom of Information and Protection of Privacy Act and/or Personal Health Information Protection Act. These tools include:

- Two Virtual Proctoring systems
- Two Video conference systems
- Virtual classroom system
- Reading list management system

Policy Review: We are working to revise and update privacy policies to enhance and formalize processes around privacy impact assessments.

Health Information Privacy: We are working with the university’s counselling team to conduct a review of health record systems and support the development of health privacy policies and procedures to support compliance with PHIPA and enhance administrative controls and security of health information. We are also working with the Campus Health Centre (a shared service run by Durham College) to develop an agreed privacy protocol to ensure mutual compliance.

Privacy Training Initiative: We are developing privacy training modules to be delivered asynchronously to university employees to support enhanced awareness and compliance with obligations under FIPPA.

Access Requests and Privacy Breaches: The table below sets out the number of access to information requests and privacy investigations in this calendar year to date with a comparison to the two previous years:

TABLE 3: Privacy Activity by year, calendar year 2018-2020

Category	Calendar year 2018	Calendar year 2019	Calendar year 2020 YTD
Breaches investigated	11	16	8
Requests for personal information	11	9	4

Requests for general information	3	3	3
Requests resolved informally	3	9	0
3rd party notifications	2	1	1

Risk Management Update

COVID-19:

Risk Management continues to promote the URM during the COVID-19 pandemic, supporting the university members by formalizing a consistent, and coordinated approach to managing risk and risk related activities in an effort to reduce uncertainty. As we navigate through the second wave, risk management continues to collaborate with the Health and Safety Officer on minimizing the gaps related to the pandemic processes and protocols.

Other Risks:

Risk Management is currently focusing on risks associated with international travel such as travel sanctions, political volatility and emergency management response plans.

Insurance:

Global uncertainty, low interest rates, and the unknown impact of COVID-19 have contributed to a challenging insurance marketplace, resulting in disciplined underwriting. Capacity constraints are affecting all industries, with renewals being more expensive than existing policies. Challenging risk industries are experiencing above average increases with increased retentions imposed with little or no premium credit value.

Insurers continue to push for rate increases. The university can anticipate seeing significant rate increases across the insurance portfolio heading into 2021-2022.

Compliance Update

Ethics & Compliance:

Work has continued to support the university’s Ethical Conduct Policy framework. Guidance and reporting forms are currently being developed for the Conflict of Interest and Gift Registry Procedures.

A draft of the proposed Compliance Policy is currently in the approval pathway. The Compliance Responsibility Framework, the Compliance Manual and the Compliance Register are controls that have been developed to support the introduction of a university compliance risk management framework.

Accessibility:

The Accessibility Working Group members have established subcommittees to address and meet the accessibility commitments outlined in the University's Multi-Year Accessibility Plan 2020-2025. Over the course of the reporting period, the Human Resources subcommittee reviewed accessibility processes throughout the employment lifecycle to identify gaps and deficiencies in compliance.

Due to this review, opportunities were identified and developed to enhance accessibility at the institution including: the development of an employee accessibility-related website, forms, guidance, manager tool kit and disability accommodation and emergency response procedures. All enhancements are in the process of approval and implementation.

Copyright:

The Copyright Advisory Committee has been established as a cross-functional advisory body that will support the University community in its continuing focus on copyright compliance. Stakeholders have been identified and membership is currently being confirmed.

Legal and Compliance have been working with the Teaching & Learning Centre to develop tools and guidance to support the transition to blended learning.

Information Governance:

Information Governance describes how an entity governs information and it encompasses privacy and cybersecurity. A collaborative working group comprising of Legal, Compliance and IT have met to assess and report on the university's information governance environment. The working group will be assessing the sufficiency of the current control environment, with a view to identifying gaps and deficiencies in information management practices and developing an information governance framework.