

**BOARD OF GOVERNORS' 97th REGULAR MEETING
(PUBLIC SESSION) & ANNUAL GENERAL MEETING**

PUBLIC SESSION AGENDA
Wednesday, June 29, 2016
1:30 p.m. to 5:00 p.m.

Place: 55 Bond St., DTB 524

Dial-in Phone Number: 1-877-385-4099 (toll free in Canada & U.S.)
Participant Access Code: 1028954#

AGENDA

No.	Topic	Lead	Allocated Time	Suggested End Time
1	Call to Order	Chair	1	
2	Agenda (M)	Chair	1	
3	Conflict of Interest Declaration	Chair	1	
4	Chair's Remarks	Chair	10	
5	Introduction of New Board Members	Chair	5	
6	Approval of Minutes of the Meeting of April 20, 2016* (M)	Chair	2	1:50 p.m.
7	President's Report	President	5	1:55 p.m.
	7.1 Confirmation of Tenure & Promotions			
8	Co-Propuluous Report	D. Allingham	5	2:00 p.m.
9	Academic Council	President	15	2:15 p.m.
	9.1 Honours Bachelor of Informatics in Business Technology Management* (M)			
	9.2 Doctor of Philosophy in Criminology & Social Justice* (M)			
	9.3 Graduate Diploma in Work Disability Prevention* (M)			
	9.4 Annual Report* (U)			
	Committee Reports (Public Items)			
10	Audit & Finance Committee			
	10.1 2015-16 Audited Financial Statements* (M)	A. Imrie	30	2:45 p.m.
	10.2 Fourth Quarter Report* (M)	A. Imrie		
	10.3 Internally Restricted Funds (P)(M)	A. Imrie		
	10.4 University Risk Management Report* (M)	C. Foy	15	3:00 p.m.
	10.5 Responsible Investment Policy (SRI/ESG)* (M)	M. Goacher	5	3:05 p.m.
	10.6 Annual Policy Review and Compliance Update* (P)	C. Foy	5	3:10 p.m.
	10.7 Audit & Finance Committee Annual Report (P)	A. Imrie	10	3:20 p.m.

		BREAK		15	3:35 p.m.
11		Investment Committee	M. Goacher	10	3:45 p.m.
	11.1	Quarterly Report (first quarter ending March 31, 2016)			
	11.2	Investment Committee Annual Report (P)			
12		Governance, Nominations and Human Resources Committee			
	12.1	Board & Committee Leadership & Committee Assignments 2016-2017* (M)	K. Brearley	15	4:00 p.m.
	12.2	Violence, Harassment and Related Policies Framework* (U)	C. Foy	10	4:10 p.m.
	12.3	Governance, Nominations and Human Resources Committee Annual Report (P)	K. Brearley	10	4:20 p.m.
13		Strategy & Planning Committee			
	13.1	Strategy & Planning Committee Annual Report (P)	J. McKinley	10	4:30 p.m.
14		Consent Agenda (M)	Chair	5	4:35 p.m.
	14.1	Board Schedule*			
	14.2	Appointment of Board Secretary 2016-17*			
	14.3	Approval of Minutes of the Audit & Finance Committee meetings of April 6 & 13, 2016*			
	14.4	Approval of Minutes of the Governance, Nominations & Human Resources Committee Meeting of May 11, 2016*			
15		For Information:		5	4:40 p.m.
	15.1	Report of the Board Chair - Summary of Activities*			
	15.2	Annual Performance Indicators Report*			
	15.3	Annual Pension Governance Compliance Certificate*			
	15.4	President's Report 2016-17 (handout)			
	15.5	Report on Donor Philanthropy (handout)			
16		Other Business		5	4:45 p.m.
17		Termination of Meeting (M)	Chair		5:00 p.m.
		* - Documents attached			
		D - Discussion			
		M - Motion			
		P - Presentation			
		U – Update			

Becky Dinwoodie, Secretary

Consent Agenda: *To allow the Board to complete a number of matters quickly and devote more attention to major items of business, the Agenda has been divided between items that are to be presented individually for discussion and/or information and those that are approved and/or received by consent. A Consent Agenda is not intended to prevent discussion of any matter by the Board, but items listed under the consent section will not be discussed at the meeting unless a Governor so requests. Governors are supplied with the appropriate documentation for each item, and all items on the Consent Agenda will be **approved by means of one omnibus motion.***



**BOARD OF GOVERNORS' 96th REGULAR MEETING
(PUBLIC SESSION)**

**PUBLIC SESSION MINUTES
Wednesday, April 20, 2016
2:45 p.m. – 5:00 p.m.
Place: 55 Bond St., DTB 524**

GOVERNORS IN ATTENDANCE:

Glenna Raymond, *Chair*
Adele Imrie, *Vice-Chair*
Nigel Allen
Abdullah Al Zahrani
Jeremy Bradbury
Karyn Brearley
Don Duval
Andrew Elrick
Miles Goacher
Jonathan Hackett
Jay Lefton
Tim McTiernan, *President and Vice-Chancellor*
Bonnie Schmidt
Mary Simpson
Michael Snow
John Speers
Mary Steele
Laurie Swami
Shirley Van Nuland
Valarie Wafer

REGRETS:

Noreen Taylor, *Chancellor*
Doug Allingham
Dan Borowec
John McKinley, *Vice-Chair*

BOARD SECRETARY:

Becky Dinwoodie, *Assistant University Secretary*

UOIT STAFF:

Paul Bignell, *Executive Director, Information Technology*

Craig Elliott, *Chief Financial Officer*

Cheryl Foy, *University Secretary and General Counsel*

Andrea Kelly, *Assistant to the University Secretary and General Counsel*

Murray Lapp, *Vice-President, Human Resources and Services*

Brad MacIsaac, *Assistant Vice-President, Analysis & Planning, Registrar*

Susan McGovern, *Vice-President, External Relations & Advancement*

Michael Owen, *Vice-President, Research, Innovation & International*

Cathy Pitcher, *Assistant to the President*

Deborah Saucier, *Provost and Vice-President, Academic*

GUESTS:

Olivia Petrie

Mike Eklund

Gary Genosko

1. Call to Order

The Chair called the meeting to order at 3:21 p.m.

2. Agenda

Upon a motion duly made by D. Duval and seconded by M. Steele, the Agenda was approved as presented.

3. Conflict of Interest Declaration

None.

4. Chair's Remarks

The Chair gave regrets on behalf of several Board members and wished J. Hackett well with his exams. She reported that B. Schmidt was recently appointed as one of the Board's Lieutenant Governor in Council (LGIC) members and that we are awaiting confirmation of the appointment of one more LGIC member.

The Chair pointed out that one of the main focuses of the meeting was the 2016-17 budget, which represents a tremendous amount of work done by the staff. She commented that she was looking forward to a thoughtful and robust discussion on the topic. She also discussed the significant policy matters on the meeting's agenda, including the Safe Disclosure Policy.

The Chair remarked that as the academic year ends, there are excellent stories of student success to be shared and she looks forward to hearing them.

She ended by thanking the Board members for committing their time to the retreat scheduled for the next day and a half.

5. Approval of Minutes of the Meeting of March 9, 2016

Upon a motion duly made by A. Imrie and seconded by J. Bradbury, the Minutes were approved as presented.

6. President's Report

The President discussed the end of the academic year and the evolution of UOIT's programs. He reported that Academic Council had a full and rich discussion on an array of issues the previous day, including the proposal for an informatics program. He also reported that UOIT is one of only 30 institutions selected to submit a full proposal to the Canada First Research Excellence Fund. It is a fiercely competitive environment for funding and it is significant that we are being considered.

The President also discussed the preparations for the next symposium in a series of conferences on Higher Education in Transformation, which are jointly organized by UOIT, Trent University and Durham College (DC), along with the Technological University for Dublin Alliance. The next symposium will take place at the beginning of November 2016.

He also reported on the conversion of the tennis bubble to the Campus Field House for indoor soccer and other field sports, which will be available for use during the winter. He noted the increase in the number of our student athletes who are also high academic achievers.

The President talked about an ACE capstone project that culminated in a workshop for drones. He informed the Board that ACE has a series of videos on YouTube, including a demonstration of the use of ACE as a training facility. These are just a few examples of the array of events and accomplishments that occur on campus on a daily basis.

7. Co-Populous Report

D. Allingham sent his regrets due to a scheduling conflict. The Chair relayed D. Allingham's report to the Board. The last DC Board meeting was held on April 13, 2016, at which the annual budget was approved. They are forecasting a slight surplus for 2016-2017. The DC Board also discussed the results of the e-vote concerning the Campus Mandatory Ancillary Fee – the fee was approved by the students. The Board also endorsed the Five Year Program Plan for Quality Assurance. They also received an update on the new provincial Student Grant Program and discussed its potential impact on future college enrolment. D. Allingham advised that Research Day at the College is on April 28th and Science Rendezvous will be hosted at the campus on May 7th.

The Board was also advised of the recent funding announcement for DC made by the provincial government for a collaborative education facility, which will be built over the existing footprint

of the Simcoe Building. The programs delivered at the facility will be primarily focused on at-risk students. The infrastructure improvement will be good for the campus in general. This is also an excellent example of the value of relationships and partnerships.

COMMITTEE REPORTS

8 Audit & Finance Committee

8.1 2016-2017 Budget Approval

The Chair noted that the Audit & Finance (A&F) Committee has already spent a lot of time considering the budget. The A&F Committee's in-depth review of the budget allows the Board to focus on the highlights. She thanked the Committee members for their work on the budget.

The budget is developed through the work of both the academic and business sides of the institution. The assumptions for this year's budget are conservative, but achievable. The budget was developed in the context of the University's strategic objectives. A cooperative budget development process is important during a time of financial uncertainty. Enrolment was down this year by 230 FTEs compared to budget. The assumption is that enrolment over the next 5 years will be relatively flat. The goal will be to continue to improve the faculty to student ratio and overall student experience. We must ensure we continue to provide a high quality education to our students.

C. Elliott was invited to deliver the budget presentation. He highlighted the differences between the 2015-16 and 2016-17 budgets. He also reviewed the 2016-17 budget process. He explained the FAST process, which was previously done manually. FAST improves the efficiency of the budget process, as well as the experience of users. There was also increased engagement of Academic Council this year.

C. Elliott provided an overview of the key budget assumptions dealing with: enrolment, government grants, new tuition rates, salary/wage estimates, standard COU space measurement averages, student/faculty ratio, and contingency. There was a discussion regarding the risk associated with not meeting the targets set out in our Strategic Mandate Agreement.

C. Elliott reviewed the Resource Allocation Model, which was implemented this year. He also explained the concept of carry forwards. He discussed the resource allocation to faculties and confirmed that they are considered strategic allocations. He provided detailed explanations of the items set out in the 2016-17 proposed draft budget.

He highlighted the improved results for ACE and the Child Care Centre over the last year. He also confirmed that the conversion of the tennis bubble to soccer fields has a long term forecast of profitability. He discussed the negative impact of the availability of digital books on the revenues from the book store.

C. Elliott highlighted the capital projects planned for 2016-17. He reviewed the concept of Restricted Funds and their importance in budget planning. The Board has the discretion to

restrict surplus funds at year end. As circumstances change, the Board is able to vary the restrictions.

There was a discussion regarding how the 2.5% budget reduction was achieved. C. Elliott confirmed that there was consultation with each department as to how the cuts would be implemented. The Board also inquired about the approval process for using contingency funds.

C. Elliott answered additional questions from the Board.

D. Saucier provided an update on strategic budgeting and planning, including the accomplishments completed during 2015-16. She highlighted the plans for 2016-17, which include improving student retention. She confirmed that increasing retention would be an important source of revenue for us. She reviewed the metrics of the core performance targets, as well as the strategic initiatives. C. Elliott clarified that there also strategic initiatives included in the general budget, which are not considered part of the strategic initiatives budget.

Upon a motion duly made by A. Imrie and seconded by V. Wafer, pursuant to the recommendation of the Audit & Finance Committee of the Board, the Board of Governors approved the 2016-17 Budget as presented.

A. Imrie thanked C. Elliott, D. Saucier and their teams for the collaborative effort in putting the comprehensive material together.

8.2 Safe Disclosure Policy

The Chair invited C. Foy to present the Safe Disclosure Policy. C. Foy advised that this is the first of several policies that will be coming forward as part of a suite of policies that will help clarify UOIT's dispute resolution processes. C. Foy delivered a presentation providing an overview of the policy, including the consultation path. She reviewed the key policy elements, which include expanding the scope of the whistleblower policy to become a general safe disclosure policy. The Safe Disclosure Policy should be used when a policy is not followed within the University. It will form part of the University's response to the Ombudsman's expanded jurisdiction over universities.

Upon a motion duly made by A. Imrie and seconded by D. Duval, pursuant to the recommendations of the Governance, Nominations & Human Resources Committee and Audit & Finance Committee, the Board of Governors approved the Safe Disclosure Policy as presented.

8.3 Contract Management Framework

(a) Contract Management Policy

C. Foy delivered a presentation on the Contract Management Framework. She reviewed the consultation process and demonstrated how the Contract Management Policy fits in with other policies and procedures. She advised that her team is continuing to develop legal contract templates.

The policy underscores the need for diligence when entering contracts. One of the key goals of the policy is to identify who is responsible for managing a contract within the University. She reviewed the key roles defined in the policy.

Under the procedures, a legal review results in a legal opinion that identifies the risks as opposed to providing approval to enter into a contract.

Upon a motion duly made by A. Imrie and seconded by J. Bradbury, pursuant to the recommendation of the Audit & Finance Committee, the Board of Governors approved the Contract Management Policy as presented.

8.4 University Risk Management Report

C. Foy provided the Board with a University Risk Management implementation update. She outlined the roles of the A&F Committee and the Board with respect to risk management. She also reviewed the planned activities of the A&F Committee for 2016-2017.

She confirmed that the Board must approve the University's risk appetite statement, which will be an ongoing process. She explained how the process will assist the Board in fulfilling its oversight functions. She also reviewed the planned activities for the Board over the next two years.

The senior leadership team will develop a list of strategic risks to be considered by the Board. C. Foy went over the steps that will be taken by June 2016 and advised that the risk register will likely be considered by the Board annually.

8.5. 2016-2017 Ancillary Fees Addendum

B. Maclsaac presented the ancillary fees addendum report to the Board. He explained that the change came about as a result of the Faculty of Education deciding to rejoin the University's TELE program.

Upon a motion duly made by A. Imrie and seconded by L. Swami, pursuant to the recommendation of the Audit & Finance Committee of the Board, and further to the Audit & Finance Committee's review and approval of the 2016-17 ancillary fees, the Board of Governors approved the 2016-17 ancillary fees addendum as presented.

9. Alumni Association

The Chair invited C. Andrews to speak to the Board. S. McGovern introduced C. Andrews, a graduate of the Faculty of Business & Information Technology who now works at the Faculty.

C. Andrews delivered a presentation on the Alumni Association. She emphasized that alumni are brand ambassadors of UOIT. She advised the Board of several of the Association's initiatives, including the Student Alumni Mentorship Program (STAMP). They try to get alumni on campus as much as possible. She provided an overview of the types of events that alumni attend. They will be hosting receptions across the country for alumni. She advised that steps are taken to

ensure their efforts are consistent with the UOIT brand. She also discussed the Association's idea to raise funds to contribute to the construction of an Alumni Hall.

The Chair thanked C. Andrews for her presentation.

10. Other Business

None.

11. Termination of Meeting

Upon a motion duly made by S. Van Nuland and seconded by T. McTiernan, the public session of the meeting was terminated at 5:40 p.m.

DRAFT



BOARD REPORT

Public:	<input checked="" type="checkbox"/>	Action Required:	
Non-Public:	<input type="checkbox"/>	Discussion	<input type="checkbox"/>
		Decision	<input checked="" type="checkbox"/>

DATE: June 29, 2016

FROM: Tim McTiernan, President and Vice-Chancellor
SUBJECT: Establishment of a Bachelor of Informatics (Honours) in Business Technology Management

A. Purpose

To recommend on behalf of Academic Council the establishment of the following academic program:

Bachelor of Informatics (Honours) in Business Technology Management

B. Background

Under the UOIT By-Laws, Academic Council “shall advise the Board on ... the establishment and termination of degree programs” (Section 8.9 b. l). The attached proposal was prepared in accordance with the requirements of the universities policies and procedures on new program submissions. The proposal was reviewed and approved by the Curriculum and Program Review Committee in January 2016 and by Academic Council in April 2016.

C. Discussion/Options

The Faculty of Business and Information Technology (FBIT) proposes a new Bachelor of Informatics (B.Inf.) Honours program with a major in Business Technology Management. This program is designed to produce highly trained business professionals who are well positioned for roles in the public and private sector. The major will include coursework in management, information technology, informatics, and analytics that is implemented using a fully outcomes based assessment model through integrated experiential learning projects.

Informatics specialists are interdisciplinary interpreters of information systems and the application domain - between technologists, managers, and professional stakeholders (e.g. financial service providers, logistics and supply chain specialists, etc.). Graduates of this program will be able to integrate several areas together (e.g. data analytics, strategy, security, and information systems) and think about how processes and human work factors in an enterprise can be affected and improved by technology.

The proposed Informatics degree is consistent with the University’s mission and will provide an enhanced flow of qualified students to existing Master’s programs including the Master of Business



Administration with a field in Technology Management. In addition, the program falls squarely within the Faculty's strategic plans for education, research, and service as well as in the University's Strategic Research Plan for smart communities. In particular, the program will leverage the unique profile of the Faculty of Business and Information Technology through a truly integrated, inter-disciplinary program to prepare students to lead multi-disciplinary projects that intersect the boundary between business and information technology. The program builds on partnerships with the Ontario College sector through various pathway options. There are two degree completion pathways; one for students with a college business diploma, and one for students with a programmer analyst college diploma.

There is a large industry-based need for professionals with business skills who have relevant information communication technology (ICT) skills to help achieve high levels of productivity and innovation, and to develop competitive advantages in Canadian organizations. In 2010 the Canadian Coalition for Tomorrow's IT Skills (CCICT) launched a \$2 million "digital jobs for tomorrow" campaign for the development of business informatics programs and to support university partners and students enrolled in accredited programs. CCICT has created a certification to encourage and accredit programs in business technology management. The UOIT Business Technology Management major achieves all the required learning outcomes to meet the CCICT's accreditation standards. Students completing the major would qualify to become Certified Business Technology Manager (CBTM), once they complete the work experience requirements.

A detailed proposal is attached.

D. Financial/Human Resource Implications

An analysis of projected intake and enrolment can be found on page 8 of the attached proposal. Information on current and future human and physical resources begins on page 25. A detailed business plan is included beginning on page 30. The proposed start date for this program is 2017; however, its introduction will be determined by the academic leadership to ensure appropriate resources are in place to support students and the academic mission of the University.

E. Risk Implications

While it is anticipated that this program will facilitate strategic growth in an area of high demand, student enrolment will continue to be carefully managed to ensure that the program remains robust over the long term. Given the increased level of ICT integration into all business processes, graduates with these skills are increasingly in demand by employers in all sectors.

F. Recommendation

It is therefore recommended:

That the Board of Governors approves the establishment of the proposed Bachelor of Informatics (Honours) in Business Technology Management program.

BOARD REPORT

Public:	<input checked="" type="checkbox"/>	Action Required:	
In-Committee:	<input type="checkbox"/>	Discussion	<input type="checkbox"/>
		Decision	<input checked="" type="checkbox"/>

DATE: June 29, 2016

FROM: Tim McTiernan, President and Vice-Chancellor

SUBJECT: Establishment of a Doctor of Philosophy in Criminology & Social Justice

A. Purpose

To recommend on behalf of Academic Council the establishment of the following academic program:

Doctor of Philosophy in Criminology & Social Justice

B. Background

Under the UOIT By-Laws, Academic Council “shall advise the Board on ... the establishment and termination of degree programs” (Section 8.9 b. I). The attached proposal was prepared in accordance with the requirements of the universities policies and procedures on new program submissions. The proposal was reviewed and approved by the Graduate Studies Committee in April 2016 and by Academic Council in May 2016.

C. Discussion/Options

The Faculty of Social Science and Humanities proposes a new Doctor of Philosophy (Ph.D.) degree in Criminology and Social Justice. This new degree is designed to complement the highly successful M.A. degree in Criminology, which began its 7th year in the fall of 2015. This program is designed to produce rigorously trained, doctoral-level professionals who are well positioned for leadership positions in the public and private sectors. The program will include coursework in advanced quantitative and qualitative methods, a foundational course in the Canadian criminal justice system, and contemporary criminological courses that are tied to the three areas of focus for the program and a dissertation. The program fits within the areas of institutional strength and growth as outlined in our Strategic Mandate Agreement.

Students in this program will be engaged in multi- and inter-disciplinary projects that address important and pressing societal and scientific challenges. Students will also benefit from an interdisciplinary environment where numerous Faculties and departments approach the study of crime, social justice and technology from both overlapping and unique perspectives. Many of our



students have worked with these faculty members as research assistants at the undergraduate and Masters level and will benefit in the future from focusing on more applied research at the Ph.D. level.

There are few Ph.D. programs in criminology to meet the demand of students who wish to continue their academic careers, to improve their job performance, and provide cutting edge skills to safety, security and social justice. There are only four Canadian universities offering a Ph.D. program in Criminology, with only two in Ontario.

A detailed proposal is attached.

D. Financial/Human Resource Implications

An analysis of projected intake and enrolment can be found on page 10 of the attached proposal. Information on current and future human and physical resources begins on page 49. A detailed business plan is included beginning on page 57. The proposed start date for this program is September 2016; however, its introduction will be determined by the academic leadership to ensure appropriate resources are in place to support students and the academic mission of the University.

E. Risk Implications

While it is anticipated that this program will facilitate strategic growth in an area of high demand, student enrolment will continue to be carefully managed to ensure that the program remains robust over the long term.

F. Recommendation

It is therefore recommended:

That the Board of Governors approves the establishment of the proposed Doctor of Philosophy in Criminology & Social Justice program.



BOARD REPORT

Public:	<input checked="" type="checkbox"/>	Action Required:	
In-Committee:	<input type="checkbox"/>	Discussion	<input type="checkbox"/>
		Decision	<input checked="" type="checkbox"/>

DATE: June 29, 2016

FROM: Tim McTiernan, President and Vice-Chancellor

SUBJECT: Establishment of a Graduate Diploma in Work Disability Prevention

A. Purpose

To recommend on behalf of Academic Council the establishment of the following academic program:

Graduate Diploma in Work Disability Prevention

B. Background

Under the UOIT By-Laws, Academic Council “shall advise the Board on ... the establishment and termination of degree programs” (Section 8.9 b. 1). The attached proposal was prepared in accordance with the requirements of the universities policies and procedures on new programs. The proposal was reviewed and approved by the Graduate Studies Committee in May 2016 and by Academic Council in June 2016.

C. Discussion/Options

The Faculty of Health Sciences proposes a new Graduate Diploma in Work Disability Prevention. This proposed program builds on our existing relationship with the Canadian Memorial Chiropractic College (CMCC) as well as the objectives of the UOIT-CMCC Centre for Disability Prevention and Rehabilitation (Centre) and the Canada Research Chair in Disability Prevention and Rehabilitation held by the Centre’s Director, Dr. Pierre Côté.

Work disability is a multifaceted problem that extends beyond disease and medical diagnosis. Evidence indicates that work disability results from complex interactions between stakeholders (employer, insurer, healthcare providers) and the worker. Workplace disability creates a large burden at different system levels, impacting the worker, the company and society. Enabling Canadians with work disability to regain ability to work is an important priority. Research suggests that disability determinants can be a combination of physical, work environment, healthcare system and compensation system factors. This has led to developing work disability prevention programs that replace the disease treatment (biomedical) model with a work place prevention (biopsychosocial) model focusing on patient reassurance and workplace interventions.



The proposed diploma specifically targets the societal networks and complexities of return to work coordination. It fills a gap in the current program offerings at other institutions by focusing on unique applications of the biopsychosocial model of return to work. Rather than focusing on just the diagnosis, the program also delves into understanding the root causes of disability. It also creates the potential to develop strong relationships with the community and employers to create specific experiential learning opportunities.

The program delivery will be online and will be directed at regulated health professionals, specifically chiropractors, kinesiologists, nurses, occupational therapists, physicians and physiotherapists, and individuals with a Masters in Social Work. The part-time nature of the program combined with the focus of online education will aid students in their ability to continue full time employment or other professional/personal activities while enrolled in the course. The online component of the program will aid in building a community of experts linked by their online learning experiences. Students will also have the ability to complete the practicum elective within their home community.

A detailed proposal is attached.

D. Financial/Human Resource Implications

An analysis of projected intake and enrolment can be found on page 4 of the attached proposal. Information on current and future human and physical resources begins on page 14. A detailed business plan is included beginning on page 15. The proposed start date for this program is September 2016; however, its introduction will be determined by the academic leadership to ensure appropriate resources are in place to support students and the academic mission of the University.

E. Risk Implications

While it is anticipated that this program will facilitate strategic growth in an area of high demand, student enrolment will continue to be carefully managed to ensure that the program remains robust over the long term.

F. Recommendation

It is therefore recommended:

That the Board of Governors approves the establishment of the proposed Graduate Diploma in Work Disability Prevention.



ACADEMIC COUNCIL

ANNUAL REPORT TO BOARD OF GOVERNORS 2015-2016

As the Chair of Academic Council, I am pleased to report on the great work done by Council this year and provide a summary of Academic Council's accomplishments.

New Program Recommendations

Academic Council recommended the following new programs for approval by the Board of Governors:

- a) Honours Bachelor of Informatics in Business Technology Management
- b) Doctor of Philosophy in Criminology & Social Justice
- c) Graduate Diploma in Work Disability Prevention

Curriculum & Program Changes

Academic Council approved the following major program modifications:

- a) Bachelor of Arts in Communication and Digital Media Studies – Addition of Simple Pathway (Canadian University of Dubai)
- b) Bachelor of Arts in Forensic Psychology – Addition of Simple Pathway (Canadian University of Dubai)
- c) Bachelor of Science in Forensic Science – Removal of Specialization
- d) Faculty of Business and Information Technology - Addition of Entrepreneurship Major and Minor
- e) Bachelor of Commerce in Accounting – Addition of Simple Pathway (Fleming College)
- f) Bachelor of Commerce in Marketing – Addition of Simple Pathway (Durham College)
- g) Bachelor of Science (3-year degree) – Removal of Program
- h) Bachelor of Arts, Community Development and Policy Studies – Program Name Change
- i) Bachelor of Arts, All Majors – Addition of Simple Pathway (Bermuda College)
- j) Bachelor of Science in Physical Science – Program Name Change
- k) Bachelor of Science – Addition of a Simple Pathway with Durham College
- l) Bachelor of Science in Computing Science – Program Name Change
- m) Bachelor of Arts in Communication and Digital Media Studies – Removal of Specializations
- n) Bachelor of Commerce in Entrepreneurship – Addition of Pathway
- o) Bachelor of Commerce – Addition of Pathway

- p) Bachelor of Science in Computer Science – New Specialization in Data Science
- q) Bachelor of Arts in Political Science – Program Changes and Two New Specializations

Conferral of Degrees & Student Medal Winners

Academic Council approved the granting of degrees to those students who fulfilled all degree requirements at the end of the Fall Term 2015 and Winter Term 2016 who were recommended for graduation by their Faculty. There were 1835 degrees awarded at the 2016 Convocation.

The following are the student medal winners for 2016:

Medal	Level	Faculty	Last Name	First Name
Gold Medal	graduate	Health Sciences	Baarbe	Julianne
Silver Medal	undergraduate	Health Sciences	Genis	Steven
Faculty Medals	Level	Faculty	Last Name	First Name
		Education	Maclean	Kody
	undergraduate	Business & Information Technology	Quinn	Mackenzie
	undergraduate	Energy Systems & Nuclear Science	Ismail	Audrie
	undergraduate	Engineering & Applied Science	Haddad	Roger
	undergraduate	Health Sciences	Genis	Steven
	undergraduate	Science	Au	David
	undergraduate	Social Science & Humanities	Murray	Jessica

Scholarships

The Admissions and Scholarship Committee of Academic Council has finalized the selection of recipients for the major scholarship awards for 2016-17. The following are the number of students awarded scholarships:

Chancellor's Scholarship:	1
President's Scholarships:	2
Founder's Scholarships:	2
FIRST Robotics Scholarship:	1
Global Leadership Scholarship:	1

The Chancellor's, President's, and Founder's Scholarships are given to applicants who demonstrate outstanding academic achievement (minimum 85 percent average) and exceptional leadership and community involvement.

The recipient of the FIRST Robotics Scholarship is a student who is in his or her final year of high school who is entering into an Engineering program at UOIT and who has participated on a FIRST Robotics Canada team during high school. The Global Leadership Scholarship is one of UOIT's most prestigious entrance awards and recognizes international secondary school applicants with strong academic and leadership abilities.

Teaching Awards

The following individuals were the recipients of the 2015-2016 Teaching Awards:

- Isaac Tamblin, Faculty of Science (tenure/tenure track faculty)
- Connie Thurber, Faculty of Health Sciences (teaching faculty)
- Robert Burden, Faculty of Business & Information Technology (teaching assistants)

Honorary Degree Recipients

The Honorary Degrees Committee awarded honorary doctorates to the following recipients:

- The Honourable Perrin Beatty
- Robert Houle
- Kate Lines
- Neil Pasricha

Policies

Academic Council approved the new Cotutelle Policy and Procedures. A cotutelle is a French word that means “joint supervision”. The term now refers to a bilateral doctoral enrolment/co-enrolment and exchange agreement between two universities (the home university and the partner university) in different countries.

Academic Council provided feedback on and recommended the following policies for approval by the Board of Governors:

- a) Policy on Continuing Education Programs
- b) Administrative Fairness Policy
- c) Contract Management Framework & Policy
- d) Legal Review of Contracts Procedures
- e) Safe Disclosure Policy and Procedures

Consultation

Academic Council was consulted and provided feedback on the following matters:

- a) 2016-2017 Budget
- b) Policy on Senior Academic Administrative Appointments and Related Procedures
- c) Records Classification and Retention Schedule
- d) Sexual Violence Prevention & Response Policy
- e) Refreshing the Strategic Plan
- f)

Governance

Academic Council Elections 2015-2016

Academic Council held elections in August 2015 and March 2016 to fill the vacant positions for 2015-2016 and 2016-2017. Each election was held in accordance with the Academic Council Procedures for the Election of Teaching, Non-Academic Staff and Student Representatives instituted last year by Council. The elections ran smoothly and no complaints were received regarding the conduct of the elections.

Academic Council has approved the appointment of 13 elected faculty representatives to serve on Academic Council, 7 for a term of 2015-2018 and 6 for a term of 2016-2019. Council also appointed 12 elected student representatives to serve on Academic Council and its standing committees, 7 for a term of 2015-2017 and 5 for a term of 2016-2018.

COU Academic Colleague

Academic Council formalized the nomination and election process for selecting the COU Academic Colleague and an alternate. A new COU Academic Colleague, Ramiro Liscano, was elected and appointed during the March 2016 election process. He will replace Mark Green at the end of his term on June 30, 2016.

Board By-Law Review Project Working Group

Academic Council elected 2 faculty members, Mikael Eklund and Hannah Scott, to be part of the Board By-Law Review Project Working Group.

Governance Education

Academic Council held one orientation session on September 15, 2016. Governance information sessions were conducted for all student candidates prior to both elections.

Draft Consolidated Financial Statements of

**UNIVERSITY OF ONTARIO
INSTITUTE OF TECHNOLOGY**

For the year ended March 31, 2016

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Financial Statements
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For the year ended March 31, 2016

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UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Financial Position
As at March 31, 2016

	<u>2016</u>	<u>2015</u>	
ASSETS			
CURRENT			
Cash and cash equivalents (Note 4)	\$ 32,308,994	\$ 23,683,442	N1.
Short-term investments (Note 5)	10,170,000	10,000,000	N1.
Grant receivable	5,312,979	6,209,269	N2.
Other accounts receivable (allowance for doubtful accounts - \$308,202; 2015 - \$295,217)	7,327,038	7,562,296	N3.
Inventories	154,262	290,484	
Prepaid expenses and deposits	1,701,678	1,590,365	
	56,974,951	49,335,856	
INVESTMENTS (Note 2)	30,967,585	36,434,687	N4.
CAPITAL ASSETS (Note 3)	397,511,225	414,786,487	N5.
TOTAL ASSETS	\$ 485,453,761	\$ 500,557,030	
LIABILITIES			
CURRENT AND LONG-TERM LIABILITIES			
Accounts payable and accrued liabilities (Notes 6 and 13)	\$ 23,940,540	\$ 25,263,118	N6.
Deferred revenue (Note 7)	20,358,279	20,777,419	N7.
Current portion of other long-term debt (Note 8)	5,477,658	5,153,978	N8.
Current portion of obligations under capital lease (Note 9)	417,565	296,208	N9.
Current portion of long-term debenture debt (Note 10)	5,110,244	4,800,522	N10.
	55,304,286	56,291,245	
OTHER LONG-TERM DEBT (Note 8)	6,390,043	11,867,700	N8.
LONG-TERM OBLIGATIONS UNDER CAPITAL LEASES (Note 9)	38,672,761	38,821,864	N9.
LONG-TERM DEBENTURE DEBT (Note 10)	175,501,181	180,611,425	N10.
DEFERRED CAPITAL CONTRIBUTIONS (Note 11)	162,285,684	170,092,845	N11.
	438,153,955	457,685,079	
NET ASSETS / (DEFICIT)			
UNRESTRICTED	(22,160,664)	(22,571,545)	
INVESTED IN CAPITAL ASSETS (Note 14)	14,996,292	19,404,133	
INTERNALLY RESTRICTED (Note 15)	36,292,518	29,812,857	
ENDOWMENTS (Note 16)	18,171,660	16,226,506	
	47,299,806	42,871,951	
Contingencies and Contractual Commitments (Note 20)			
TOTAL LIABILITIES AND NET ASSETS	\$ 485,453,761	\$ 500,557,030	

See accompanying notes to the consolidated financial statements

Approved by:

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Financial Position
As at March 31, 2016

Consolidated Statement of Financial Position Year-over-Year Variance Explanations

- N1.** Cash and short-term investments increased \$8.8m primarily due to \$4.2m lower capital investments in the current year (CY \$9.3m, PY \$13.5m) and a \$1.1m transfer from LT investments at BNY to GIC's at RBC Wealth Management disclosed as cash and cash equivalents (**see N4. below**).
- N2.** Grant receivable balance of \$5.3m includes \$4.5m Collaborative Nursing (CN) grant for FY15/16 which is funded on a slip-year basis and hence will be received in FY16/17 and \$0.8m of external research grants, all of which are current. Decrease of \$0.9m over the PY includes a decrease of \$0.6m grant for the CN partnership with Georgian College (funded in-year starting FY15/16), and a decrease of \$0.3m in external research grants.
- N3.** Other accounts receivable includes student and trade receivables. Y/E balance of \$7.3m includes \$2.3m of student A/R (of which \$1.8m relates to the fall 2015 and winter 2016 and \$0.5m to spring 2015 and prior), \$1.6m of trade A/R all of which is current, \$0.6m of bookstore credit notes which will be consumed when fall 2016 books are purchased, other current receivables comprising of \$0.7m research, \$0.6m receivable from Durham College, \$0.6m sales tax recoverable, \$0.6m COU application fees and other balances, none exceeding \$0.5m.
- N4.** Investment balance of \$31.0m is comprised of \$10.6m from MoF held in trust at BNY, and \$20.4m endowed funds held at PH&N. The decrease of \$5.5m includes a net decrease of \$5.9m in the MoF investment (\$4.8m decrease used to repay the MoF loan -**see N8. below**, \$1.1m transfer to GIC's at RBC -**see N1. above**), offset by a net increase of \$0.4m in endowed investments (new in-year donations \$0.2m, adj for PY endowment \$0.8m, investment income \$0.6m, realised gains \$0.5m, offset by M2M unrealised loss \$1.4m and bursary disbursements \$0.3m)
- N5.** Capital assets decreased \$17.3m and include net additions of \$3.5m (additions \$9.3m offset by laptop and computer equipment disposals \$5.8m) offset by total accumulated amortisation of \$20.8m. New additions comprise laptop purchases \$4.2m, equipment \$2.2m, \$1.7m building, lab renovations and F&F and \$1.2m computer equipment
- N6.** AP and accrued liabilities decreased \$1.3m and includes \$1.5m decrease in accounts payable due to the timing of payment of invoices and other immaterial increases / decreases. Items greater than \$2.0m in AP balance includes \$5.4m interest payable on debenture and MoF debt paid April 15, 2016, \$4.5m of current accounts payable to third party vendors, \$2.9m held in trust for future Athletic Complex renovations, \$2.6m current due to Durham College for o/s March 2016 billing paid in April 2016.
- N7.** Deferred Revenue relate to revenues deferred to the following year as these have not yet been earned at year-end or will be recognised as revenue in the year in which related expenses are incurred. Year-end balance of \$20.3m includes \$7.5m deferred tuition representing 1/4 of winter fees not yet earned, \$5.1m of externally funded research revenues, \$3.5m of expendable donations, \$3.0m of deferred TELE surplus, and \$1.2m of miscellaneous deferred revenues.
- N8.** Other long term debt decrease of \$5.2m includes \$4.8m repayment of the MoF loan in the CY (**see N4. above**) and other repayments, none of which exceeds \$0.25m. Balance of \$11.9m comprises \$10.6m MoF loan which will be fully paid in October 2017, and other loans, none of which exceeds \$0.8m.
- N9.** The slight decrease in obligations under capital lease reflects lease payments in the current year (net \$296k decrease in obligations for 55 Bond, offset by \$268k increase for 61 Charles).
- N10.** Decrease in long term debenture debt of \$4.8m relates to the principal repayment and resulting draw-down of the debt in the current year. This debt will be fully paid in October 2034.
- N11.** Decrease in deferred capital contributions of \$7.8m includes net new capital grant of \$0.9m received in the current year, offset by \$8.7m YTD amortization into revenues of all capital grants received since inception of the University (total grants received since inception = \$225.4m) - see "Amortization of deferred capital contributions" on the Consolidated Statement of Operations.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Operations
For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>	
REVENUE			
Grants - operating and research (Note 12)	\$ 68,364,211	\$ 68,254,617	
Grants - debenture	13,500,000	13,500,000	
Donations	701,761	1,471,688	N1.
Student tuition fees	69,729,577	66,978,284	N2.
Student ancillary fees	14,557,870	15,642,591	N3.
Revenues from purchased services (Note 13)	3,724,803	3,800,069	
Other income	12,288,186	11,780,529	N4.
Amortization of deferred capital contributions	8,705,492	8,818,013	
Interest revenue	1,025,880	677,813	N5.
Gain on disposal of capital assets	421,476	534,242	
	193,019,256	191,457,846	
	184,313,764	182,639,833	
EXPENSES			
Salaries and benefits	94,207,476	88,796,164	N6.
Supplies and expenses	36,021,630	35,536,995	N7.
Purchased services (Note 13)	15,685,113	16,346,646	N8.
Interest expense	15,285,400	15,767,077	
Amortization of capital assets	26,190,578	26,744,598	
Professional fees	936,269	802,221	
Realized/unrealized loss/(gain) on investments	1,385,256	(1,269,611)	N9.
	189,711,722	182,724,090	
Excess of revenue over expenses	\$ 3,307,534	\$ 8,733,756	

See accompanying notes to the consolidated financial statements

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Operations
As at March 31, 2016

Consolidated Statement of Operations Year-over-Year Variance Explanations

- N1.** Donations relate to expendable donation revenues. These donations are recognised as revenue in the year in which related expenses are incurred (any unspent donation revenues at year-end are deferred to future years). Donation revenues decrease of \$0.8m includes \$0.6m decrease in YOY spending of donated funds and \$0.2m decrease relating to the annual Lenovo gift-in-kind that is not received in the CY.
- N2.** Student tuition fees increase of \$2.8m is due to the YOY average 3% increase in tuition fees.
- N3.** Student ancillary fees decreased \$1.1m and includes \$0.9m decrease in TELE (Technology-enriched Learning Environment) revenues due to the Faculty of Education dropping out of the program in the current fiscal year, coupled with lower revenues associated with lower unit laptop cost as a result of changes in program requirements and change in vendor from Lenovo to Dell.
- N4.** Other Income of \$12.8m comprises of revenues from our share of the collaborative nursing program \$3.2m, ACE \$2.9m, tennis center and arena \$1.6m, student application fees \$1.0m, daycare \$0.6m and other revenues none of which exceeds \$0.5m.
- N5.** Interest revenue increase of \$0.3m is attributable to interest earned and accrued on our short-term GIC investment at BMO Nesbitt Burns, RBC Wealth Management and BNY.
- N6.** Salaries and benefits increase of \$5.4m includes \$5.1m increase in full-time continuing labour (\$2.1m salary increases effective July 1, \$0.3m in retro pay for the new faculty agreement, \$1.2 net new hires - net 2 faculty and 10 support staff, \$1.0m for promotions and conversions from limited term contract, \$0.5m in restructuring expenses) and \$0.3m increase in definite term contracts with support units temporarily hiring contract employees to fill open positions.
- N7.** Supplies & Expenses increased \$0.5m and includes \$0.7m increase in annual library subscriptions and IT software licenses as a result of the depreciating CAD dollar vis-a-vis the US dollar. This is offset by other increases / decreases none of which exceed \$0.5m.
- N8.** Purchased Services decrease of \$0.7m is primarily due to a decrease in bookstore expenses attributable to the utilization of prior year bookstore credit notes in the current year.
- N9.** Unrealized loss of \$1.4m is due to the decline in overall global market conditions with continued weakness in the Canadian and the global emerging market equities portfolio.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Changes in Net Assets
For the year ended March 31, 2016

	<u>Unrestricted</u>	<u>Invested in Capital Assets</u> (Note 14)	<u>Internally Restricted</u> (Note 15)	<u>Endowments</u> (Note 16)	<u>Total 2016</u>	<u>Total 2015</u>
Balance - Beginning of Year	\$ (22,571,545)	\$ 19,404,133	\$ 29,812,857	\$ 16,226,506	\$ 42,871,951	\$ 32,994,569
Excess / (deficiency)						
Revenue over Expenses	20,792,620	(17,485,086)	-	-	3,307,534	8,733,757
Interfund Transfer	(6,479,661)	-	6,479,661	-	-	-
Investment in Capital Assets	(13,077,245)	13,077,245	-	-	-	-
Endowment Contributions	(824,833)	-	-	1,945,154	1,120,321	1,143,625
Net changes during the year	410,881	(4,407,841)	6,479,661	1,945,154	4,427,855	9,877,382
Balance - End of Year	\$ (22,160,664)	\$ 14,996,292	\$ 36,292,518	\$ 18,171,660	\$ 47,299,806	\$ 42,871,951

See accompanying notes to the consolidated financial statements

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenses	\$ 3,307,534	\$ 8,733,756
Items not affecting cash:		
Amortization of capital assets	26,190,578	26,744,598
Amortization of deferred capital contributions	(8,705,492)	(8,818,013)
Gain on disposal of capital assets	(421,476)	(534,242)
Realized/unrealized loss/(gain) on investments	1,385,256	(1,269,611)
Net Surplus	<u>21,756,400</u>	24,856,489
Working capital:		
Grant and other accounts receivable	1,131,548	800,747
Prepaid expenses and deposits	(111,313)	(160,005)
Inventories	136,222	25,650
Accounts payable and accrued liabilities	(1,322,578)	(4,102,312)
Deferred revenue	(419,140)	(45,781)
	<u>21,171,139</u>	21,374,788
INVESTING		
Purchase of capital assets	(9,349,915)	(13,500,641)
Proceeds on disposal of assets	856,075	534,242
Investments	3,911,846	(6,483,992)
	<u>(4,581,994)</u>	(19,450,391)
FINANCING		
Repayment of long-term debt	(9,954,499)	(9,365,925)
Endowment contributions	1,120,321	1,143,625
Repayment of obligations under capital leases	(27,746)	136,615
Deferred capital contributions	898,331	842,179
	<u>(7,963,593)</u>	(7,243,506)
NET CASH INFLOW / (OUTFLOW)	8,625,552	(5,319,109)
CASH & CASH EQUIVALENTS BALANCE, BEGINNING OF YEAR	23,683,442	29,002,551
CASH & CASH EQUIVALENTS BALANCE, END OF YEAR	\$ 32,308,994	\$ 23,683,442
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ 15,399,645	\$ 15,865,630

See accompanying notes to the consolidated financial statements

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

University of Ontario Institute of Technology (the “University”) was incorporated without share capital under the University of Ontario Institute of Technology Act which received Royal assent on June 27, 2002. The objectives of the University, as well as the powers of the Board of Governors and the Academic Council, are defined in the Act.

The University is a market-oriented University integrating inquiry, discovery and application through excellence in teaching, learning and value-added research. The University is a degree granting and research organization offering graduate and undergraduate education. The University is a registered charity under Section 149 of the Income Tax Act and is, therefore, exempt from income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

(a) Basis of presentation

The University follows Canadian Accounting Standards for Not-for-Profit Organizations (“ASNPO”) in Part III of the Chartered Professional Accountants of Canada (“CPA”) Handbook. These consolidated financial statements reflect the assets, liabilities, net assets, revenue and expenses of all the operations controlled by the University.

On November 1, 2009, the Campus Childcare Centre Inc. (“CCC”) was incorporated as a separate legal entity with a fiscal year ended April 30. Its purpose is to provide daycare facilities to the children of faculty, staff and students of the University and Durham College, as its first priority, and community families. CCC is controlled by the University and its financial results to March 31, 2016 are included in the Consolidated Financial Statements of the University.

On February 1, 2012, the Automotive Center of Excellence (“ACE”) commenced its operations as a test facility for General Motors of Canada and other commercial customers who are seeking to create, test and validate paradigm-shifting innovations with a focus on bringing them to market as rapidly as possible. ACE is a wholly owned department of the University and its financial results to March 31, 2016 are included in the Consolidated Financial Statements of the University.

These consolidated financial statements do not reflect the assets, liabilities, and results of operations of the various student organizations as they are not controlled by the University.

(b) Revenue recognition

The University follows the deferral method of accounting for contributions, which includes donations and government grants.

Operating grants are recorded as revenue in the year to which they relate. Grants earned but not received at the end of an accounting year are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Student tuition fees are deferred to the extent that related courses extend beyond the fiscal year of the University.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

Student fees are recognized as revenue when courses are provided.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are incurred. Pledged donations are not recorded until received due to the uncertainty involved in their collection.

Endowment contributions are reported as direct increases in net assets when received.

Other operating revenues are deferred to the extent that related services provided, or goods sold, are rendered/delivered subsequent to the end of the University's fiscal year.

Investment income related to restricted spending is deferred. Investment income without restrictions is recognized when earned.

(c) Cash and cash equivalents

Cash equivalents consist of highly liquid investments having terms to maturity on acquisition of three months or less, and are readily convertible to cash on short notice and are recorded at market value.

(d) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the University determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the University expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

(e) Long-term debt

The University carries long-term debt at amortized cost.

(f) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(g) Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution when fair value is reasonably determinable. Otherwise, contributed assets are recorded at a nominal amount. Betterments, which extend the estimated useful life of an asset, are capitalized. When a capital asset no longer contributes to the University's ability to provide services, its carrying amount is written down to its residual value. Capital assets are amortized on a straight-line basis over their average useful lives, which have been estimated to be as follows:

Buildings	15 – 40 years
Building renovations	10 years
Leasehold improvements	over lease term
Furniture and fixtures	5 years
Laptops	2 – 3 years
Computer equipment	3 years
Vehicles	3 years
Major equipment	10 years
Capital leases	over economic life of assets

Capital assets acquired during the financial year are amortized at half of the applicable rate. Construction-in-progress represents assets not yet available for use, therefore amortization commences when the project is complete.

(h) Deferred capital contributions

Contributions received for capital assets are deferred and amortized over the same term and on the same basis as the related capital assets.

(i) Contributed services

The University receives a number of contributed services from individuals, corporations and community partners. Because of the difficulty in determining the fair value, contributed services are not recognized in the Consolidated Financial Statements.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

(j) Use of estimates

The preparation of Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements, and the reported amounts of revenue and expenses during the year. Significant estimates includes the carrying value of capital assets. Actual results could differ from these estimates.

2. INVESTMENTS

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 13,141,002	\$ 13,582,832	\$ 10,192,953	\$ 12,665,330
Fixed income	6,208,685	6,332,557	6,400,486	6,750,911
Money Market/Cash	467,432	467,432	560,624	560,624
Held in Trust	9,969,718	10,584,764	15,649,875	16,457,822
	\$ 29,786,837	\$ 30,967,585	\$ 32,803,938	\$ 36,434,687

Investments held in trust represent the principal on the remaining proceeds of a loan of \$10,584,764 (2015 - \$16,457,822) that the University received from the Ontario Financing Authority in February 2012 (Note 8), and which the University then applied for the purpose of paying BNY Trust Company of Canada ("BNY"). These funds are held by BNY pursuant to Section 6.01(h) of the Supplemental Trust Indenture, pursuant to which the University's Series A Debentures were issued. The funds held in trust comprise of both fixed income and money market investments.

(a) Credit, interest rate and maturity risk

The value of fixed income securities will and generally rise if interest rates fall and decrease if interest rates rise. Changes in interest rates may also affect the value of equity securities. The fixed income investments consist of various Canadian government and corporate bonds and individual mortgage holdings. The fixed income investments bear coupon rates ranging from 0.0% to 16.2% (2015 - 1.5% to 10.3%) and have maturity dates ranging from April 1, 2016 to December 31, 2099 (2015 - April 27, 2015 to December 31, 2099).

(b) Foreign currency risk

The University is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. The University, through its investment management company, hedges against foreign exchange risks. There has been no change in the University's hedging policy from 2015.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. INVESTMENTS (continued)

(c) Market price risk

Market price risk arises as a result of trading fixed income securities and equities. The value of equity securities change with stock market conditions which are affected by general economic and market conditions. Changes in interest rates may also affect the value of equity securities. Fluctuation in the market exposes the University to a risk of loss.

(d) Liquidity risk

Money market investments represent instruments in highly liquid investments that are readily converted into known amounts of cash. The University invested in equity and fixed income investments that are traded in an active quote market.

3. CAPITAL ASSETS

Capital assets consist of:

	2016					2015
	Cost		Balance, End of Year	Accumulated Amortization	Net Book Value	Net Book Value
	Balance, Beginning of Year	Additions /Transfers / Disposals				
Land	\$ 8,456,815	\$ -	\$ 8,456,815	\$ -	\$ 8,456,815	\$ 8,456,815
Buildings	391,366,820	-	391,366,820	89,974,111	301,392,709	311,302,053
Building renovations	21,633,428	1,087,320	22,720,748	12,053,301	10,667,447	11,519,909
Leasehold improvements	3,375,262	-	3,375,262	927,381	2,447,881	2,691,634
Furniture and fixtures	15,323,902	342,771	15,666,673	14,117,994	1,548,679	2,099,570
Laptops	22,055,579	(1,374,886)	20,680,693	15,834,279	4,846,414	5,971,265
Computer equipment	13,707,734	954,413	14,662,147	12,200,105	2,462,042	3,062,634
Vehicles	164,497	10,236	174,733	151,629	23,104	37,176
Major equipment	63,008,826	2,224,929	65,233,755	34,100,217	31,133,538	34,695,210
Construction-in-progress	-	257,702	257,702	-	257,702	-
	<u>\$ 539,092,863</u>	<u>\$ 3,502,485</u>	<u>\$ 542,595,348</u>	<u>\$ 179,359,017</u>	<u>\$ 363,236,331</u>	<u>\$ 379,836,266</u>
Assets under capital leases:						
Land	2,300,000	-	2,300,000	-	2,300,000	2,300,000
Buildings	35,689,192	-	35,689,192	3,714,298	31,974,894	32,650,221
Total	<u>\$ 577,082,055</u>	<u>\$ 3,502,485</u>	<u>\$ 580,584,540</u>	<u>\$ 183,073,315</u>	<u>\$ 397,511,225</u>	<u>\$ 414,786,487</u>

Included in land and buildings are two specific assets donated to the University in 2009 and 2010 respectively (2009 – Dulemba Property: Land \$325,000; 2010 - Regent Theater: Land \$300,000 and Buildings \$1,550,000).

Amortization of assets under capital leases for the current year totaled \$675,327 (2015 - \$675,327).

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

4. CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
Bank of Montreal, credit facility	\$ 13,840,547	\$ 8,083,679
Bank of Montreal, cash balances	10,950,281	9,234,926
BMO Nesbitt Burns & RBC GICs	7,169,483	6,000,000
IBM, credit facility drawn	(10,000)	(10,000)
Royal Bank of Canada, cash balances	153,327	40,893
Harris Bank, cash balances	4,745	11,782
Other, balances	200,611	322,162
	<u>\$ 32,308,994</u>	<u>\$ 23,683,442</u>

The University has a credit facility agreement with a Canadian chartered bank, which provides for a revolving operating line of credit up to \$17,000,000, bearing interest at prime plus 0.25%. At March 31, 2016, the University utilized, on a cash consolidated basis, nil (2015 - nil) of the operating line of credit.

The University also had a credit facility agreement with IBM Global Financing, which provides for a revolving operating line of credit up to \$5,000,000 bearing interest at prime plus 0.25%. At March 31, 2016, the University utilized \$10,000 (2015 - \$10,000) of the operating line of credit.

In April 2015, the University transferred \$1,124,000 from the BNY portfolio and invested these in Guaranteed Investment Certificates ("GICs") with a maturity date of one year. These GICs will mature in April and May 2016 and therefore disclosed as cash and cash equivalents.

In October 2015, the University transferred \$6,000,000 from the high interest savings account at BMO Nesbitt Burns into 30-day cashable annual GICs at the same investment company.

5. SHORT-TERM INVESTMENTS

In September 2014, the University invested \$10,000,000 of surplus operating cash in GICs with a maturity date of one year. These GICs will mature October 2016.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$197,054 (2015 – \$210,878), relating to payroll related taxes.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

7. DEFERRED REVENUE

Deferred revenue represents revenues related to expenses of future periods. The balance comprised the following:

	<u>2016</u>	<u>2015</u>
Tuition	\$ 7,571,838	\$ 7,370,175
Research	5,089,911	5,436,549
Donations	3,498,594	2,611,544
Ancillary	3,011,325	4,081,616
Other	1,186,611	1,277,535
	<u>\$ 20,358,279</u>	<u>\$ 20,777,419</u>

8. OTHER LONG-TERM DEBT

The University has incurred debts in the amount of \$11,867,701 through third parties related to the financing of the debenture (offset by amounts held in trust, as disclosed in Note 2 and Note 10), lab equipment and leasehold improvements in our downtown locations. Other long-term debt comprised the following:

	<u>2016</u>	<u>2015</u>
Unsecured loan, bearing fixed interest rate at 2.77% per annum, repayable semi-annually, with final instalment due October 15, 2017	\$ 10,611,425	\$ 15,411,947
Other unsecured loans, payable monthly / quarterly over a period of 6 to 30 years and at interest rates ranging from 0% to 9.3%	1,256,276	1,609,731
	<u>\$ 11,867,701</u>	<u>\$ 17,021,678</u>

Total principal repayments in each of the next five years and thereafter for other long-term debt are as follows:

2017	\$ 5,477,658
2018	5,707,308
2019	132,672
2020	124,139
2021	124,398
Thereafter, through 2041	301,526
	<u>11,867,701</u>
Less: current portion	5,477,658
	<u>\$ 6,390,043</u>

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. OTHER LONG-TERM DEBT (continued)

The fair value of the other long-term debt is \$12,198,556 (2015 - \$17,508,413). Fair value has been calculated using the future cash flows of the actual outstanding debt instrument, discounted at current market rates available to the University.

9. OBLIGATIONS UNDER CAPITAL LEASES

The University entered into capital leasing arrangements on two properties in downtown Oshawa to accommodate the growth in student population. Capital lease repayments are due as follows:

2017	\$	3,664,911
2018		3,719,641
2019		3,746,878
2020		3,774,388
2021		3,861,463
Thereafter, through 2041		<u>73,370,618</u>
Total minimum lease payments		92,137,899
Less: amount representing interest at rates ranging from 6.50% to 9.30%		<u>53,047,573</u>
Present value of net minimum capital lease payments		39,090,326
Less: current portion of principal obligations		<u>417,565</u>
	\$	<u><u>38,672,761</u></u>

Interest of \$3,257,541 (2015 - \$3,244,297) relating to capital lease obligations has been included in interest expense. The total amount of assets under capital leases is \$37,989,192 (2015 - \$37,989,192) with related accumulated amortization of \$3,714,298 (2015 - \$3,038,971).

The fair value of the capital leases is \$42,689,920 (2015 - \$44,471,419). Fair value has been calculated using the future cash flows of the actual outstanding debt instrument, discounted at current market rates available to the University.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. LONG-TERM DEBENTURE DEBT

On October 8, 2004, the University issued Series A Debentures in the aggregate principal amount of \$220,000,000. These debentures bear interest at 6.351%, payable semi-annually on April 15 and October 15, with the principal due in 2034. The proceeds of the issuance were used to finance capital projects including the construction of three Academic Buildings, a Library and related infrastructure. These debentures are secured by all assets of the University and are guaranteed by Durham College.

The debt is funded through special one-time grants from the Ministry of Training, Colleges and Universities ("MTCU"), and by the University's operating funds.

On August 12, 2011, an agreement was signed between the University and MTCU whereby the Ministry shall pay the University \$13,500,000 each year in equal semi-annual payments of \$6,750,000 in April and October to fund the repayment of the debentures. The agreement took effect on April 1, 2011 and the grant will continue until the maturity of the debentures in October 2034.

Total principal and interest paid on the debenture to March 31, 2016 is \$181,511,064 (2015 - \$165,010,059), \$142,487,712 funded by MTCU and \$39,023,352 funded by the University.

The University has deposited a minimum of \$50,000,000, less the aggregate principal repaid to-date of \$39,388,575. The fair value of funds amounting to \$10,584,764 are held in trust on behalf of the University (Note 2).

As at March 31, 2016, \$217,431,043 (2015 - \$217,431,043) had been used to finance capital assets.

2017	\$	5,110,244
2018		5,439,949
2019		5,790,925
2020		6,164,546
2021		6,562,273
Thereafter, through 2034		151,543,488
Total minimum payments		180,611,425
Less: current portion		5,110,244
	\$	175,501,181

The fair value of the long-term debenture debt is \$225,834,255 (2015 - \$239,038,445). Fair value has been calculated using the future cash flows of the actual outstanding debt instrument, discounted at current market rates available to the University.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of grants and donations for the purchase of capital assets.

The changes in the balance consist of the following:

	<u>2016</u>	<u>2015</u>
Balance - beginning of year	\$ 170,092,845	\$ 178,068,679
Contributions	898,331	842,179
Recognized as revenue during the year	<u>(8,705,492)</u>	<u>(8,818,013)</u>
Balance - end of year	<u>\$ 162,285,684</u>	<u>\$ 170,092,845</u>

12. GRANT REVENUES

Grant revenues are split as follows:

	<u>2016</u>	<u>2015</u>
Operating	\$ 59,191,734	\$ 59,026,507
Externally funded research	9,172,477	9,228,110
Total grant revenues	<u>\$ 68,364,211</u>	<u>\$ 68,254,617</u>

13. PURCHASED SERVICE COSTS

Under a shared service agreement, the University purchases certain administrative services from Durham College. The cost of salaries, benefits and operating expenses purchased by the University are calculated based on a combination of individual percentage and actual cost by service area.

The ancillary operations are managed by Durham College and a portion of the net contribution is allocated to the University based on agreed metrics.

Amounts invoiced from Durham College for purchased services expense, including expense from ancillary operations, are recorded as expenses under "Purchased Services" in the consolidated financial statements. Revenues from ancillary operations are recorded as revenues and are included under "Revenues from purchased services" in the consolidated financial statements.

On March 11, 2015, the University and Durham College signed a Service Level Agreement ("SLA") covering Facilities and Ancillary, Information Technology Services and Student Services. This SLA outlines the guiding principles, work description documents to be adopted by both institutions and the methodology to determine administrative overhead costs.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

13. PURCHASED SERVICE COSTS (continued)

On February 19, 2016, the University and Durham College amended the SLA signed on March 11, 2015 only to the extent of a change in the monthly payment schedule to Durham College.

The balance owing to Durham College for purchased services costs, included in accounts payable and accrued liabilities, is non-interest bearing with no fixed terms of repayment, and will be paid during the next fiscal year.

14. INVESTED IN CAPITAL ASSETS

	<u>2016</u>	<u>2015</u>
Capital assets - net book value	\$ 397,511,225	\$ 414,786,489
Less amount financed by deferred capital contributions	(162,285,684)	(170,092,845)
Less amount financed by long-term debt (Notes 8, 9 and 10)	(220,229,249)	(225,289,511)
Total investment in capital assets	\$ 14,996,292	\$ 19,404,133

	<u>2016</u>	<u>2015</u>
Net change in investment in capital assets:		
Purchases of capital assets	\$ 9,349,915	\$ 13,500,641
Amounts funded by:		
Deferred capital contributions	(898,331)	(842,179)
Long-term debt	(268,462)	(362,884)
Repayment of long-term debt	4,894,123	4,961,159
	\$ 13,077,245	\$ 17,256,737

	<u>2016</u>	<u>2015</u>
Amortization of deferred capital contributions related to capital assets	\$ 8,705,492	\$ 8,818,013
Less amortization of capital assets	(26,190,578)	(26,744,598)
	\$ (17,485,086)	\$ (17,926,585)

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

15. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are funds restricted by the University and approved by the Board for future commitments for the appropriation of internally-funded research and for projects to improve and invest in the University's campus facilities, working capital and student aid. Re-purposing or increasing such restrictions is subject to Board approval.

Details of the internally restricted net assets are as follows:

	<u>2016</u>	<u>2015</u>
Balance comprised of the following:		
Research related activities	\$ 4,790,319	\$ 4,960,180
Capital related activities	21,545,491	17,600,871
Student awards	625,065	822,000
Working capital	6,000,000	5,000,000
Faculty carry-forwards	1,723,000	-
Other	1,608,643	1,429,806
	<u>\$ 36,292,518</u>	<u>\$ 29,812,857</u>

16. ENDOWMENTS

Endowment funds are restricted donations received by the University where the endowment principal is required to be maintained intact. The investment income generated from these endowments must be used in accordance with the various purposes established by donors. The University ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Investment income on endowments is deferred and recorded in the Consolidated Statement of Operations when the donors' conditions have been met and the related expenses are recognized.

Endowment funds include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund ("OSOTF") and the Ontario Trust for Student Support ("OTSS"). Under these programs, the government matches funds raised by the University. The purpose of these programs is to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend University. On January 5, 2012, the Minister of Education announced that the OTSS would be discontinued as of the end of Fiscal 2012 fundraising year. Consequently, there is no longer any matching for cash donations from the prior year or current year's pledges.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

16. ENDOWMENTS (continued)

The balance of endowments consists of the following:

	<u>2016</u>	<u>2015</u>
OSOTF (Note 17)	\$ 1,589,684	\$ 1,574,547
OTSS (Note 18)	12,874,662	12,352,945
Other	3,707,314	2,299,014
	<u>\$ 18,171,660</u>	<u>\$ 16,226,506</u>

17. ONTARIO STUDENT OPPORTUNITY TRUST FUNDS

The restricted endowment fund includes funds granted by the Government of Ontario for OSOTF. The investment revenue earned on those funds must be used for financial aid of Ontario students.

The University has recorded the following amounts under the program:

Schedule of Changes in Endowment Fund Balance

	<u>2016</u>	<u>2015</u>
Endowment fund balance, beginning of year	\$ 1,574,547	\$ 1,548,982
Preservation of capital	15,137	25,565
Endowment fund balance, end of year	<u>\$ 1,589,684</u>	<u>\$ 1,574,547</u>

Schedule of Changes in Expendable Funds Available for Awards

	<u>2016</u>	<u>2015</u>
Expendable balance, beginning of year	\$ 253,676	\$ 194,075
Realized investment income	101,525	100,166
Less: Preservation of capital	(15,137)	(25,565)
Bursaries awarded	(40,000)	(15,000)
Expendable balance, end of year	<u>\$ 300,064</u>	<u>\$ 253,676</u>

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

18. ONTARIO TRUST FOR STUDENT SUPPORT

The restricted endowment fund includes funds generated by the Government of Ontario for OTSS. The investment revenue earned on those funds must be used for financial aid of Ontario students.

The University has recorded the following amounts under the program:

	<u>2016</u>	<u>2015</u>
Unmatched cash donations	\$ 387,429	\$ 188,643
Total cash donations	<u>\$ 387,429</u>	<u>\$ 188,643</u>

Schedule of Changes in Endowment Fund Balance

	<u>2016</u>	<u>2015</u>
Endowment balance, beginning of year	\$ 12,352,945	\$ 11,895,778
Eligible cash donations	387,429	188,643
Preservation of capital	134,288	268,524
Endowment fund balance, end of year	<u>\$ 12,874,662</u>	<u>\$ 12,352,945</u>

**Schedule of Changes in Expendable Funds
Available for Awards**

	<u>2016</u>	<u>2015</u>
Expendable balance, beginning of year	\$ 827,652	\$ 517,326
Realized investment income	910,943	899,110
Less: Preservation of capital	(134,288)	(268,524)
Bursaries awarded	(316,840)	(320,260)
Expendable balance, end of year	<u>\$ 1,287,467</u>	<u>\$ 827,652</u>

In the current year, 226 bursaries valued at \$366,840 were disbursed from the total endowed funds (2015 – 224 bursaries valued at \$344,260).

19. PENSION PLAN

All employees of the University are members of a defined contribution pension plan. Employees must contribute a minimum of 3% of their earnings to this plan with the option at the employee's discretion, to increase these contributions to a total of 6% of contributory earnings. The University must contribute a minimum of 6% and may contribute a maximum of 8% of contributory earnings to this plan, depending on the employee's election of 2%. Contributions made by the University to the pension plan during the year were \$4,676,889 (2015 - \$4,337,461).

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

20. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

(a) Contingencies

The University has been named as the defendant in certain legal actions, in which damages have been sought. The outcome of these actions is not determinable as at March 31, 2016 and, accordingly, no provision has been made in these consolidated financial statements for any liability which may result.

(b) Contractual Commitments

Future minimum lease payments, exclusive of taxes and operating costs, for premises and equipment under operating leases at March 31, 2016 are as follows:

2017	\$	1,928,749
2018		1,715,992
2019		1,591,975
2020		1,591,975
2021		1,597,718
Thereafter		8,235,212
	\$	16,661,621

21. COMPARATIVE INFORMATION

Certain comparative information have been reclassified to conform to the presentation adopted in the current year.

University of Ontario Institute of Technology
Management Reporting - 2015-16 Operating Forecast Summary (in '000 s)
For the Year ending March 31, 2016

April 1, 2015 - March 31, 2016						
Annual Budget, excluding Carryforward	Carryforward/Internal Restrictions	Total Annual Budget	Forecast	Actual	Fav. (Unfav.) Variance of Actual to Forecast \$ / %	
Revenue						
Grants		76,872	76,300	76,134	(166)	0%
Donations		1,276	1,148	601	(547)	-48%
Tuition		73,096	70,974	71,383	409	1%
Student Ancillary		15,902	13,574	14,871	1,297	10%
Other - UOIT	-	9,886	10,988	10,624	(364)	-3%
Other - Purchased Services		4,231	3,546	3,724	179	5%
Total Revenue	\$ -	\$ 181,263	\$ 176,530	\$ 177,337	808	0%
Expenditures						
Academic/ACRU	752	65,796	61,711	61,695	16	0%
Academic Support	-	34,313	32,751	32,148	603	2%
Administrative	-	31,920	27,308	26,689	619	2%
Total UOIT Pure	\$ 752	\$ 132,029	\$ 121,770	\$ 120,532	\$ 1,238	1%
Purchased Services	-	13,913	14,020	13,750	270	2%
Total Ancillary/Commercial	-	9,375	8,996	8,397	599	7%
Total Other Expenses	-	11,560	11,560	11,561	(1)	0%
Total Operating Expenses	\$ 752	\$ 166,877	\$ 156,346	\$ 154,239	\$ 2,107	1%
Net Contribution from Operations	\$ (752)	\$ 14,386	\$ 20,184	\$ 23,099	\$ 2,915	14%

Note Disclosure:**Cash transactions re-classified to Balance Sheet**

Capital Expenses funded from Operations	8,418	-	8,418	7,389	7,387	2	0%
Capital Expenses funded from Internal Restriction	-	-	-	-	103	(103)	0%
Capital - Purchased Services	1,028	-	1,028	1,623	1,005	618	38%
Principal Repayments - debenture/leases	4,940	-	4,940	4,940	4,940	(0)	0%
Net Cash Inflow/(Outflow)	\$ 752	\$ (752)	\$ (0)	\$ 6,232	\$ 9,664	\$ 3,433	55%

Reconciliation to Y/E GAAP FS:

Net contribution from Operations	\$ 23,099
Items not budgeted:	
Externally funded research donations and revenues	\$ 9,658
Externally funded research expenses	\$ (9,213)
Non-cash transactions:	
Amortization of capital assets	\$ (26,191)
Amortization of deferred capital contributions	\$ 8,705
Unrealized loss on investments	\$ (1,385)
Vacation accrual	\$ (466)
Grants reclassified to balance sheet	
Capital Contributions	\$ (898)
Excess revenues over expenses - as per GAAP Financial Statements	\$ 3,308

University of Ontario Institute of Technology
Management Reporting - 2015-16 Operating Forecast Revenues (in '000 s)
For the Year ending March 31, 2016

April 1, 2015 - March 31, 2016					
	Total Annual Budget	Forecast	Actual	Fav. (Unfav.) Variance of Actual to Forecast \$ / %	
Grants					
Basic Operating Grant	50,343	49,071	48,475	(596)	-1%
CN Grant	4,752	4,728	4,885	157	3%
Debenture Grant	13,500	13,500	13,500	-	0%
Other Grants	8,277	9,001	9,274	273	3%
Total Grants	\$ 76,872	\$ 76,300	\$ 76,134	(166)	0%
Donations	1,276	1,148	601	(547)	-48% N1
Total Donations	\$ 1,276	\$ 1,148	\$ 601	(547)	-48%
Student Tuition Fees					
Tuition	70,008	67,737	68,225	488	1%
CN Tuition	3,088	3,237	3,158	(79)	-2%
Total Student Tuition Fees	\$ 73,096	\$ 70,974	\$ 71,383	409	1%
Student Ancillary					
Student Ancillary - UOIT	7,673	7,202	7,536	334	5% N2
Student Ancillary - TELE	8,229	6,372	7,335	963	15% N3
Total Student Ancillary	\$ 15,902	\$ 13,574	\$ 14,871	1,297	10%
Other Revenue - UOIT					
Daycare	711	710	658	(52)	-7%
ACE Commercial	3,828	3,948	3,668	(280)	-7% N4
Regent	226	295	325	30	10%
Campus Ice Centre/Campus Tennis Centre	1,512	1,541	1,584	43	3%
Other Revenue - UOIT	3,609	4,494	4,389	(105)	-2%
Total Other General Revenue	\$ 9,886	\$ 10,988	\$ 10,624	\$ (364)	-3%
Other Revenue - Purchased Services	4,231	3,546	3,724	179	5% N5
Total Operating Revenue	\$ 181,263	\$ 176,530	\$ 177,337	\$ 808	0%

Operating Revenues: Variance Explanations - Actuals to Forecast

- N1.** Donations relate to expendable donation revenues, excluding research donations. Donations are recognised as revenue in the year in which related expenses are incurred with any unspent donation revenues being deferred at year-end. Donation revenues are unfavourable \$547k and reflect unspent deferred donations which will be spent and recognised in fiscal year 2016-17.
- N2.** Student Ancillary - UOIT revenue should include ancillary fees unspent and deferred at the end of the year. Revenue is favourable \$334k as the year-end forecast included an error with respect to the year-end deferral amount.
- N3.** Student Ancillary - TELE revenue is favourable \$963k as the year-end forecast included an error of \$675k with respect to the year-end deferral coupled with additional revenue recognised to cover additional TELE expenses.
- N4.** ACE Commercial revenue is unfavourable \$280k due to cancelled testing for Large Climate Chamber and an anticipated contract for the Small Climate Chamber that fell through.
- N5.** Other Revenue - Purchased Services is favourable \$179k as the forecast from Durham College did not include the revenue from the "Pay & Display" meters.

University of Ontario Institute of Technology
Management Reporting - 2015-16 Operating Forecast Expenses (in '000 s)
For the Year ending March 31, 2016

April 1, 2015 - March 31, 2016						
Annual Budget, excluding Carryforward	Carryforward/Internal Restrictions	Total Annual Budget	Forecast	Actual	Fav. (Unfav.) Variance of Actual to Forecast \$ / %	
Faculty of ESNS		3,881	3,886	3,816	70	2%
Faculty of Business and IT		11,056	10,139	10,081	58	1%
Fac. of Social Science & Humanities	148	8,941	8,732	8,782	(50)	-1%
Faculty of Education		4,511	4,305	4,356	(51)	-1%
Faculty of Health Sciences	31	10,789	10,280	10,207	73	1%
Faculty of EAS	573	11,126	9,756	9,945	(189)	-2%
Faculty of Science		10,672	10,494	10,547	(53)	-1%
Graduate Studies		2,890	2,389	2,289	100	4%
Trent		821	620	476	144	23% N1
Internally Funded Research		1,109	1,110	1,197	(87)	-8%
Total Academic/ACRU		\$ 65,044	\$ 61,711	\$ 61,695	\$ 16	0%
Office of the Provost		3,451	2,180	2,074	106	5% N2
Research, Innovation & International		2,419	2,380	2,438	(58)	-2%
Office of the Associate Provost		1,946	1,803	1,797	6	0%
Registrar		7,195	7,484	7,642	(158)	-2%
Tuition Set Aside		5,514	5,650	4,851	799	14% N3
Student Life		6,149	5,992	6,028	(36)	-1%
Library		4,462	4,457	4,395	62	1%
IT - TELE		3,177	2,805	2,923	(118)	-4%
Total Academic Support		\$ 34,313	\$ 32,751	\$ 32,148	\$ 603	2%
University Secretariat and General Counsel		1,179	1,582	1,327	255	16% N4
President		968	1,022	926	96	9%
Finance		3,554	3,407	3,305	102	3%
Central Operations		5,154	5,154	431	12	3%
OCIS/Leased Space		10,309	10,012	9,872	140	1%
IT (excluding TELE)		2,837	2,844	2,770	74	3%
External Relations		1,287	1,309	1,259	50	4%
Communication & Marketing		1,935	1,932	1,927	5	0%
Advancement		1,845	1,888	1,892	(4)	0%
Human Resources		2,393	2,418	2,527	(109)	-5% N5
ACE - Academic		459	451	452	(1)	0%
Total Administrative		\$ 31,920	\$ 27,308	\$ 26,689	\$ 619	2%
Student Services		892	931	930	1	0%
IT		6,032	5,714	5,608	106	2%
Facilities		6,989	7,375	7,212	163	2%
Total Purchased Services		\$ 13,913	\$ 14,020	\$ 13,750	\$ 270	2% N6
UOIT Ancillary - Parking, Bookstore		3,157	2,685	2,042	643	24% N7
Campus Ice /Campus Tennis Centre		1,593	1,588	1,646	(58)	-4%
Daycare		710	684	730	(46)	-7%
ACE Commercial		3,610	3,676	3,604	72	2%
Regent		305	363	375	(12)	-3%
Total Ancillary / Commercial Expenses		\$ 9,375	\$ 8,996	\$ 8,397	\$ 599	7%
Debenture		11,560	11,560	11,561	(1)	0%
Total Other Expenses		\$ 11,560	\$ 11,560	\$ 11,561	\$ (1)	0%
Total Operating Expenses		\$ 166,125	\$ 156,346	\$ 154,239	\$ 2,107	1%

Note Disclosure:**Cash transactions**

Capital Expenses funded from Operations	8,418	-	8,418	7,389	7,387	2	0%
Capital Expenses funded from Internal Restriction		-	-	-	103	(103)	0%
Capital - Purchased Services	1,028	-	1,028	1,623	1,005	618	38% N8
Principal Repayments - debenture/leases	4,940	-	4,940	4,940	4,940	(0)	0%

University of Ontario Institute of Technology
Management Reporting - 2015-16 Operating Forecast Expenses (in '000 s)
For the Year ending March 31, 2016

Variance Explanations - Actual to Forecast

- N1** Trent budget relates to the net payment to Trent University for UOIT students taking Trent courses. Trent is favourable \$144k as the forecast for UOIT students taking Trent courses is 47 FTE lower than forecast.
- N2** Provost is favourable \$106k due to unused "Universtity Priority Funds".
- N3** TSA is favourable \$799k as the forecast included an amount that will only be spent after the fiscal year-end for the summer 2016 work study program.
- N4** University Secretariat and General Counsel is favourable \$255k due to lower actual legal costs for labour relations arbitrations.
- N5** Human Resources is unfavourable to forecast \$109k and includes \$358k unplanned restructuring costs offset by \$107k savings due to the delay in implementing the new job evaluation and \$142k savings in other general expenses.
- N6** Purchased Services is favourable \$270k to forecast and includes \$163k lower than anticipated utilities, and \$106k lower than forecast IT contract consulting and software supplies.
- N7** UOIT Ancillary - Parking, Bookstore is favourable as the forecast did not include \$643k of bookstore credit notes that were utilized in Q4 and offset against Q3 fall purchases.
- N8** Capital Expenses - Purchased Services is favourable \$628k as the forecast includes \$471k duplication for Banner consulting fees and \$157k unspent on other capital projects.



BOARD REPORT

Action Required:

Public:
Non-Public:

Discussion
Decision

TO: Board of Governors

DATE: June 29, 2016

FROM: Audit & Finance Committee

SUBJECT: University Risk Management Report

A. Purpose

The purpose of this Report is to provide the Board of Governors with the first University Risk Management Report for review and acceptance by the Board of Governors. This Report is intended to meet the Board’s request for an annual report relating to risk management activities and progress against risk management goals and objectives.

B. Background/Context

The Board has delegated responsibility for oversight of risk management and compliance to the Audit and Finance Committee. Within the Terms of Reference of the Audit and Finance Committee the following requirements are noted:

Reviewing and approving the risk management process at the university ensures that the appropriate processes are in place to determine management’s risk parameters and risk appetite; and

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; and

Receive 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; and

Reporting up to the full Board.

C. Discussion and Rationale

In 2015-16, the Audit and Finance Committee of the Board received regular reports on the progress of University Risk Management. At its meeting of June 20, 2016, the Committee received, reviewed and commented on the draft of the first University Risk Management Report. These comments focused on clarifying aspects of the Report and those comments are reflected in the attached Final Report.

The Audit & Finance Committee was pleased with the quantity and quality of the risk work performed in the past year and commended the President for this work noting its importance.

With respect to process, the Audit & Finance Committee noted that the list and description of risks (both Strategic and Non-Strategic (operational, financial, reputational and compliance)) are draft lists and are works in progress. They further noted that it is the intention to finalize a University Risk Register in the coming year. Through the finalization process, the senior team will synthesize and clarify risks and will also engage in a discussion of the appropriate calibration of the risks as Extreme, High, Medium or Low. The current categorization of the draft list of risks is not, therefore, to be taken as final.

The Committee notes that acceptance of a report by a governing body or committee indicates endorsement of the report as well as an agreement that the body or committee assumes responsibility in respect of the report. The Committee accepts the 2016 University Risk Management Report as a report on the very good progress made by the University in advancing the development of a risk management culture this past year, and undertakes on behalf of the Board to monitor the University's progress against the stated goals in 2016-2017. On this basis, the Committee makes the request below:

D. Request

The Committee requests that the Board of Governors approve the following motion:

Upon motion duly made by Adele Imrie and seconded by [x], the Board of Governors accepts the University Risk Management Report, dated June 29, 2016, and further requests that this Report be made annually through the Audit & Finance Committee to the Board of Governors.



UNIVERSITY RISK MANAGEMENT REPORT

June 29, 2016

Prepared by:
Cheryl A. Foy, Chief Risk Officer
Elaine Wannamaker, Director of Risk Management
With Editing and Commentary from the Risk Management Committee

2016 UNIVERSITY RISK MANAGEMENT REPORT

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2016 UNIVERSITY RISK MANAGEMENT REPORT

1. INTRODUCTION

Recognizing that “good risk management is good governance”¹, the UOIT Board has asked the President to develop and implement a University Risk Management (URM) program at UOIT. The President has assigned this responsibility to the University Secretary and General Counsel.

The long-term goal for risk management is that UOIT develop a culture of risk ownership. The UOIT **Risk Management Policy** (Appendix A) states:

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

To UOIT, having a culture of risk ownership means that:

- i) Strategic and operational decisions are made with full awareness of the risks relevant to those decisions;
- ii) All members of the UOIT community are aware of the organization’s emphasis on URM and incorporate a proactive approach and awareness to managing risk in their individual roles².

As at June, 2016, UOIT has engaged in a number of activities designed to lay the foundation for the development of a culture of risk ownership.

PART I – PROCESS AND STATUS**2. THE BOARD’S ROLE IN SUSTAINING UNIVERSITY RISK MANAGEMENT**

The Association of Governing Boards, in partnership with United Educators, recommends six (6) practices to ensure an effective URM process³:

1. **Make Risk Management an Institutional Priority:** UOIT has made URM a priority since 2014.

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

¹ Risk Management; An Accountability Guide for University and College Boards, p. 3

² UOIT Risk Management Policy, section 7, “Statements of Principle”.

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

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- 2. Ensure that Leadership of URM is clear and real:** The UOIT President is assigned the task of leading URM. He has created the role of Chief Risk Officer and has assigned that role.

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

- 3. Engage the Governing Board in Risk Monitoring:** The Board's job is to ensure that there is a URM process, and to understand the top risks.

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

- 4. Discuss Institutional Risks Frequently and Regularly:** URM should not be seen as a project but rather as an organizational process used to ensure that the Board and senior leaders review and assess risks that are likely to take the institution off course.

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

- 5. Share Information to Meet Objectives:** To manage an institution's risks, the Board members must understand the institution and its goals and priorities as well as the risks which may interfere with the institution's success.

Measure: UOIT should continue to engage in ongoing orientation and board training sessions including information about risks to the institution.

- 6. Evaluate the Institution's Work on Institutional Risks:** URM should undergo an annual evaluation.

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

The remainder of this Report is intended to allow the Board to assess UOIT's progress in University Risk Management.

2016 UNIVERSITY RISK MANAGEMENT REPORT

3. 2015 – 2016 ACCOMPLISHMENTS

In the past year, UOIT has dedicated time and resources to lay the foundation for University Risk Management in the following ways:

Roles and Responsibilities: UOIT has clarified the roles and responsibilities of the Board, Senior Leadership Team (SLT), and the Risk Team (Risk Governance: Roles and Responsibilities Appendix B).

Framing by Senior Leadership: Senior academic and administrative leaders were consulted first with a view to encouraging senior leadership to consider and shape the approach to the program and the University's thinking about risk. These early discussions led to the identification of key areas of strategic risk within the organization (Nine Key Areas of Risk Identified by Senior Leaders, May 2014, Appendix C) and facilitated the expansion of UOIT's discussion about risk to include all levels of the organization.

Risk Management Committee⁴: A Risk Management Committee was struck to oversee the successful integration and execution of URM with direct reporting to the Board of Governors. The members of the Committee were chosen based on their skill set and functional knowledge of the university. Terms of Reference were developed (Appendix D). To support the Committee, an internal web site was launched. The Risk Management Committee reviewed each departmental/faculty Risk Register providing input and recommendations.



⁴ **Back Row Left to Right:** Jocelyn Churchill, Human Resources; Alison Bauk, Finance; Karen Young, Office of Campus Infrastructure and Sustainability; L'naya Russell, Faculty of Science; Jennifer Freeman, Office of Research Services; Tanya Neretljak, Biosafety and Radiation Safety; Scott Clerk, International Office; Matthew Mackenzie, Government Relations
Front Row: Cheryl Foy, Chief Risk Officer; Elaine Wannamaker, Risk Management **Absent:** Shahid Alvi, Faculty of Social Science and Humanities; Paul Bignell, Information Technology; Stephen Thickett, Student Life

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Risk Management Tools: A Risk Analysis Guideline and supporting Tools were developed and approved by the Committee to implement the framework (Appendix E). The Tool used to develop the Risk Register required a description of the risk, the existing controls to manage the risk, the causes of the risk, a measure of Likelihood of the risk occurring (on a scale of 1-5) and a measure the Consequence if it did occur (on a scale of 1-5), resulting in the Calculated Risk Level (Calculated Risk = Likelihood x Consequence). The Calculated Risk Level in turn determined the hierarchy of risks: Extreme, High, Medium and Low (See Appendix G – Glossary). Last, and most importantly, a ‘New Risk Treatment Mitigation Strategy’ was required along with identification of the person(s) responsible for such mitigation thus providing accountability for each risk. If an area or unit identified a risk, the area or unit was encouraged to identify the area/unit’s role in managing the risk, where applicable.

University-Wide Engagement: On June 1, 2015 a Work Plan was approved and the kick-off of the corporate wide implementation began. Each Vice President/Dean or Functional Leader within each department/faculty was involved and given the opportunity to determine who would participate from his/her area in the Risk Analysis Sessions. Over 100 employees participated in the discussions.

Draft University Risk Register: There were twenty-four (24) individual risk registers developed. The amalgamated draft University Risk Register identifies over two hundred and fifty (250) risks for consideration by the UOIT senior leadership.

Risk Categorization: As described more fully below, five (5) categories of risk and twenty-one (21) drivers were determined /identified (Appendix F).

Regular Communication to the Community: Throughout the process of the URM implementation updates were provided to the Audit and Finance Committee, Board of Governors, Provost’s Advisory Committee on Integrated Planning, Academic Council, Academic Leadership Team and the Senior Leadership Team.

PART II – IN PROCESS – DEFINING AND DESCRIBING RISK AT UOIT

4. THE IDENTIFICATION OF RISK DOMAINS AND DRIVERS



As the draft risk registers were completed, we started to engage in the task of organizing the information to make it useable. With reference to benchmarks, we organized the risks into five domains. We adopted the risk domains recommended by the National Association of Colleges and University Business Officers: **Strategic, Operational, Financial, Reputational and Compliance.** (See Appendix F for more information).

Risk Domains – How we organize risk



5. PRELIMINARY OVERVIEW OF UOIT RISKS (DRAFT)

We also reviewed each risk on the draft registers to identify an underlying driver to see what themes emerged from the information. When Boards and senior leaders understand what is driving the risks they make better-informed decisions and understand how the risks may affect their plans or decisions. In each of the domains, we determined the following preliminary list of risks and risk drivers:

a. Operational Domain (165 draft risks)

The draft risk registers identify thirty-two High Risks and one hundred and thirty-three Medium Risks⁵.

High-level description: Risks within this domain can include risks related to the failure of UOIT to:

- attract and/or retain employees;
- properly manage space;
- provide adequate administrative services or academic offerings;
- get the academic program mix right thereby reducing competitiveness;
- provide a positive student experience;
- maintain real property;
- raise sufficient funds thereby creating an inability to provide competitive support packages for students and limited opportunity for capital investment;
- avoid or address physical hazards resulting in business interruption, injury and/or property damage.

Risk Drivers Underlying Operational Risks: The following is a list of risk drivers underpinning the risks within the Operational domain:

- Insufficient resources (34)⁶
- Human Resources management (27)
- Failure or lack of process (23)
- Existence of physical hazards (21)
- Insufficient or inadequate space for teaching and research (16)
- Competition and decreasing university aged population (16)
- Need to maintain and/or replace assets and equipment (13)
- Resource delivery (9)

⁵ As it stands now, the categorization reflects a unit perspective on the severity of risk and not a university perspective. Note that as the senior team finalizes the Risk Registers, there will be a discussion of and calibration on the categorization of risk as “Extreme”, “High”, “Medium” or “Low”, such that the final level of severity will reflect a broader perspective on the severity of each risk.

⁶ The number in brackets after each driver represents the value of the risks listed under this driver. Extreme and high risks were assigned 2 points and medium risks 1 point.

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- Contracting and related processes (8)
- Misaligned resources (7)
- Student behavior and community (6)
- Centralized responsibility or decentralized and segregated operations (4)
- Technological developments (3)
- Research and intellectual property (3)
- Reliance on Government funding and support (3)
- UOIT running non-core operations (2)
- Employee error (2)
- Evolving standards and expectations related to academic credentials and quality (2)
- Increased regulatory scrutiny and accountability (1)
- Increasing litigious environment (1)

b. Financial Domain (36 risks)

The draft risk registers identify two Extreme Risks, twelve High Risks and twenty-two Medium Risks⁷.

High-level description: Risks within this domain can include the failure of UOIT to:

- raise sufficient funds thereby creating the inability to provide competitive support packages for students and limiting the opportunity for capital investment;
- raise sufficient revenue from tuition resulting in reductions in administrative services or academic offerings;
- raise sufficient research revenue that will adversely affect faculty and student experience;
- maintain and update technology resources with adverse effects on students and employees;
- provide a positive student experience;
- maximize business opportunities.

Risk Drivers Underlying Financial Risks: The following is a list of risk drivers underpinning the risks within the Financial domain:

- Competition and decreasing university aged population (16)
- Reliance on Government funding (policy changes and macroeconomic pressures) (9)
- Lack of senior alignment around strategic priorities and weak brand (4)
- Contracting and related processes (3)
- Centralized responsibility or decentralized and segregated operations (2)

⁷ As it stands now, the categorization reflects a unit perspective on the severity of risk and not a university perspective. Note that as the senior team finalizes the Risk Registers, there will be a discussion of and calibration on the categorization of risk as “Extreme”, “High”, “Medium” or “Low”, such that the final level of severity will reflect a broader perspective on the severity of each risk.

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- Insufficient resources (3)
- Research and intellectual property (3)
- UOIT running non-core operations (3)
- Existence of physical hazards (2)
- Insufficient or inadequate space for teaching and research (2)
- Employee error (1)
- Need to maintain and/or replace assets and equipment (1)
- Technological developments (1)

c. Reputational Domain (12 risks)

The draft risk registers identify two High Risks and ten Medium Risks⁸.

High-level description: Risks within this domain can include the failure of UOIT to:

- coordinate and manage institutional relationships;
- fulfil its promises, thereby creating a gap between what is promised and what is delivered to students;
- manage and develop community relationships;
- ensure appropriate contract terms and/or comply with contractual obligations;
- mitigate the risk of students or their associations behaving badly thereby causing damage to each other, employees, and/or property, as well as reputation;
- properly manage brand such that UOIT issues may be reported negatively and affect reputation as well as relationships with donors and partners;
- support robust, effective and well governed student associations;
- maintain IT system security resulting in business interruption, financial and reputational costs, and;
- properly manage or address ancillary business operations thereby draining resources from core and strategic operations.

Risk Drivers Underlying Reputational Risks: The following is a list of risk drivers underpinning the risks within the Reputational domain:

- Student behaviors and community (4)
- Increasingly litigious environment (2)
- Failure or lack of process (2)
- Technological developments (2)

⁸ As it stands now, the categorization reflects a unit perspective on the severity of risk and not a university perspective. Note that as the senior team finalizes the Risk Registers, there will be a discussion of and calibration on the categorization of risk as “Extreme”, “High”, “Medium” or “Low”, such that the final level of severity will reflect a broader perspective on the severity of each risk.

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- Insufficient resources (1)
- UOIT running non-core operations (1)
- Centralized responsibility or decentralized and segregated operations (1)
- Contracting and related processes (1)

d. Compliance Domain (40 Risks)

The draft risk registers identify ten High Risks and thirty Medium Risks⁹.

High-level description: Risks within this domain can include the failure to:

- ensure appropriate contract terms and/or comply with contractual obligations;
- comply with legal requirements resulting in legal breaches and fines;
- ensure academic quality leading to non-compliance, loss of accreditation or other academic quality issues as well as legal liability;
- provide an environment that supports academic quality;
- ensure the safety and security of faculty, staff and students resulting in injury;
- ensure academic integrity adversely affecting student experience and UOIT reputation;
- ensure policy processes are effective, thereby adversely affecting decision-making and efficiency;
- keep up with changing requirements could lead to decline in student enrollment and satisfaction.

Risk Drivers Underlying Compliance Risks: The following is a list of risk drivers underpinning the risks within the Compliance domain:

- Increased regulatory scrutiny and accountability (27)
- Failure or lack of process (10)
- Contracting and related processes (6)
- Evolving standards and expectations related to academic credentials and quality (3)
- Existence of physical hazards (2)
- Human resources management (1)
- Insufficient resources (1)

⁹ As it stands now, the categorization reflects a unit perspective on the severity of risk and not a university perspective. Note that as the senior team finalizes the Risk Registers, there will be a discussion of and calibration on the categorization of risk as “Extreme”, “High”, “Medium” or “Low”, such that the final level of severity will reflect a broader perspective on the severity of each risk.

6. UOIT'S CLARIFICATION OF RISK FOCUS FOR OPERATIONAL, FINANCIAL, REPUTATIONAL AND COMPLIANCE RISKS

During the risk-gathering phase of the risk management program, UOIT broadly defined risk to include any impediment to the achievement of institutional objectives. SLT agreed that as we move over the next year from risk identification to risk management, we need to identify the risk management focus within the operational, financial, reputational, and compliance domains. After reviewing the draft Risk Register, SLT agreed that the UOIT risk focus includes those risks adversely affecting:

1. student experience;
2. academic quality;
3. faculty and staff;
4. physical hazards and safety;
5. crisis response;
6. business continuity, and;
7. legal liability.

7. LAYING THE FOUNDATION FOR IDENTIFICATION OF STRATEGIC RISKS

a. Process

SLT is engaged in an ongoing discussion to identify strategic risks. Strategic risks are being identified by reference to the following:

1. The 2016 amended Strategic Plan priorities (still under development);
2. The UOIT Draft Risk Register and identified Risk Drivers;
3. The initial list of strategic risks identified by UOIT senior academic and administrative leadership (Appendix C – Nine Key Areas of Risk Identified by Senior Leaders, May 2014);
4. An amalgamated list of strategic risks identified by Canadian and US universities¹⁰.

b. Draft List of Strategic Risks

The following is a draft amalgamated list of strategic risks identified by SLT for discussion, prioritization, and finalization with the Board of Governors in 2016-2017:

- Uncertainty of funding due to changing government policy.
- Ability to shape culture is constrained and limited by increasing levels of government regulation and direction.

¹⁰ See "Risk in Canada's Higher Education Landscape, February 2011, by Marsh & McLennan, pp. 4 to 7 and "Developing a Strategy to Manage Enterprisewide Risk in Higher Education' National Association of College and University Business Officers, 2000, pp 1 to 23

2016 UNIVERSITY RISK MANAGEMENT REPORT

- Leadership Culture - failure to create the right culture to support excellence in student services, teaching and research, employee performance (role clarity, policies and processes, priorities and communication).
- Increased competition for students.
- Space and physical resources– adequacy and sufficiency.
- Competition for qualified faculty and staff.
- Academic Quality – teaching and research.
- Human Capacity – resourcing.
- Brand/positioning – failure to build or maintain reputation (includes maintenance and the building of relationships with various stakeholders and community partners).

c. Additional Foundational Risks

Based on the information gathered and SLT comments, we suggest that in addition to the nine strategic risks, the following major foundational risks be the subject of Board reports for the 2016-17:

- Major Disruption to Operations - crisis response and business continuity (includes information technology and physical hazards), and;
- Compliance and Controls – increased regulatory accountability and scrutiny, contracting and related processes and increasing litigation.

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PART III – GOING FORWARD**8. 2016 – 2017 GOALS AND OBJECTIVES**

Success in embedding URM into a higher education culture is evidenced by the integration into all strategic and planning processes. Integrated URM will foster the desired risk-informed culture across the university. Clearly defined structure defines accountability and is critical to the success of the implementation. In order to have clearly defined structure, there needs to be clearly defined responsibilities. In 2016 – 2017, we will undertake the activities described below and report on them to the Board:

Office of Risk Management (Chief Risk Officer and Director of Risk Management)
Work with the functional areas to finalize the Risk Registers in support of a Final UOIT Risk Register for Board approval June, 2017
Education and Training: 1) Revamp Risk Management Website; 2) Facilitate risk management training sessions on incorporating risk assessment into project and goal planning
Support SLT and Board to finalize list of strategic risks
Facilitate preparation of 2016-17 Annual Risk Report to Board and A&F

Senior Leadership Team
Set the Tone at the Top – Demonstrate support for the implementation of URM
Oversee the completion of Risk Registers
Engage in discussion of Strategic Risks and Strategic Risk Management in order to finalize the Strategic Risk Plan for discussion with the Board
Report to Board on Strategic and Top Operational Risks

Risk Management Committee
Support completion of Final University Risk Register
Conduct regular meetings to discuss risk and risk management – focus on the development of metrics and integration best practices

9. CONCLUSION

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

Appendix A – Risk Management Policy



Item	6. 16
Approving Authority	Board of Governors
Policy Owner	University Secretary
Approval Date	June 18, 2014
Review Date	June 2017
Supersedes	

RISK MANAGEMENT POLICY

PURPOSE AND OBJECTIVES

- PURPOSE:** The purpose of this policy is to establish the foundation for an Enterprise Risk Management (“ERM”) program which ensures that risk management is an integral part of UOIT’s core strategy and integrated into all key activities and/or functions. The ERM program establishes a risk management framework which will provide a proactive and consistent approach to ensuring that risk is considered when decisions are made at all levels of the organization and, in turn, assists UOIT to operate within its capacity and willingness to take risk. The ERM program further establishes a commitment to raise awareness surrounding risk management and provide guidance to all levels of the University.

OBJECTIVES: The overall objectives of the Risk Management Policy are to:

- Formalize a consistent approach to identifying, assessing, measuring, managing communicating and mitigating risks to UOIT’s strategic plan and priorities and to UOIT’s operations in an effort to reduce uncertainty
- Assist UOIT to make better informed decisions and promote accountability for risk management with stakeholders and staff at all levels

DEFINITIONS

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

“Enterprise Risk Management (“ERM”)” means a consistent, coordinated, integrated approach to identify, assess, measure, manage, communicate and mitigate significant and material risks to UOIT achieving its strategic objectives

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

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

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

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SCOPE AND AUTHORITY**3. Scope**

This policy and the associated documents will describe the specific responsibilities for those groups and individuals expected to support the implementation and maintenance of the ERM program. In addition, all members of the UOIT community are expected to support the management of risk and the success of the ERM program at UOIT.

4. Risk Framework

Effective risk management across the institution will result in increased stability, safety and security and prosperity for key stakeholders (faculty, staff, students etc.). This policy and the associated documents create the risk management framework developed specifically to fit the governance structure and culture of UOIT. The framework is aligned with the strategic priorities of the University and incorporates leading practices, tailored to UOIT's needs and culture.

The framework is intended to support UOIT in identifying, assessing, measuring, managing, reporting and mitigating significant and material risks. The ultimate goal of the framework is to assist UOIT in achieving its strategic priorities and operational objectives through better management and understanding of risk.

The framework provides:

- Formalized process and approach to executing ERM
- Clearly defined accountabilities for execution of ERM
- Improved risk management communication
- Consistency in risk management

5. Risk Governance Structure

Oversight: The responsibility to oversee UOIT's ERM program resides with the Board of Governors of UOIT. The Finance and Audit Committee is delegated to carry out this oversight responsibility on the part of the Board and to report annually to the Board on the status of the ERM.

Direction: The President and Vice-chancellor of the University is responsible to provide direction to ensure UOIT's strategic priorities remain the ultimate focus of key stakeholders.

Risk Parameters: The Risk Appetite will be determined by the President and Vice-chancellor of the UOIT along with the Senior Leadership Team (SLT) and ultimately approved by the Board of Governors. The Risk Appetite will be reviewed no less than once annually.

Risk Owners:

CHIEF RISK OFFICER: UOIT shall designate a member of the SLT to serve as Chief Risk Officer. The Chief Risk Officer shall, among the members of the SLT, have responsibility

2016 UNIVERSITY RISK REPORT

for the coordination of SLT's risk management activities. The Chief Risk Officer shall act as primary advisor on risk to the Board of Governors and to the President and Vice Chancellor. The Chief Risk Officer shall serve as Chair of the University's Risk Management Committee and shall have accountability for that Committee's work.

SENIOR LEADERSHIP TEAM ("SLT"): SLT as a group is responsible for the management of all institutional and operational risks, the overall success of ERM, and the integration of ERM program into the core operational and strategic decision framework of the University. Individual members of the SLT will act as the primary owners of risks and risk management at UOIT. Each SLT member will delegate responsibility for risk management to functional leaders within that SLT member's area of responsibility.

PROVOST'S ADVISORY COMMITTEE ON INTEGRATED PLANNING ("PACIP"): PACIP will act in an advisory role in respect of various aspects of the ERM program. PACIP will work to ensure that the ERM program is integrated into the planning work of UOIT.

6) Risk Management Committee

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

7) STATEMENTS OF PRINCIPLE:

UOIT adopts the following statements of principle for application in the implementation of this policy:

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

To UOIT, having a culture of risk ownership means that:

- Strategic and operational decisions are made with full awareness of the risks relevant to those decisions;
- All members of the UOIT community are aware of the organization's emphasis on ERM and incorporate a proactive approach and awareness to managing risk in their individual roles.

- b) **Communication:** A key principle of a successful ERM program is regular communication. The Board and Senior Leadership Team are committed to developing a communication plan to ensure that those who require information to support the ERM

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program receive it. UOIT's risk management policy, goals and objectives will be made available to all employees and it will be expected that each employee reads and understands the risk management philosophy and outlined framework.

- c) **No Reprisal:** The University will not discharge, discipline, demote, suspend, threaten or in any manner discriminate against any officer or employee based on any good faith and lawful actions of such employee to responsibly and carefully report risk issues using the channels provided by the University.
- d) UOIT is committed to academic freedom.

RELEVANT LEGISLATION

- 8. This section intentionally left blank.

RELATED POLICIES, PROCEDURES AND DOCUMENTS

- 9. Risk Management Committee Terms of Reference (TBD)
Governance and Process Figures (TBD)
Risk Management Procedures (TBD)
Annual Reporting Checklist (TBD)
Such other documents as may be added by the Risk Management Committee

APPENDIX B – Risk Governance: Roles and Responsibilities**Board and Senior Leadership Team:****1. Board of Governors –** The Board has the following responsibilities:

- Support the development of a culture that expressly considers and manages risk in a systematic way
- Ensuring non-strategic and non-foundational risks are being managed through oversight on process. Questions they will ask:
 - Is there a process for identifying and managing risk?
 - Is there an owner for that process?
 - Are there clearly assigned roles in the process?
 - Is there a systematic collection of the information coming out of the process for identifying and managing?
 - Is there sufficient reporting to the Board?
- Ensuring strategic and foundational risks are properly identified and managed:
 - Board has a role in discussing the list of strategic risks and key operational risks on a regular basis
 - Plans for management and mitigation of strategic and key operational risks are discussed with the Board

2. Senior Leadership Team – SLT has the following responsibilities:

- Overseeing and supporting the process for identification and management of risks in the operational, financial, reputational and compliance domains;
- Approving the annual rolled up risk register (first UOIT Risk Register approval will be June 2017);
- Identifying the list of strategic risks and keeping it updated as well as developing plans for management and mitigation of strategic risks;
- Engage in annual discussions with the Board to report on strategic and key operational risks and their management and mitigation;
- Support the development of a culture that expressly considers and provides for the management of risks in project planning and goal setting.

3. Risk Team – The Risk Team is comprised of the Chief Risk Officer (currently the General Counsel), the Director of Risk Management, and the Risk Management Committee. Their respective roles are summarized as follows:

- **Chief Risk Officer** – President’s delegate to oversee and advocate for an effective risk management process.
- **Director of Risk** – Responsible for risk management planning and implementation. Provides assistance and support to VPs and functional areas to assist them in managing risk and the risk process.
- **Risk Management Committee** – Advisory board to support the Board, SLT and the Director of Risk Management, and to advocate for risk management across the university. See Appendix C.

4. Other Individuals with key responsibilities:

- **President:** Accountable to the Board for the identification and management of risk. Chief proponent of robust risk management process within the University. Leader in identifying and developing plans for the management of strategic and foundational risk. Responsible for assigning responsibility for integrating risk management into strategic planning process.
- **VP’s:** Accountable to the President to identify and manage risk within their areas. Support the President in the identification of strategic and foundational risks and planning for the mitigation of these risks. Responsible to assign responsibility for and to oversee the management and mitigation of risk. Responsible for follow up and reporting on risk on an annual basis.
- **Functional leaders and managers:** Responsible for managing and reporting on assigned risk to their supervisors. Responsible for identifying new risks as they emerge and reporting them up.

APPENDIX C – Nine Key Areas of Risk Identified by Senior Leaders, May 2014

Strategic Risks
 UOIT key stakeholders identified 9 key areas of strategic risk



The risk issues have been identified by UOIT's Senior Leadership Team and Senior Academic Team through one-on-one interviews

Confidential

APPENDIX D – Risk Management Committee, Terms of Reference**TERMS OF REFERENCE – RISK MANAGEMENT COMMITTEE****1. Purpose**

The purpose of the Risk Management Committee is to oversee the successful integration and execution of the University Risk Management ('URM') framework. Operational implementation and maintenance of the URM program will be conducted with oversight and guidance from the Senior Leadership Team ("SLT"). The Committee has direct reporting into the Audit and Finance Committee of the Board of Governors (reference, Risk Management Policy 6.16, June 18, 2014).

2. Definitions

For the purpose of this Terms of Reference document the following definitions apply;

"Chief Risk Officer" means a designated member by SLT to serve as Chief Risk Officer ("CRO").

"University Risk Management ("URM")" means a consistent, coordinated, integrated approach to identify, assess, measure, manage, communicate and mitigate significant and material risks to UOIT achieving its strategic objectives.

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

"Risk Assessment" means a formalized, systematic ranking and prioritizing of identified risks using an impact/likelihood framework.

3. Terms of Reference

The Committee will, under the direction of the Chief Risk Officer, provide oversight and direction for the implementation and consistent application of the URM framework including;

- Providing recommendations and reports to the Senior Leadership Team (SLT) and Board of Governors, through the Audit and Finance Committee, on significant risks affecting the University and on risk management initiatives;
- Enabling successful integration and execution of the URM framework;
- Championing risk management as well as managing and monitoring the University's exposure to risk;
- Facilitating the risk identification process and review the ERM approach and framework periodically, updating the risk management policy and procedure where necessary;
- Conducting regular meetings to discuss risk and risk management as well as evaluate recent risks and review lessons learned.

4. Responsibilities

The Committee holds responsibility for the successful integration and execution of the URM framework. Operational implementation and maintenance of the URM program will be conducted

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with oversight and guidance from SLT. The Committee will also be responsible for facilitating the risk identification and assessment process at the SLT and Functional Leadership levels, consolidating that information and finalizing the institutional risk profile for the Board. This Committee will be a skills-based committee comprised of individuals who are best able to assist the University in fulfilling its ERM objectives.

The Chief Risk Officer or his/her designate is the Chair of the Committee.

1. Quorum and Decisions

Quorum requires that half of the members entitled to vote are present and a decision shall be determined by a majority of votes. All votes at any such meeting shall be taken in the usual way by assent or dissent. In the event of a tie vote, the Chair will vote to break the tie.

The Committee will strive to achieve consensus on its decisions. In the event that the Chair determines that consensus is not possible, the Chair may in his/her sole discretion, call a vote on the question and a decision shall be determined by a majority of votes.

2. Membership

The Risk Management Committee will be comprised of no more than thirteen (13) members including the Chief Risk Officer (non-voting) the Director of Risk Management, and the working Committee members. The Committee will be a skills-based committee with representation from across the University.

The members are to be selected for non-permanent and staggered terms on the Committee. The composition to include members who represent most of the following areas/functions/skills sets;

- Two faculty representatives (North and Downtown Campus locations, Lab based and Social Sciences)
- Planning Budget Officer
- Finance
- Human Resources
- Occupational Health and Safety
- Services
- Student Life
- IT
- Research
- Communications/Marketing/Government Relations
- Field Research/International

3. Term

The term for the working members of the Committee will be one to two years as determined by the Chief Risk Officer.

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APPENDIX E – Risk Analysis Guideline and Supporting Tools



RISK ANALYSIS SESSION GUIDELINES

Date of Session:
Location of Session:

PARTICIPANTS

ATTACHMENT
1. *Risk Assessment Worksheet* (to be completed by participants for the next session)

A. Purpose of the Risk Analysis Session

The Senior Leadership Team (SLT) and the Board of Governors supports the implementation of University Risk Management (URM) framework within UOIT. In order to enable the implementation, each department/faculty is asked to participate in a Risk Analysis Session in order to identify key strategic risks which impact, or may impact, the University.


B. Guidelines

- 1) The Vice President/Dean or Functional Leader within each department/faculty will determine the participants in the Risk Analysis Session.
- 2) The Director, Risk Management, will facilitate an orientation to the Risk Assessment Worksheet with the participants. Sufficient time will be given for the participants to complete the Worksheet.
- 3) The Director, Risk Management, will populate the department/faculty Risk Register with the information provided in the Risk Analysis Worksheet.
- 4) Together the participants and the Director, Risk Management will review the Risk Register.
- 5) The Vice President/Dean or Functional Leader will then have the opportunity to provide feedback and make changes.
- 6) The completed Risk Register will be reviewed by the Risk Management Committee. Because the Risk Management Committee has the authority to provide oversight and direction on the implementation of the URM framework, the Committee may make recommendations and reports to SLT and the Board of Governors on significant risks affecting the University found within the Risk Registers.

C. Deliverable for Risk Analysis Session

The deliverable for the session will be to complete a Risk Register for your department or faculty.

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 UNIVERSITY OF ONTARIO <small>INSTITUTE OF TECHNOLOGY</small>	
Risk Assessment Worksheet	
Organizational Department or Project:	Date:
Identify Risks	
What are your key objectives?	
1)	
2)	
3)	
4)	
5)	
What risks are associated with achieving your key objectives?	

Organizational Department or Project:	Date:
How would these risks affect the objectives?	
What is the likelihood and timing of the risk(s) occurring? Is it likely, unlikely or remote? Imminent or removed?	
What are the causes of the risk? And what are the controls?	
What else do you need to do?	

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RISK ANALYSIS Measurement Tool

LIKELIHOOD MEASURE: The probability of the risk event occurring.

Score	Likelihood	Description
1	Improbable, Rare	May occur in exceptional circumstances
2	Unlikely	Could occur if circumstances change
3	Possible	Might occur under current circumstances
4	Likely	Will probably occur in most circumstances
5	Almost Certain	Is expected to occur unless circumstances change

CONSEQUENCE MEASURE: Degree of severity of the consequence should the risk occur

Consequence Levels	People, Damages & Liability	Operational Effects	Reputation (Internal & External)
Insignificant 1	<ul style="list-style-type: none"> Very limited # of students, employees or public affected Very limited loss Very limited damage 	<ul style="list-style-type: none"> Negligible effects Very minor disruption Very minor overruns/loss of FTE Very minor loss of data 	<ul style="list-style-type: none"> No/minor impact on trust (internal) No/minor external or media attention
Minor 2	<ul style="list-style-type: none"> Limited # of students, employees, or public affected Minor injuries or damage Limited loss of assets 	<ul style="list-style-type: none"> Normal administrative difficulty Minor disruptions or losses in services, data or FTE Minor cost overruns 	<ul style="list-style-type: none"> Minor setback in trust (internal) Some unfavourable external/media attention
Moderate 3	<ul style="list-style-type: none"> Moderate # of students, employees, or public affected Loss of large physical asset (replaceable) Serious injuries or moderate damage 	<ul style="list-style-type: none"> Delay in accomplishing program/project Moderate disruption of essential services, data or FTE Some loss of service, data or FTE Moderate cost overruns 	<ul style="list-style-type: none"> Some loss of trust (internal) Negative media attention Negative audit or student outcome rating
Major 4	<ul style="list-style-type: none"> Major number of students, employees, or public affected Loss of major asset Serious injury or major damage 	<ul style="list-style-type: none"> Program/project redesign required (fundamental rework) Major disruption of essential services, data or FTE Major cost overruns 	<ul style="list-style-type: none"> Major loss of trust (internal) Public outcry for removal of official Strong criticism in audit
Catastrophic (Significant or Extreme) 5	<ul style="list-style-type: none"> Significant # of students, employees, or public affected Significant or extreme funding decrease Significant or extreme damage Death or significant disability 	<ul style="list-style-type: none"> Program/project irrevocably finished (objective will not be met) Essential services disrupted for extended periods Total loss of service, data or FTE Extreme cost overruns 	<ul style="list-style-type: none"> Public call for change in Administration/Board Internal vote of non-confidence Very negative public ratings

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RISK REGISTER FOR "Department or Project," "Date,"												
Identify Risks			Analyze Risks				Treat Risks		Risk Management Committee - Evaluate Risk			
Risk #	Description of Risk (Identify the risk and the impact or effect of the risk)	Existing Causes and/or Controls (list)	L 1-5	C 1-5	Factor	Calculated Risk Level	Some Thumb Items?	New Risk Treatment Mitigation Strategies	By Whom?	Risk Adequacy of Mitigation Strategy Weak Adequate Excessive	Risk Tolerance Acceptable (A) Unacceptable (U) Acceptable With Additional Treatment (AT)	Action Yes/No
1					0	LOW						
2					0	LOW						
3					0	LOW						
4					0	LOW						
5					0	LOW						
6					0	LOW						
7					0	LOW						
8					0	LOW						
9					0	LOW						
10					0	LOW						
11					0	LOW						
12					0	LOW						
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30					0	LOW						
31					0	LOW						
32					0	LOW						
33					0	LOW						
34					0	LOW						
35					0	LOW						
36					0	LOW						
37					0	LOW						

Calculated Risk Level Key
 0-5 Low Risk
 6-11 Medium Risk
 12-19 High Risk
 20- 25 Extreme Risk

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Department: _____
 Initiator: _____
 Date: _____
 Risk Level: _____

Risk Treatment - Action Plan		
Description of Risk:		
Potential Impacts:		
Current Risk Mitigation (list):		
Risk Action Plan		
Proposed Actions (list):	By whom:	By when:
Resources Required (\$):	None	
Plan Approved:	Comments: _____	
Resources Approved:	Comments: _____	
Review Date:	_____	
Department Leader:	_____	Date: _____

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APPENDIX F – Risk Domains and Drivers

Through the risk identification and categorization process, UOIT identified a total of two hundred and fifty three Extreme, High and Medium Risks (two (2) Extreme Risks, fifty-six (56) High Risks, one hundred and ninety five (195) Medium Risks)¹. The challenge was to take this risk information and distil it into useable and understandable information through categorization.

Risk Domains: In categorizing the risks the emergence of the following four risk domains (*a number of the risks overlapped more than one domain and therefore were identified in no more than two) were evident:

- 1) Operational** – This domain includes those risks that affect the management processes of the university.
- 2) Financial** – This domain includes those risks that have a financial effect.
- 3) Reputational** – This domain includes those risks that affect the reputation, brand or both of the university.
- 4) Compliance** – This domain includes those risks that affect compliance with federal and provincial laws along with compliance within the university through its policies and procedures.

Risk Drivers: As the risks were categorized the drivers of the risks were identified. A risk driver is a factor that introduces the risk to the environment. The driver analysis tells us what is behind the risk and why does it exist at all? The risk drivers are identified in Table 1:

Rank	Driver Title	Description and Comment
1	Insufficient Resources	UOIT is operating in a highly resource constrained environment. To some extent resource constraints are a fact of life and not a risk. The SLT is reviewing these risks to understand those situations in which resource constraints represent a risk to UOIT's ability to meet its objectives or goals or represent a strategic "slow stray" risk, that is, a risk that slowly and gradually undermines the ability of the University to meet its goals or objectives.
2	Failure or lack of process	Failure or lack of process includes situations where we have processes that are not followed or understood or have not been communicated. This also includes gaps or inadequacies in existing policies and processes. UOIT has a need to continue to improve our policies and processes and to put processes and policies in place to improve role clarity and efficiency.
3	Increased Regulatory Scrutiny and Accountability	We are facing increased compliance requirements and more disputes.
4	Competition and Decreasing University Aged Population	Demographics are against us and competition is increasing.
5	Human Resources Management	Human resources issues continue to require close attention.
6	Existence of physical hazards	We have to continue to manage our campus to keep it safe and secure.
7	Insufficient or inadequate space for teaching and research	We have a lack of space.
8	Contracting and Related Processes	We need to continue to work towards good contracting processes.

¹ Sixty four (64) Low Risks were identified but are not part of this Report.

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9	Reliance on Government Funding (policy changes and macroeconomic pressures)	We need to do what we can to monitor, influence and mitigate government policy and funding changes
10	Student behaviour and community	We need to continue to work with our students so that we are all enhancing the UOIT experience and brand
11	Need to maintain and/or replace assets and equipment	Infrastructure and equipment is aging with insufficient resources to address the issue
12	Resource delivery	UOIT operates in a unique resource delivery/shared services environment and this unique model has constraints
13	Centralized responsibility or decentralized and segregated operations	Siloed processes or lack of role clarity interfere with efficiency
14	Misaligned resources	Existing resources may be the wrong ones in a changing environment
15	Technological developments	Technology is evolving and changing. There is a risk to failing to keep up
16	UOIT running non-core operations	Non-core operations may drain resources and present a distraction from the core organizational focus
17	Evolving standards and expectations related to academic credentials and quality	The pace of change is significant and there is risk associated with a failure to understand the requirements arising from the change and with a failure to address those requirements
18	Research and Intellectual Property	Research and intellectual property matters give rise to a range of unique risks which require resources and technology
19	Lack of senior alignment around strategic priorities and weak brand	There is a risk if UOIT's Senior Team is not aligned, doesn't effectively convey alignment, or is unclear around branding and strategy
20	Increasingly litigious environment	Claims of various types are increasing. Disputes have a wide-ranging effect causing disruption as well as reputational risk
21	Employee error	People make mistakes

APPENDIX G – Glossary of Terms

Extreme Risk – are those determined to have both a high likelihood of occurring and a high consequence (calculated Risk level between 20 and 25).

Foundational Risks – the occurrence of such a Risk has the potential to cripple the organization. This includes Risks such as crisis response, business continuity and information technology.

High Risk – are those determined to have either a high likelihood of occurring with at least a medium consequence, or a medium likelihood but a high consequence (calculated Risk level between 12 and 19).

Low Risk – are those with either a very low to medium likelihood of occurring and very low to medium consequence (calculated Risk level between 0 and 5).

Medium Risk – are those which fall between the high and Low priority Risks. These are generally considered to be operational except when the same Risk is found in a number of areas. Should that be the case, the Risk may then be determined to be high (calculated Risk level between 6 and 11).

Mitigation Strategy – upon identifying a Risk the mitigation strategy is the measure(s) put in place to minimize or alleviate the outcome should the Risk should occur.

Risk – the chance that an event or trend will have a positive or negative impact on operations or the fulfillment of the university objectives.

Strategic Risk – is a Risk that interferes with UOIT's ability to achieve its major goals includes Risks to strategic plan, reputational and community relations Risk.

University Risk Management (URM) – is the structured and disciplined approach to identify, assess and manage the Risks the University faces. The goal of university risk management is not to eliminate or avoid Risk, but to be aware of the Risk and manage them appropriately in order to minimize the occurrence of Risk, and reduce and/or alleviate or minimize the impact.



BOARD REPORT

Non-Public:
Public:

Action Required:

Discussion
Decision

DATE: June 29, 2016

TO: Board of Governors

FROM: Audit & Finance Committee and Investment Committee

SUBJECT: Responsible Investment Policy

A. Purpose

The Audit & Finance Committee is seeking the approval of the Board of Governors of the attached amended Statement of Investment Policies and Investment Committee Terms of Reference.

B. Background and Discussion

The University's Investment Manager, PH&N, delivered a presentation on Environmental, Social, and Governance (ESG) factors in investing to the Investment Committee at its meeting in May 2015. After a thorough discussion, the Committee instructed the Board Secretariat to include the development of a responsible investment policy as part of its work plan for 2015-16.

The Investment Committee discussed the elements that should be included in a policy on responsible investing and provided guidance on the direction of the policy at its meeting in February 2016.

The Investment Committee recommended that a responsible investment policy include the following:

- A statement of commitment to ESG and reiteration of fiduciary obligations relating to investment;
- Incorporation of ESG principles in several areas:
 - Selection, management and assessment of an investment manager;
 - Active engagement with fund managers to regularly consider ESG factors and ensure that companies are transparent about ESG;
 - Engagement and getting involved in ESG issues where appropriate;

- Regular and annual reporting by the investment manager; and
- Include assessment of investment manager effectiveness in this area in the review of the investment manager performance.

C. Recommendation

That the Board of Governors approves the following motion:

That pursuant to the recommendations of the Audit & Finance Committee and Investment Committee, the Board of Governors approves the attached amended Statement of Investment Policies and Investment Committee Terms of Reference as presented.

Item	10.1
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	Chief Financial Officer
Approval Date	<u>AMENDED DRAFT</u>
Review Date	June 2016
Supersedes	Statement of Investment Policies, November 2013 <u>March 2015</u>



Statement of Investment Policies

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1.0 Purpose

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

2.0 RESPONSIBILITIES

2.1 Board of Governors

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

As part of its fiduciary responsibilities, the Board will:

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

2.2 Audit & Finance Committee

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

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

2.3 **Investment Committee**

The Investment Committee (the Committee”) consists of a minimum of three (3) members and a maximum of five (5) members.

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

The Investment Committee will have an active role to:

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

2.4 **Investment Manager(s)**

The Manager is responsible for:

- Selecting securities within the asset classes assigned to them, subject to applicable legislation and the constraints set out in this Statement;
- Providing the Committee with quarterly reports of portfolio holdings and a review of investment performance and future strategy and recommending appropriate changes to the investment portfolio; (see Section 7 on “Reporting and Monitoring”);
- Attending meetings of the Committee at least once per year to review performance and to discuss proposed investment strategies;

- Informing the Committee promptly of any investments which fall outside the investment constraints contained in this Statement and what actions will be taken to remedy this situation; and
- Advising the Committee of any elements of this Statement that could prevent attainment of the objectives.

3.0 PORTFOLIO OBJECTIVES

3.1 Investment Policy

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

3.2 Investment Objectives

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

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

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

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

4.0 GENERAL GUIDELINES

The University uses the investment pool method, except that in those instances where funds are precluded under agreement or contract from being pooled for investment

purposes. The acquisition of specific investment instruments outside of authorized investment pools, requires the approval of the Chief Financial Officer and one of either President or VP External Relations.

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

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

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

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

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

5.0 **AUTHORIZED INVESTMENTS**

5.1 **Investment Criteria**

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

(a) Short-term instruments:

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

(b) Fixed income instruments:

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

- (c) Canadian equities:
- Common and preferred stocks;
 - Income trusts; and
 - Rights and warrants.
- (d) Foreign equities:
- Common and preferred stocks;
 - Rights and warrants; and
 - American Depository Receipts and Global Depository Receipts.
- (e) Pool funds, closed-end investments companies and other structured vehicles in any or all of the above permitted investment categories are allowed.

5.2 Derivatives

The Fund may use derivatives, such as options, futures and forward contracts, for hedging purposes, to protect against losses from changes in interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment. The Fund must hold enough assets or cash to cover its commitments under the derivatives. The Fund cannot use derivatives for speculative trading or to create a portfolio with excess leverage.

5.3 Pooled Funds

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

5.4 Responsible Investing

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

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

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

(a) Manager Selection and Reporting

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

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

(b) Engagement

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

6.0 RISK GUIDELINES

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

6.1 **Asset Mix and Ranges**

Table 6.1

Asset Class	Strategic Target	Range
Cash & Short Term	2%	0-10%
Fixed Income	35%	20-50%
Canadian Equities	33%	20-40%
Global Equities	30%	25-45%

Investment of assets must be within the asset classes and ranges established in Table 6.1. A more detailed breakdown of asset classes, strategic targets, ranges, and benchmarks is maintained in the UOIT Asset Class Management Procedures appended to this Statement as Appendix “A”.

6.2 **Cash and Cash Equivalents**

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

6.3 **Fixed Income**

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

Credit Quality	Maximum in Bond¹	Minimum in Bond¹	Maximum Position in a Single Issuer
Government of Canada ²	100%	n/a	no limit
Provincial Governments ²	60%	0%	40 %
Municipals	25%	0%	10%
Corporates	75 %	0%	10%
AAA ³	100%	0%	10%
AA ³	80%	0%	5%
A ³	50%	0%	5%
BBB	15%	0%	5 %
BB and less	20 %	0%	2 %

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

(b) Maximum holdings of the fixed income portfolio, other than Canadian denominated bonds as illustrated in 6.3 (a), by asset type:

- 20% for asset-backed securities;
 - 60% for mortgages or mortgage funds;
 - 20% for bonds denominated for payment in non-Canadian currency;
- and

- 10% for real return bonds.

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

6.4 Equities

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

7.0 PERFORMANCE EXPECTATIONS

7.1 Portfolio Returns

The portfolio is expected to earn a pre-fee rate of return in excess of the benchmark return over the most recent four-year rolling period. Return objectives include realized and unrealized capital gains or losses plus income from all sources. Returns will be measured quarterly, and calculated as time-weighted rates of return. The composition of the benchmark is developed from the asset mix outlined in this Statement and more specifically described in the Asset Class Management Procedures, Appendix A. In order to meet the University’s disbursement requirements, investments need to earn a minimum level of income, measured over a four year rolling market cycle. The minimum recommended level is defined as the sum of the following items:

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

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

8.0 REPORTING & MONITORING

8.1 Investment Reports

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

- portfolio holdings at the end of the quarter;
- portfolio transactions during the quarter;
- rates of return for the portfolio with comparisons with relevant indexes or benchmarks; Compliance report;
- incorporation of formal ESG factors in the management of the portfolio.

8.2 Monitoring and Recommendations

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

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

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

8.3 Annual Review

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

9.0 STANDARD OF CARE

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

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

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

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

10.0 CONFLICT OF INTEREST

All fiduciaries shall, in accordance with the UOIT Act and By-laws and policies on conflict of interest, disclose the particulars of any actual or potential conflicts of interest with respect to the Fund. This shall be done promptly in writing to the Chair of the Investment Committee. The Chair will, in turn, table the matter at the next Board meeting. It is expected that no fiduciary shall incur any personal gain because of their fiduciary position. This excludes normal fees and expenses incurred in fulfilling their responsibilities if documented and approved by the Board.



BOARD OF GOVERNORS

Investment Committee of the Audit and Finance Committee

1. TERMS OF REFERENCE

The Investment Committee is a sub-committee of the Audit and Finance Committee and is responsible for overseeing the management of the University's investments (Funds) as outlined below and in accordance with the Statement of Investment Policies and Procedures ("SIPP"). The University's investments include all funds invested by the University other than funds that may be invested from time to time in the university's pension plan(s).

The Committee shall also consider such other matters delegated to the Committee by the UOIT Board of Governors under the auspices of the Audit and Finance Committee.

The Investment Committee shall have the following responsibilities:

- i) Maintaining an understanding of applicable legal and regulatory requirements and constraints;
- ii) Reviewing on an annual basis the university's Statement of Investment Policies and Procedures (SIPP) and making appropriate recommendations to the Audit and Finance Committee;
- iii) Providing semi-annual reports to the Audit and Finance Committee, and through that Committee to the Board of Governors, on the performance of the Funds and any other aspects of the Funds that the Investment Committee deems appropriate or as requested by the Board;
- iv) Formulating recommendations to the Audit and Finance Committee regarding the selection, engagement and dismissal of the Investment Manager ("the Manager"), the Custodian, the Consultant, and any other agents or advisors that may be necessary to prudently manage the Funds;
- v) Overseeing the Fund and the activities of the Manager, including the Manager's compliance with their mandate and the investment performance of assets;
- ~~vi~~) Considering ESG factors in its investment process;
- ~~vi~~) vii) Ensuring that the Manager is apprised of any new amendments to their mandate; and
- ~~vii~~) viii) Informing the Manager of any significant cash flows.

2. MEETINGS

The Committee shall meet at least four (4) times per year. In accordance with the UOIT 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

Committee members shall be appointed by the Board of Governors in consultation with the Audit and Finance Committee and comprised of:

- Between three (3) and seven (7) external governors, including:
 - one governor who is also a member of the Audit and Finance Committee; and
 - one governor who is also a member of the Strategy and Planning Committee
- Up to three (3) elected governors
- Vice-President, Finance (non-voting)
- Vice-President, External Relations (non-voting)

Consideration shall be given to governors who possess the requisite financial and investment expertise to provide knowledgeable oversight of the investment portfolio.

The Board Chair and Vice Chair(s) and the President are invited to attend as voting members.

The Chair will be selected from among the voting members of the Investment Committee.

4. QUORUM

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



BOARD REPORT

Action Required:

Public:
Non-Public:

Discussion
Decision

TO: Board of Governors

DATE: June 29, 2016

FROM: Audit & Finance Committee

SUBJECT: Annual Policy Review & Compliance Update

A. Purpose

The purpose of this report and accompanying presentation is to fulfill the Board’s request for an annual update regarding policy and compliance activities and progress made toward policy and compliance goals and objectives. It will also provide the Board with an opportunity to raise any compliance related issues.

B. Background/Context

The Board has delegated responsibility for the oversight of risk management to the Audit & Finance Committee. In accordance with the Audit & Finance Committee’s Terms of Reference, compliance falls within the Committee’s responsibility for risk management. UOIT has taken key steps toward the development of a University compliance program in the past two years with the implementation of the Policy, Contracts, and Risk Management Frameworks. This is an ongoing process.

In accordance with its Terms of Reference, the Audit & Finance Committee is responsible for:

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.

The President has assigned responsibility for risk management and compliance to the University Secretary and General Counsel. The Office of the University Secretary and General Counsel (USGC) is responsible for providing resources and support for the

drafting and amendment of policy instruments, as well as for researching and drafting policy instruments. The Office of the USGC supports compliance initiatives across the University.

The USGC is directly responsible for compliance with the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31 (FIPPA). The USGC facilitates and coordinates compliance with the *Accessibility for Ontarians with Disabilities Act*, 2005, S.O. 2005, c. 11 (AODA) and Canada's Anti-Spam Legislation (CASL).

The presentation will include a summary of the policy instruments that have been introduced and amended during 2015-2016, as well as policy objectives for 2016-2017. The presentation will also include an overview of the University's compliance with key legislation, as well as an update on contract management activities.



BOARD REPORT

Non-Public:
 Public:

Action Required:
 Discussion
 Decision

DATE: June 29, 2016

FROM: Karyn Brearley, Chair of Governance, Nominations & Human Resources Committee (“GNHR”)

SUBJECT: Board & Committee Leadership & Committee Appointments

A. Purpose

To appoint the Board Chair, Vice-Chairs, Committee Chairs and Committee members for 2016-17.

B. Background/Context

Board Leadership

In accordance with Section 8(13) of the *UOIT Act*, the Board Chair and Vice-Chair(s) shall be elected on an annual basis. The Recruitment, Appointment and Leadership Policy (“Policy”) provides that there will be one (1) Chair who will normally be nominated and elected from the incumbent Chair or Vice-Chairs. An incumbent Chair will have the opportunity to express interest in re-election to the Chair position, provided such person is within the normal term length for an External Governor. The Policy also provides that there will be two (2) Vice-Chairs who will normally be nominated and elected from the incumbent Vice-Chair(s) or Committee Chairs. The incumbent Vice-Chair(s) will have the opportunity to express interest in re-election to the Vice-Chair position, provided such person is within the normal term length for External Governors.

Committee Leadership and Assignments

With the appointment of a new Board Chair and Vice-Chair(s), there will be vacant Committee Chair positions to be filled.

C. Discussion

Board Leadership

GNHR discussed the leadership of the Board of Governors for the upcoming year. After canvassing the interest of the current Board Chair, Vice-Chairs and Committee Chairs in serving as the Chair or a Vice-Chair, Adele Imrie expressed interest in being nominated for the role of Chair and Miles Goacher expressed interest in being nominated for the role of Vice-Chair. Also in accordance with the Policy, John McKinley expressed his willingness to be re-elected as Vice-Chair. As no other Board members expressed interest in these roles, we treated these positions as being unopposed.

The Committee also discussed leadership succession planning. In accordance with the Policy, Committee Chairs will, in subsequent years, be encouraged to consider putting their names forward for one of the two Vice-Chair roles. GNHR also discussed considering members who are not Committee Chairs for the role of Vice-Chair.

Committee Leadership and Assignments

In accordance with GNHR's succession planning and to ensure renewal in Committee Chair roles and to develop a larger pool from which to select future Vice-Chairs and Chairs, GNHR canvassed Board members for their interest in succeeding Adele Imrie as Chair of the Audit & Finance (A&F) Committee and John McKinley as Chair of the Strategy & Planning (S&P) Committee. The following Governors expressed their interest in serving as Committee Chairs:

- Nigel Allen - Investment Committee
- Miles Goacher - A&F Committee
- Valarie Wafer – S&P Committee

Karyn Brearley has confirmed her willingness to be re-elected as Chair of GNHR.

GNHR recommends that the Committee memberships of A&F, GNHR, Investment, and S&P remain the same. The newly elected student Governors will be added to the Committees after canvassing their interest.

Succession Planning:

Pursuant to discussions about succession planning, GNHR will give consideration to appointing a Vice-Chair to succeed John McKinley during the year as opposed to waiting until the end of the year. The Committee thanks John for his flexibility and willingness to support the Board by continuing in his role.

D. Recommendations

GNHR recommends Board approval of the following motion:

Upon the recommendation of the Governance, Nominations and Human Resources Committee of the Board, the Board hereby:

1. *Appoints Adele Imrie as Chair of the Board and Miles Goacher and John McKinley as Vice-Chairs of the Board;*
2. *Appoints the following Board members to the positions of Chair of the specified Committee:*

Nigel Allen	Investment Committee
Karyn Brearley	Governance, Nominations & Human Resources Committee
Miles Goacher	Audit & Finance Committee
Valarie Wafer	Strategy & Planning Committee

3. *Approves the proposed 2016-17 Committee Assignments, as attached.*

RECOMMENDED COMMITTEE ASSIGNMENTS

Strategy and Planning Committee:

Terms of Reference Requirements	Member Name	Status
between 3 & 7 external governors:	1. John McKinley	member
	2. Don Duval	member
	3. Adele Imrie	member
	4. Jay Lefton	member
	5. Bonnie Schmidt	member
	6. John Speers	member
	7. Valarie Wafer	member
up to 3 elected governors (faculty, non-teaching staff, and students):		
faculty	1. Shirley Van Nuland	member
staff	2. Mary Steele	member

Investment Committee:

Terms of Reference Requirements	Member Name	Status
between 3 & 7 external governors, including:		
1 member who is also a member of Audit & Finance	1. Miles Goacher	member
1 member who is also a member of Strategy & Planning	2. John Speers	member
	3. Nigel Allen	member
	4. Adele Imrie	member
up to 3 elected governors (faculty, non-teaching staff, and students):		
Vice-President, Finance (non-voting)	Craig Elliott	staff
Vice-President, External Relations (non-voting)	Susan McGovern	staff

Governance, Nominations and Human Resources Committee:

Terms of Reference Requirements	Member Name	Status
between 3 & 7 external governors:	1. Karyn Brearley	member
	2. Dan Borowec	member
	3. Andrew Elrick	member
	4. Jay Lefton	member
	5. Mike Snow	member

Audit & Finance Committee:

Terms of Reference Requirements	Member Name	Status
between 3 & 7 external governors:	1. Adele Imrie	member
	2. Nigel Allen	member
	3. Doug Allingham	member
	4. Miles Goacher	member
	5. Mary Simpson	member
	6. Laurie Swami	member
up to 3 elected governors (faculty, non-teaching staff, and students):		
faculty	1. Jeremy Bradbury	member

Executive Committee*:

Terms of Reference Requirements	Member Name	Status
Board Chair (ex-officio)		
President (ex-officio)	Tim McTiernan	member
Board Vice-Chair(s)		
Standing Committee Chairs of the Board		

*The appointment of the Board Chair, Vice-Chair(s), and Chairs to the Committees will determine the composition of the Executive Committee.



BOARD REPORT

Action Required:

Public:
Non-Public:

Discussion
Decision

TO: Board of Governors

DATE: June 29, 2016

FROM: Governance, Nominations & Human Resources Committee

SUBJECT: Violence Related Policies Update

A. Purpose

We are providing the Board with a status update for violence related policies and setting out the rationale for the proposal to incorporate all violence related policies into an omnibus Policy Against Violence, Harassment, and Discrimination. This information is provided to assist the Board with fulfilling its obligations with respect to compliance oversight.

B. Background/Context

The passing of the *Sexual Violence and Harassment Action Plan Act (Supporting Survivors and Challenging Sexual Violence and Harassment), 2015* (the “SVHAP Act”), introduced a number of amendments that require Universities to review and address their policies and processes for preventing and responding to sexual violence and harassment on their campuses. The requirements of the legislation, including the implementation date, changed between the First Reading of the SVHAP and Royal Assent.

For UOIT, this meant reviewing and amending, or creating, the following policy instruments:

- Harassment and Discrimination Policy and Procedures;
- Workplace Violence Policy and Procedures; and
- Student Sexual Violence Prevention Policy and Procedures.

Drafting and consultation on each of the above policy instruments has occurred over the course of the fall and winter. At the same time, we have been receiving clarification regarding our legal obligations and the appropriate interpretation of the legislation. As this work has progressed, and in ongoing consultation between the University Secretary's Office and the Office of the Provost (Miles Bowman), the understanding of the common principles and goals of these policy instruments has continued to coalesce. Each of these policies shares the purpose of creating an environment where all members of the University community can feel safe, respected and have the freedom to pursue their studies and work.

Given the commonality of purpose and direction, we have concluded that the most effective approach is to create a single parent policy that will reinforce the University's commitment to creating an environment that is free from all forms of violence, harassment and discrimination for all of its community members.

C. Discussion and Rationale

A single Policy Against Violence, Harassment, and Discrimination will create a framework under which the University can establish formal policy instruments (Procedures and Guidelines), as well as educational and support tools and resources that will:

- Educate and inform all members of the University community regarding issues of violence, harassment, and discrimination and what is expected of all members of the community;
- Support individuals who experience acts of violence, harassment, and discrimination in seeking help and advise of the processes and outcomes available to them; and
- Address how the University will meet its obligations under the *Human Rights Code*, R.S.O. 1990, c. H.19, *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, and the *Ministry of Training, Colleges and Universities Act*, R.S.O. 1990, c. M.19; and
- Meet the commitments to procedural fairness established under the new Fair Processes Policy.

In order to move forward to meet the University's obligations, the following policy instruments will be refined using the draft documents that have been circulated and consulted on to date:

- Policy Against Violence, Harassment and Discrimination;
- Procedures for Reporting and Addressing Harassment and Discrimination;
- Procedures for Reporting and Addressing Incidents of Student Sexual Violence; and
- Procedures for Reporting and Addressing Incidents of Workplace Violence.

The goal will be to bring these documents forward to the Policy Advisory Committee, Academic Council, and Board Committees for consultation and approval in early

Fall. The Audit & Finance Committee received an update regarding this approach at their meeting on June 20, 2016 and is also supportive of this direction.

The intention is to have all foundation policies and procedures implemented by January 1, 2017 in order to meet the final requirements under the SVHAP Act.

Changes will be required to the existing Harassment and Discrimination Policy in advance of September, 2016 in order to remain in compliance with amendments to the *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1. At the same time that work is being done on the Policy Against Violence, Harassment and Discrimination and other supporting policy instruments, work will also be ongoing to develop the necessary educational and support tools that will support their implementation.

**BOARD OF GOVERNORS
MEETING SCHEDULE 2016 - 2017**

COMMITTEE	DATE	TIME	ROOM
Audit & Finance Committee (new member orientation)	October 5, 2016	2:00 - 3:00 p.m.	ERC 2030
Audit & Finance Committee	October 5, 2016	3:00 - 6:00 p.m.	ERC 3023
Audit & Finance Committee	November 16, 2016	12:30 - 3:30 p.m.	ERC 3023
Audit & Finance Committee	February 15, 2017	12:30 - 3:30 p.m.	ERC 3023
Audit & Finance Committee	April 19, 2017	12:30 - 3:30 p.m.	ERC 3023
Audit & Finance Committee	June 19, 2017	1:00 - 5:00 p.m.	ERC 3023
Board of Governors Retreat	March 9, 2017		
Board of Governors	October 14, 2016	12:00 - 5:30 p.m.	DTB 524
Board of Governors	December 7, 2016	12:00 - 5:30 p.m.	DTB 524
Board of Governors	February 23, 2017	12:00 - 5:30 p.m.	DTB 524
Board of Governors	May 3, 2017	12:00 - 5:30 p.m.	DTB 524
Board of Governors - AGM	June 29, 2017	9:00 - 5:30 p.m.	DTB 524
Executive Committee	September 9, 2016	10:00 a.m. - 12:00 p.m.	ERC 3023
Executive Committee	November 9, 2016	10:00 a.m. - 12:00 p.m.	ERC 3023
Executive Committee	January 18, 2017	10:00 a.m. - 12:00 p.m.	ERC 3023
Executive Committee	March 22, 2017	10:00 a.m. - 12:00 p.m.	ERC 3023
Executive Committee	May 17, 2017	10:00 a.m. - 12:00 p.m.	ERC 3023
Governance, Nominations & Human Resources Committee (new member orientation)	September 29, 2016	9:00 a.m. to 10:00 a.m.	ERC 2030
Governance, Nominations & Human Resources Committee	September 29, 2016	10:00 a.m. - 1:00 p.m.	ERC 3023
Governance, Nominations & Human Resources Committee	November 23, 2016	10:00 a.m. - 1:00 p.m.	ERC 3023
Governance, Nominations & Human Resources Committee	January 25, 2017	10:00 a.m. - 1:00 p.m.	ERC 3023
Governance, Nominations & Human Resources Committee	March 29, 2017	10:00 a.m. - 1:00 p.m.	ERC 3023
Governance, Nominations & Human Resources Committee	June 7, 2017	10:00 a.m. - 1:00 p.m.	ERC 3023
Investment Committee	November 16, 2016	10:00 a.m. - 12:00 p.m.	ERC 3023
Investment Committee	February 15, 2017	10:00 a.m. - 12:00 p.m.	ERC 3023
Investment Committee	May 24, 2017	10:00 a.m. - 12:00 p.m.	ERC 3023
Investment Committee	August 16, 2017	10:00 a.m. - 12:00 p.m.	ERC 3023
Strategy & Planning Committee	September 22, 2016	12:30 - 3:30 p.m.	ERC 3023
Strategy & Planning Committee	November 9, 2016	12:30 - 3:30 p.m.	ERC 3023
Strategy & Planning Committee	January 18, 2017	12:30 - 3:30 p.m.	ERC 3023
Strategy & Planning Committee	March 22, 2017	12:30 - 3:30 p.m.	ERC 3023
Strategy & Planning Committee	May 17, 2017	12:30 - 3:30 p.m.	ERC 3023
OTHER DATES			
Academic Council Orientation	September 20, 2016		
UOIT Ridgebacks Hockey Game (tentative)	October 14, 2016		
CCOU Conference	October 28 & 29, 2016		
Convocation	June 8 & 9, 2017		



BOARD REPORT

Meeting Type:

Board of Governors: Annual General Meeting

Public:

Non-Public:

Action Required:

Discussion

Decision

DATE: June 29, 2016

TO: Board of Governors

FROM: Glenna Raymond, Board Chair

SUBJECT: Appointment of Board Officer for 2016-17

A. Purpose

To ensure the annual appointment of the Board Secretary in accordance with the UOIT By-laws.

B. Background

In accordance with Article 5.6 of By-law Number 1 of UOIT, "The Board shall appoint a Secretary and such other officers of the Board as the Board may determine from time to time by resolution."

C. Discussion/Options

It is a best practice to annually confirm the appointment of the Secretary of the Board.

D. Recommendation

That the Board of Governors appoint Becky Dinwoodie as Secretary of the Board of Governors from July 1, 2016 until June 30, 2017.



**BOARD OF GOVERNORS
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF APRIL 6, 2016
10:00 a.m. to 11:00 a.m., ERC 3023
CONFERENCE CALL**

Attendees: Adele Imrie (Chair), Nigel Allen, Doug Allingham, Jeremy Bradbury, Miles Goacher, Tim McTiernan, Glenna Raymond, Mary Simpson, Laurie Swami

Staff: Becky Dinwoodie, Craig Elliott, Cheryl Foy, Susan McGovern, Deb Saucier, Elaine Wannamaker

1. Call to Order

The Chair called the meeting to order at 10:03 a.m.

2. Agenda

The Agenda was approved as presented.

3. Conflict of Interest Declaration

There were none.

4. Chair's Remarks

The Chair thanked everyone for participating in this extra meeting. She commented that the extensive discussion regarding the new building at the last meeting was very helpful. Due to time limitations at the last meeting, this additional meeting was scheduled to deal specifically with policy matters.

5. Approval of Minutes of the Meeting of February 17, 2016

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

6. Governance

6.1 University Risk Management Report

The Chair invited C. Foy to speak to the University Risk Management Report. C. Foy introduced E. Wannamaker to the Audit & Finance (A&F) Committee and acknowledged the amount of work E. Wannamaker has done on the Risk Management Project.

C. Foy delivered a presentation on the University Risk Management Implementation. She explained the role of the Risk Management Committee (RMC), which includes implementing and monitoring the risk management process at the University.

She advised that the RMC is seeking confirmation from the A&F Committee that the right approach is being taken and the implementation plan is acceptable. The RMC is also looking for comments on the metrics to be used for the annual review of the process.

At the next A&F Committee meeting, the RMC will present a draft annual Risk Report. The RMC will have completed a review of all risk registers and, with the assistance of SLT, will identify the main strategic risks. The A&F Committee will act as a sounding board for the strategic risk discussion prior to presenting the Risk Report to the Board. C. Foy anticipates that the A&F Committee will report to the Board on the progress of the risk management process.

She also discussed the Board's role in the risk management process, which is to:

- approve the risk appetite statement;
- evaluate the overall progress of risk management against key metrics (report from A&F Committee);
- annually review and discuss strategic risks (existing and emerging) and strategic risk management; and
- annually review the risk management planning process (report from A&F Committee).

C. Foy provided an overview of the work that has been accomplished this year and confirmed that the RMC has had excellent participation from the University. The risk assessment of each faculty and department included questions about their compliance obligations. The answers will provide the basis for developing a compliance program.

SLT is in the process of reviewing the risk registers for each faculty/department and identifying the areas of focus and strategic risks.

At the A&F Committee meeting in June, the RMC will present a draft Risk Report that will form the basis of an annual report. The RMC will also be invited to the public session of the Board's meeting in June to hear the Board's feedback

G. Raymond commented that excellent work has been done so far, which will provide the foundation for a robust program going forward.

C. Foy confirmed that SLT expects to have a draft list of approximately 10-15 strategic risks before the end of the year. The list of risks will remain “draft” until the Board has an opportunity to consider it. Once the list of strategic risks is identified, steps will be taken to monitor and mitigate the risks. She added that governance risks are included on the risk register and she would like the Board to weigh in on them. She anticipates that they will be included on the 2016-17 work plan for the Governance, Nominations & Human Resources (GNHR) Committee.

A. Imrie thanked C. Foy and E. Wannamaker for their work on the project and commented that she looks forward to further discussions on the matter.

7 Compliance

7.1 Safe Disclosure (Whistleblower) Policy & Procedures

C. Foy discussed the Safe Disclosure Policy and Procedures. She reminded the A&F Committee that they have been quite involved in the development of the policy. She reviewed the consultation path, which included obtaining the recommendations of Academic Council and the GNHR Committee.

She provided an overview of the key elements of the policy. She clarified that the Safe Disclosure Policy does not replace existing policies and procedures – if there is an existing policy/procedure in place, then it is still in effect and should be followed.

The policy includes provisions to protect confidentiality, but does not provide for anonymity. This has caused some concern; however, investigating a complaint when the complainant is unknown would prove to be very difficult.

Upon a motion duly made by D. Allingham and seconded by M. Goacher, the A&F Committee recommended the Safe Disclosure Policy to the Board of Governors for approval.

The A&F Committee discussed whether there was sufficient protection against reprisal included in the procedures. C. Foy reviewed the provisions regarding maintaining confidentiality and confirmed that a complainant will always have the option of withdrawing a complaint. There was also a discussion regarding how the University will address the issue of sexual assault on campus. C. Foy advised that the University has been working on a standalone Student Sexual Violence Policy, which will be coming forward to the Board in upcoming months.

Upon a motion duly made by N. Allen and seconded by L. Swami, the A&F Committee approved the Safe Disclosure Procedures.

7.2 Contract Management Framework

(a) Contract Management Policy

C. Foy requested a motion to recommend the Contract Management Policy to the Board for approval. She confirmed it underwent broad consultation and discussed the evolution of the policy. The framework provides clarity to the University's contracting process.

She confirmed that the Contracts Management Database is already in place and many contract templates have been developed. The policy will help the University community understand the contracting process and their role in it. It also clarifies when legal review of a contract is optional as opposed to mandatory. C. Foy emphasized that a legal opinion on a contract is an opinion on the associated risk, not a directive. It is up to the individual entering into the contract to assess the risk, decide whether to proceed, and take steps to mitigate the risk. A discussion regarding reputational risks followed. C. Foy advised that the person entering into the contract is in the best position to assess the reputational risks associated with the contract provisions, as most reputational risk issues relate to association/disassociation.

Upon a motion duly made by A. Imrie and seconded by D. Allingham, the A&F Committee recommended the Contract Management Policy to the Board for approval.

(b) Legal Review of Contracts Procedures

The A&F Committee's questions were answered during the discussion regarding the Contract Management Policy.

Upon a motion duly made by A. Imrie and seconded by N. Allen, the A&F Committee approved the Legal Review of Contracts Procedures.

8. Other Business

None.

A. Imrie thanked everyone for making the time to attend the meeting.

Upon a motion duly made by M. Goacher and seconded by T. McTiernan, the meeting was terminated at 10:49 a.m.



**BOARD OF GOVERNORS
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF APRIL 13, 2016
1:10 p.m. to 2:30 p.m., ERC 3023
PUBLIC SESSION**

Attendees: Adele Imrie (Chair), Nigel Allen, Doug Allingham, Jeremy Bradbury, Miles Goacher, Tim McTiernan, Glenna Raymond, Mary Simpson, Laurie Swami

Staff: Kay Ali, Becky Dinwoodie, Craig Elliott, Sheree Hendricks, Brad MacIsaac, Susan McGovern, Pamela Onsiang, Deb Saucier, Benjamin Suter

1. Call to Order

The Chair called the meeting to order at 1:25 p.m.

2. Agenda

The Agenda was approved as presented.

3. Conflict of Interest Declaration

There were none.

4. Chair's Remarks

The focus of the meeting is the 2016-2017 budget, which is one of the key responsibilities of the Committee. The Chair reminded the Committee to keep the long term in mind. When considering the uncertainty surrounding the funding model and the increasing competition among institutions, it is important to think outside of the box and consider alternate revenue sources and partnerships, and to examine efficiencies.

5. Financial

5.1 2016-2017 Budget Approval

The Chair invited C. Elliott to deliver the 2016-2017 Budget Presentation. He provided an overview of the changes to this year's presentation. C. Elliott reviewed the 2016-2017 budget process and confirmed that it was similar to that used in previous years. He highlighted the increased transparency of the process by including broader consultations.

He discussed several of the major challenges facing the University, including demographic changes, need for additional classroom and lab space, and funding formula uncertainty. He also explained the reason for the University's high debt to revenue ratio.

C. Elliott presented several of the opportunities coming forward for UOIT, including a new program in Mechatronics, and partnerships with the community and other institutions.

He also reviewed the key budget assumptions and metrics. A question was asked regarding the forecasted decrease in international undergraduate and graduate students. C. Elliott explained that the decrease is partially a result of student flow through and a lack of funding for international graduate students.

He went through the items in the draft operating budget with the Committee. He highlighted that both ACE and Campus Child Care are forecasting a small profit. The Tennis Centre is being converted to a Soccer Centre, with the cost being shared with Durham College. They are anticipating a small loss during its first year of operation but expect it to be profitable in following years. They also expect an increase in student use of the Soccer Centre. The Committee discussed the Regent Theatre and its associated costs. C. Elliott advised that the cost analysis is used to help determine whether the Regent should be operated as a theatre in addition to a lecture hall.

C. Elliott provided summaries of the budget revenues and expenses. He explained that the purchase of books online is negatively impacting the revenue from the University's book stores.

The Chair invited questions from the Committee. D. Saucier explained the budgeting process and advised that the process begins with examining the University's strategic priorities. She provided the Committee with an update on the progress made on achieving the University's strategic priorities during 2015-2016. She also reviewed the highlights of the plans for 2016-2017. She explained the initiative to improve student experience by providing a central place for student assistance rather than sending students to several departments for assistance.

(D. Allingham left the meeting at 2:13 p.m.)

The main areas of concern are:

- student to faculty ratio;
- total sponsored research;
- net income/loss ratio; and

- NASM/FTE.

There was a discussion regarding the projected enrolments and how the forecasts are more conservative than previous forecasts.

Upon a motion duly made by T. McTiernan and seconded by M. Goacher, the Committee recommended the 2016-2017 budget, as presented, to the Board of Governors for approval.

5.2 2016-2017 Ancillary Fees Addendum

B. MacIsaac presented the ancillary fees addendum and explained that the reason for the change is that the Faculty of Education has decided to participate in the University's Bring Your Own Device (BYOD) Program.

Upon a motion duly made by A. Imrie and seconded by T. McTiernan, the Committee recommended the 2016-2017 ancillary fees addendum, as presented, to the Board of Governors for approval.

5.3 Banner Payroll Project

C. White-Yeung provided the Committee with an update on the Banner Payroll Project. She advised that the project is expected to be completed in July 2016. All of the training on the system and configuration have been completed. The implementation timeline has been communicated to the staff and faculty. The new payroll system will mean enhanced access to online pay statements.

She advised that the system interface with SunLife is the next main phase of the project. The final phase will be to transfer YTD figures into ADP. The project is on target for its completion date. C. Elliott introduced the members of the Finance Team to the Committee.

A. Imrie thanked C. White-Yeung for all of the work done to complete the payroll project.

5.4 Travel & Expense Management Project

K. Ali provided an update with respect to the Concur expense system. She advised that during the planning phase they benchmarked other university best practices. She confirmed that the University was already using Concur for travel expenses and have expanded its use for general expense management.

(M. Simpson left the meeting at 2:40 p.m.)

Beginning April 1, 2016, employees will be able to use Concur for all expense reimbursement and not just travel expenses. This will result in time savings and efficiency features (scanning, electronic submission, online tracking, etc.). The system has had user acceptance testing by faculty and administrative staff. The target date for use by all University members is September 2016. C.

Elliott confirmed that there are checks and balances built into the system in accordance with our policies and procedures. It has the potential to be a completely paperless system.

6. Investment Committee Oversight

6.1 Investment Committee Quarterly Report

M. Goacher reported that the Investment Committee will be receiving the March 31, 2016 quarter review at the next meeting, at which the Committee will also be discussing the Responsible Investment Policy.

7. Other Business

None.

Upon a motion duly made by A. Imrie and seconded by M. Goacher, the public session of the meeting terminated at 2:48 p.m.

DRAFT



BOARD OF GOVERNORS
Governance, Nominations and
Human Resources Committee

Public Session Minutes for the Meeting of May 11, 2016
12:30 p.m. to 2:30 p.m., ERC 3023

Attendees: Karyn Brearley (Chair), Andrew Elrick, Jay Lefton, Tim McTiernan, Glenna Raymond

Staff: Becky Dinwoodie, Cheryl Foy, Susan McGovern

Regrets : Dan Borowec, Mike Snow

1. Call to Order

The Chair called the meeting to order at 2:18 p.m.

2. Agenda

Upon a motion duly made by T. McTiernan and seconded by J. Lefton, the Agenda was approved as presented.

3. Conflict of Interest Declaration

None.

4. Chair's Remarks

Due to time constraints, the Chair did not make any remarks.

5. President's Remarks

The President discussed the challenges the University will be facing over the next few years and referred to the recent announcement of the Deputy Minister of Training, Colleges and Universities regarding a transformation of the system. He also shared an e-mail from Contact North regarding "Uber U", which discusses Uber U in abstract terms. The University will have to keep this in mind when confronting the upcoming challenges.

6. Board Recruitment & Membership

6.1 Board Recruitment 2016-17

B. Dinwoodie presented the Board's recruitment requirements for the upcoming year. The Committee discussed using the opportunity to increase the Board's diversity.

7. Governance

7.1 Administrative Fairness Policy

C. Foy presented the Administrative Fairness Policy for discussion. She advised that the name has been changed from “Administrative Fairness Policy” to “Fair Processes Policy” to make it more clear to the University community that the Policy deals with processes and is not dealing exclusively with the administration. She confirmed that generally the policies have been perceived positively. There was a suggestion that a more general term (e.g. VP Responsible for...) be used for the Policy Owner rather than using a specific title.

Upon a motion duly made by A. Elrick and seconded by T. McTiernan, the Committee recommended the Fair Processes Policy, as presented, for approval by the Board.

7.2 Workplace Violence Policy & Procedures and

7.3 Discrimination and Harassment Prevention Policy

Due to time constraints, the Chair asked C. Foy to address these agenda items together. C. Foy clarified that these are pre-existing policies and procedures that have been amended in response to recent legislative changes. With respect to the Workplace Violence Policy, there was a discussion regarding the definition of “worker”, as well as whether the policy would apply to visitors and not just employees. C. Foy will confirm that the policy will apply to employees, as well as the other individuals referenced in the policy.

8. Other Business

None.

9. Termination

Upon a motion duly made by T. McTiernan and seconded by A. Elrick, the public session terminated at 2:38 p.m.



BOARD REPORT

Non-Public:
 Public:

Action Required:

Discussion
 Decision

DATE: June 29, 2016

FROM: Glenna Raymond, Chair of UOIT Board of Governors

SUBJECT: Report of the Board Chair – Summary of Activities

A. Purpose

To report on Board activities in 2015-16.

B. Background/Context

Membership on the UOIT Board of Governors in 2015-16:

Perrin Beatty, Chancellor (term ended January 2016)
 Noreen Taylor, Chancellor (appointed January 2016)
 Tim McTiernan, President and Vice-Chancellor
 Glenna Raymond, Chair
 Adele Imrie, Vice-Chair
 John McKinley, Vice-Chair
 Nigel Allen
 Douglas Allingham
 Abdullah AlZahrani (elected graduate student representative)
 Dan Borowec (appointed January 2016)
 Jeremy Bradbury (elected teaching staff representative)
 Karyn Brearley
 Don Duval
 Andrew Elrick
 Miles Goacher
 Jonathan Hackett (elected undergraduate student representative)
 Jay Lefton
 Bonnie Schmidt
 Mary Simpson (appointed January 2016)
 Michael Snow (appointed April 2016)
 John Speers
 Mary Steele (elected non-academic staff representative)
 Laurie Swami (appointed January 2016)
 Shirley Van Nuland (elected teaching staff representative)

Valarie Wafer

Committee Membership for 2015-16 was as follows:

Executive Committee

Glenna Raymond, Chair and Board Chair
Adele Imrie, Vice Chair and Chair, Audit & Finance Committee
John McKinley, Vice Chair and Chair, Strategy & Planning Committee
Miles Goacher, Chair, Investment Committee
Karyn Brearley, Chair, Governance, Nominations & Human Resources Committee
Tim McTiernan, President (ex-officio)

Audit and Finance Committee

Adele Imrie, Chair
Nigel Allen
Doug Allingham
Jeremy Bradbury
Miles Goacher
Mary Simpson
Laurie Swami

Governance, Nominations and Human Resources Committee

Karyn Brearley, Chair
Dan Borowec
Andrew Elrick
Jay Lefton
Mike Snow

Investment Committee

Miles Goacher, Chair
Nigel Allen
Jonathan Hackett
Adele Imrie
John Speers

Strategy & Planning Committee

John McKinley, Chair
Abdullah AlZahrani
Don Duval
Adele Imrie
Jay Lefton
Bonnie Schmidt
John Speers
Mary Steele
Shirley Van Nuland
Valarie Wafer

In total, the UOIT Board and its various standing and ad hoc committees met 33 times in 2015-16.

There were 6 Board meetings comprised of: 5 regularly scheduled meetings of the Board of Governors including the Annual General Meeting and 1 meeting via conference call. The Board of Governor meetings were held on:

- October 21, 2015
- November 26, 2015
- January 26, 2016 (conference call)
- March 9, 2016
- April 20, 2016
- June 29, 2016 AGM

Additionally, there was a Board of Governors Retreat on April 21, 2016 and 3 Orientation Sessions, which were conducted immediately before the meetings in October, November and March.

The standing committees had a total of 27 meetings which were held as follows:

Committee	Number of Meetings	Meeting Dates
Audit & Finance	7	Sep 23, Nov 16, Feb 17, Apr 6, Apr 13, June 8 and Jun 20
Executive	6	Sept 2, Oct 21, Nov 26, Jan 26, Feb 24 and June 1
Governance, Nominations & Human Resources	7	Sept 16, Oct 22, Nov 11, Feb 24, Mar 18, May 11 and June 1
Investment	3	Nov 16, Feb 17, May 11
Strategy & Planning	4	Sept 9, Nov 4, Feb 10 and June 8
Total:	27	



PERFORMANCE INDICATORS

PREPARED BY THE OFFICE OF INSTITUTIONAL RESEARCH AND ANALYSIS

JUNE 2016

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INTRODUCTION

Performance Indicators for The University of Ontario Institute of Technology (UOIT) provide a set of concise measures to demonstrate the annual performance of UOIT over a range of issues for the Board of Governors. These measures are graphed to assist interpretation of longitudinal performance over the last five years. The Performance Indicators comprise both stand-alone metrics and metrics that compare UOIT to the Ontario university system.

Many different measures could have been chosen; however, the Performance Indicators that are included in this report align with UOIT's mission, values and strategic goals. Further, these indicators all exhibit the following qualities:

- **Validity** – the metric must measure what it is supposed to measure
- **Reliability** – the metric must be consistent over time to allow comparison
- **Quantifiable** – the metric must be measured numerically
- **Accessibility** – data for the indicators will be readily available on an annual basis

Although there are numerous ways that UOIT could quantify its performance, this report provides 13 indicators that are classified into three categories which align with UOIT's Strategic Plan:



























- Prepare our Graduates for the evolving workplace (5)
- Build Research and Scholarly Activity Capacity (4)
- Be distinguished as a destination for work and study (4)

UOIT CORE PERFORMANCE TARGETS

The premise of performance targets were introduced last year in order for UOIT to strive towards an end goal and to have the ability or measure ourselves by what we desire.

The key to the targets are tracked in two ways; short term and long term. The symbols in the short term objectives are:

 Meeting Objective;
  On track with Objective;
  Not Meeting Objective.
 Those that are used in the long term objectives are:
  Improvement Desired and
  Desire to Maintain.

Prepare our Graduates for the evolving workplace					
Indicator	2012 Level	Current Level	Short Term Objective	Proposed FY17	Long Term Objective
Student Enrolment (FTEs)	8,164	8,649		8,800	
Andragogy (Hybrid and online offerings)	9%	21%		21%	
Retention Rates	77.2%	80.3%		80.5%	
Student Faculty ratio actual (approved)	35:1	34:1 (31:1)		31:1	
Graduate Employment Rates (2 years)	95.3%	96.2%		96%	
Build Research and Scholarly Activity Capacity					
Indicator	2012 Level	Current Level	Short Term Objective	Proposed FY17	Long Term Objective
Total Sponsored Research	\$12.3M	\$10.6M		\$10.0M	
% Graduate of student body	5.1%	5.9%		6%	
% UG students graduating with Experiential Learning	N/A	71%		75%	
Educational Experience (NSSE)	78% positive	74% positive		75%	
Be distinguished as a destination for work and study					
Indicator	2012 Level	Current Level	Short Term Objective	Proposed FY17	Long Term Objective
Applications, UG (GR)	11,507 (926)	11,010 (1,098)		10,800 (1,200)	
Net income/Loss Ratio	1.8%	4.5%		2.30%	
NASM/ FTE (COU cat 1-5, 10)	4.07	4.10		4.08	
Employee Permanence	93%	91%		92%	

STUDENT POPULATION

Students differ in motivation and aptitude, attitudes about teaching and learning, and responses to specific environments and pedagogy. The mosaic of students' background, culture and experience influences the way that they interact within their institution. The more intimately the University understands the student population, the better they will meet the diverse needs of all their students. Prior to commencing on the performance indicators we will look at the demographics of our student body.

DEMOGRAPHICS

The simplest way to attempt to understand the student population is through straightforward demographics. Longitudinal demographic data provide insight into patterns of change in the University. These data provide key insights regarding programming for academic, support and extra-curricular programs.

	2011-12	2012-13	2013-14	2014-15	2015-16
Gender					
Male	4,939	5,424	5,761	5,883	5,869
Female	3,408	3,693	4,006	4,122	4,076
% Female	40.8%	40.5%	41.0%	41.2%	41.0%
Residency					
Domestic	7986	8630	9113	9,316	9,254
International	361	487	584	689	691
% International	4.3%	5.3%	6.0%	6.9%	6.9%
First Generation Status					
Self declared first generation	2539	3676	4676	5119	5380
% First Generation	30.4%	40.3%	47.9%	51.2%	54.1%
Aboriginal Status					
Self declared aboriginal	62	77	86	83	88
% Aboriginal	0.7%	0.8%	0.9%	0.8%	0.9%
Enrolment Status					
Part-time	581	645	720	859	909
% Part time	7.0%	7.1%	7.4%	8.6%	9.1%
Local Catchment					
Durham Region	2,979	3,292	3,530	3,641	3,641
Northumberland	100	106	106	101	98
%Durham	35.7%	36.1%	36.4%	36.4%	36.6%
% Northumberland	1.2%	1.2%	1.1%	1.0%	1.0%
% Durham or Northumberland	36.9%	37.3%	37.5%	37.4%	37.6%

Definition of the Indicator: UOIT reports the student counts for each academic term to MTCU. In conjunction with the formal Ministry reporting elements, UOIT captures elements within an internal census. This allows UOIT to do analysis even though not all of the data is complete as some of this is self-reported (i.e. first generation status).

Findings and Conclusion: The individual demographics for the undergraduate and graduate student body can be found in Appendix A. UOIT has a relatively large proportion of male, domestic, full-time students. As well, the number of students that are the first within their family to attend post-secondary education (First Generation Status) is relatively high, with just over 50% declaring this in the 2015-2016 academic year. The growth of First Generation students is deceiving as this just started to be tracked by the Ontario Universities Application Centre in 2010. Within the UOIT Act it states that the institution is to

meet the higher educational needs of the residents of the Durham and Northumberland Regions. The table above reveals that UOIT has maintained a steady proportion, as about a third of its student population arrive from these regions.

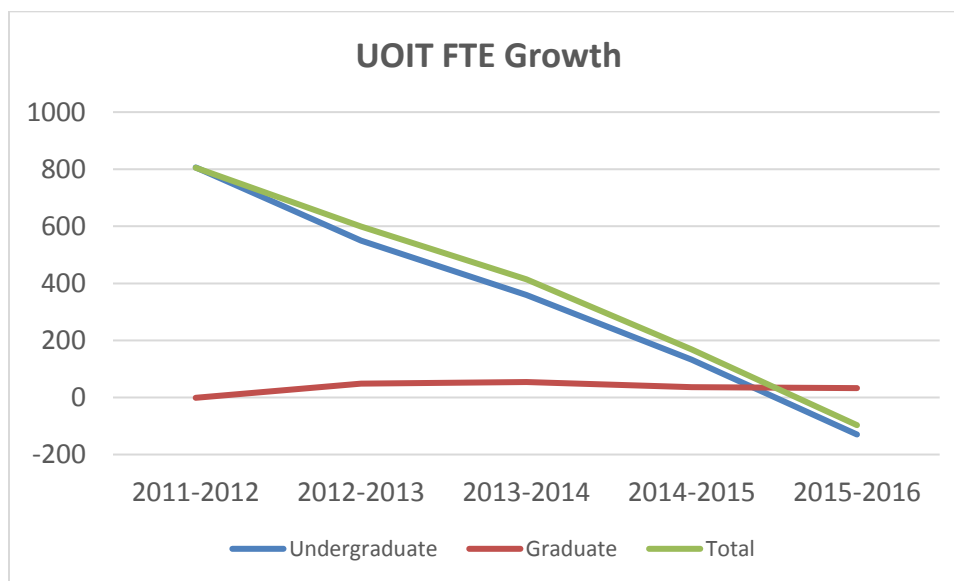
UOIT's location is situated in the traditional territories of Mississaugas of Scugog Island First Nation. The recommendations of the Truth and Reconciliation Commission mean that UOIT must critically examine if it is meeting the needs of the FNMI community. The number of students declaring aboriginal status has been maintained over the time period displayed.

PREPARE OUR GRADUATES FOR THE EVOLVING WORKPLACE

UOIT's first priority in the most recent Strategic Plan is to prepare graduates for the evolving workplace. UOIT's programs are built with a foundation of career-focus which is attractive to students. Thus, the metrics related to Student Enrolment allow the reader to examine the breadth and demand for UOIT's programs. Instructors at Universities utilize a variety of different techniques and technologies to educate students. Increasingly, these pedagogies utilize techniques that engage students in the subject matter and allow students to realize real world applications of course materials. The most effective strategies engage students and provide supportive environments aligned with future career goals. The categories below highlight the supportive environment that UOIT students have access to.

STUDENT ENROLMENT

The majority of UOIT's operating funding is derived from student enrolment. To ensure financial sustainability for UOIT the growth must keep up with operating commitments or reallocations need to be made. UOIT has continued to submit a balanced budget to its Board of Governors for approval.

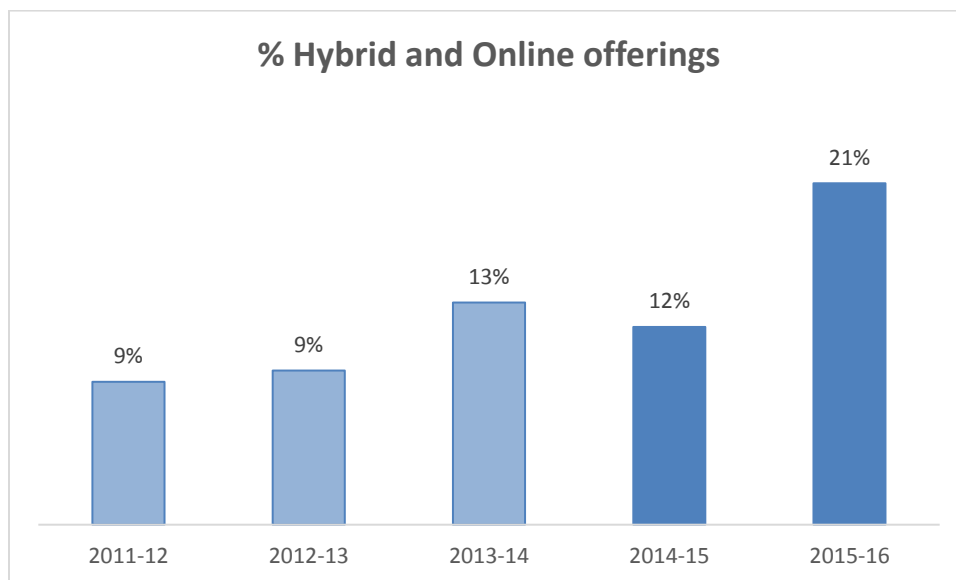


Definition of the Indicator: UOIT reports the student counts for each academic term to MTCU. Undergraduate FTEs are counted as a proportion of a normal full-time load over an academic year (i.e. if a student takes 8 of 10 courses they are 0.8 FTE). Graduate FTEs are counted based on fall term registration (full-time generate 1 and part-time 0.3 FTE).

Findings and Conclusion: The data presented in the graph above represents year over year FTE enrolments. As seen, UOIT is steadily decreasing in year over year growth. This is caused by UOIT moving into a steady state after rapid growth as well as the decline in student-aged population. In the most recent year 2015-16, the consecutive education program enrolment was cut in half in order to move towards a two-year program offering. This cut as well as the movement to a two year program was a MTCU decision. It will be essential to monitor this indicator over the next few years to ensure that UOIT is generating sufficient means to operate.

ANDRAGOGY

Current students differ compared to those that attended post-secondary education a few decades ago. Today’s students are likely to be older, international, or studying part-time while holding down a full-time job. In educating this new group of adults it is imperative to offer flexible learning structures. The types of programs offered and the flexibility in the learning environment can be reviewed by looking at the online or hybrid offerings.

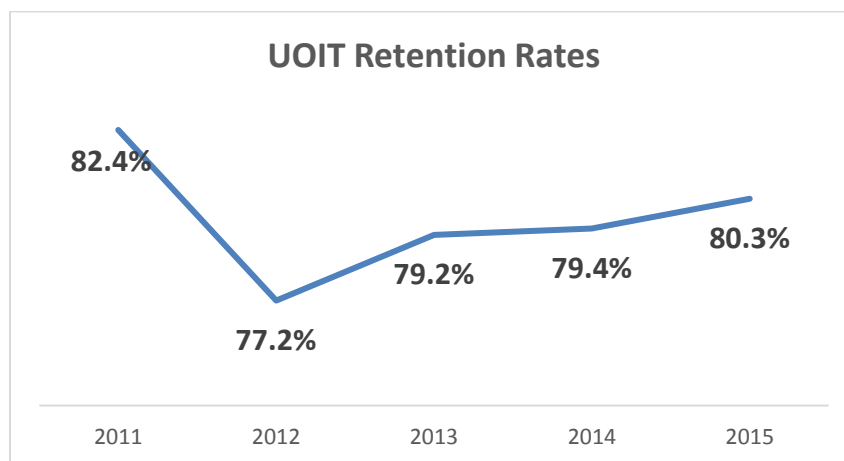


Definition of the Indicator: UOIT captures the number and types of course offerings each term. The data capture dates coincides with the official enrolment counts that UOIT reports each academic term to MTCU. Criteria: Course enrolment >0, Credit hours >0, Course Status Active. Number of WEB, WB1 and HYB courses offered as a percentage of overall courses offered. IND and OFF removed from counts prior to calculation.

Findings and Conclusion: Over the last five years UOIT has more than doubled the number of online or hybrid offerings. In order to accurately collect this data UOIT created a data field called instructional method to the data captures. This new field began in 2014-15, prior to this scheduling type was utilized. Therefore the latter two years in the graph above may vary slightly in the groupings. What is key to note is that the trend is increasing, which coincides with UOITs increase in flexibility.

RETENTION RATES

Retention focuses on how successful UOIT is at facilitating progression from first to second year.



Definition of the Indicator: This indicator provides rates of retention from first to second year for first-time (no prior PSE studies), full-time students admitted in the fall term of an academic year. This is known as the CSRDE (Consortium for Student Retention Data Exchange) method of calculating retention rates. The rates are based on the return year (or reporting year) for instance the 2011 retention rate of 82.4% is based on the 2010 entering cohort of students.

Findings and Conclusion: The graph above illustrates UOIT's retention rate for the past 5 years. In 2012, the retention rate decreased approximately 5% from the previous year. Since then, UOIT has improved its retention rate by 3%, and has shown slight improvements each year. However, UOIT's retention rate still remains one of the lowest in the province. A deeper examination of UOIT's retention profile does not match the common parameters observed by other Ontario universities. Typically, decreased retention is associated with admission averages, commuting long distances, and registration in STEM programs. During the past 5 years, UOIT's students increased their admission average and those who did not persist were more likely to commute the least (i.e. they were from Durham region).

STUDENT FACULTY RATIO

The student to faculty ratio is used to demonstrate how much access each student has to full time faculty. Universities with more staff per student have a good chance of creating an engaged and interactive teaching environment. While the rates for each Faculty are different due to accreditation needs or discipline, this is one measure that always makes headlines.

Tenure and Tenure Stream, SF Ratio	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Business & Information Technology	65:1	56:1	46:1	46:1	52:1
Education	23:1	20:1	21:1	20:1	17:1
Energy Systems & Nuclear Science	42:1	39:1	37:1	32:1	33:1
Engineering & Applied Science	37:1	40:1	37:1	49:1	51:1
Health Sciences	54:1	63:1	52:1	57:1	59:1
Science	37:1	40:1	36:1	36:1	36:1
Social Science and Humanities	51:1	51:1	52:1	46:1	44:1
Grand Total	46:1	47:1	42:1	44:1	45:1

TTT & Teaching Faculty (TF), SF Ratio	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Business & Information Technology	49:1	41:1	34:1	35:1	37:1
Education	19:1	16:1	17:1	18:1	15:1
Energy Systems & Nuclear Science	42:1	39:1	32:1	30:1	30:1
Engineering & Applied Science	33:1	37:1	34:1	40:1	42:1
Health Sciences	29:1	33:1	36:1	35:1	36:1
Science	25:1	26:1	24:1	24:1	24:1
Social Science & Humanities	46:1	46:1	45:1	40:1	37:1
Grand Total	35:1	35:1	33:1	33:1	34:1

Definition of the Indicator: The number of student FTEs is divided by the number of full-time continuing faculty members (tenure and tenure track and teaching faculty). The faculty counts are obtained each year in collaboration with the office of institutional research and analysis and the Human Resources Department. Undergraduate FTEs are counted as a proportion of a normal full-time load over an academic year (i.e. if a student takes 8 of 10 courses they are 0.8 FTE). Graduate FTEs are counted based on fall term registration (full-time generate 1 and part-time 0.3 FTE).

Findings and Conclusion: UOIT has one of highest student to faculty ratios in the system. If we were to look at the student faculty ratio in terms of approved hires (provided below) the rates are somewhat better, however there is only data for the last two years to review as this was not part of the historical collection of data.

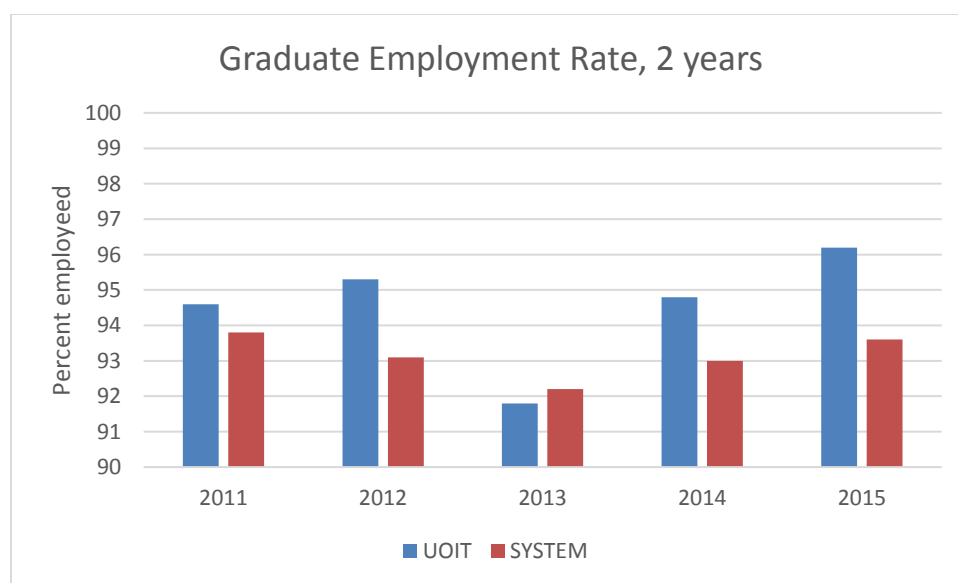
Tenure and Tenure Stream, SF Ratio	2014/2015	2015/2016
Business & Information Technology	45:1	45:1
Education	19:1	17:1
Energy Systems & Nuclear Science	30:1	28:1
Engineering & Applied Science	44:1	44:1
Health Sciences	55:1	51:1
Science	36:1	35:1
Social Science and Humanities	46:1	42:1
Grand Total	42:1	41:1

TTT & Teaching Faculty (TF), SF Ratio	2014/2015	2015/2016
Business & Information Technology	32:1	32:1
Education	17:1	15:1
Energy Systems & Nuclear Science	28:1	26:1
Engineering & Applied Science	36:1	37:1
Health Sciences	34:1	32:1
Science	24:1	23:1
Social Science & Humanities	39:1	36:1
Grand Total	32:1	31:1

Although a low student-to-staff ratio does generally imply smaller class sizes, it is only a crude estimation of how much attention individual students will receive. Even these data cannot tell you about how attentive and enthusiastic lecturers are, how quickly they reply to emails and turn around marked coursework, or what kinds of relationships they have with their students. Nonetheless, having more staff relative to students is certainly a good grounding for creating a teaching environment with a high level of interaction, engagement and academic support.

GRADUATE EMPLOYMENT RATES

This indicator provides insight into how well UOIT is preparing its students in obtaining post-degree employment.



Definition of the Indicator: This indicator reflects graduates’ employment two years after their graduation date. To determine employment rates of graduates, recent graduates are sent an email to invite them to participate in the Ontario University Graduate Survey. The report years represent the year the data was released. For instance, the report released in 2014 represents students from the 2011 cohort that were surveyed in 2013.

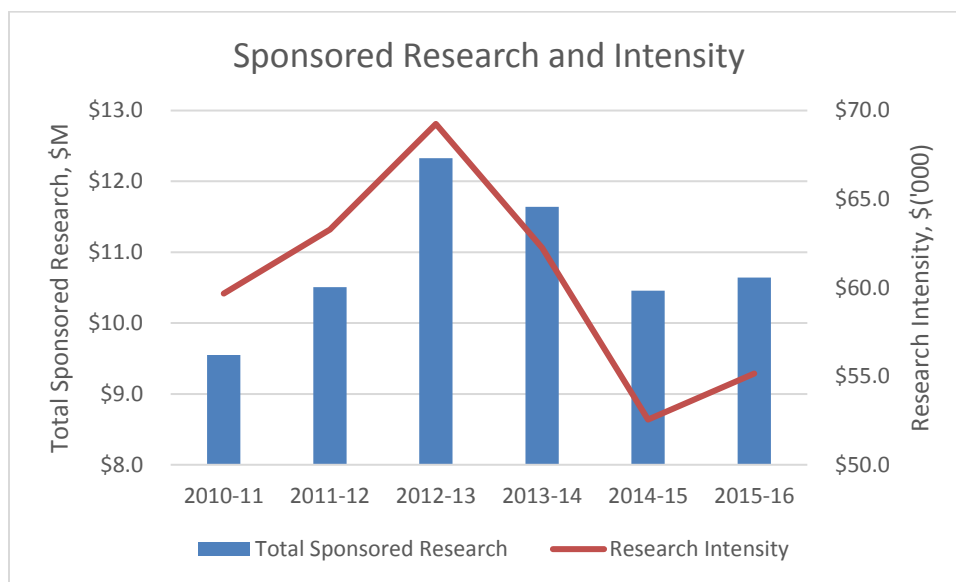
Findings and Conclusion: UOIT’s two-year graduate employment rate from 2010 to 2015 is illustrated above. UOIT has achieved among the highest 2 year employment rates in the system, which speaks to the quality and relevance of the programs that UOIT offers. The Ontario University Graduate Survey has amended its survey instrument to enhance the data that are being collected to include information about employer and relevance of employment to the skills and knowledge attained throughout their programs. This is consistent with efforts in the Faculties and other units to track graduates and their employers. Incorporating this type of skills match data in the future iterations is worth considering.

BUILD RESEARCH AND SCHOLARLY ACTIVITY CAPACITY

UOIT’s strategic priority in building strength and capacity through research, innovation and partnerships is examined with the metrics in this section. Research excellence at UOIT is supported through a commitment to obtain and maintain both external and internal research funding, student research and knowledge mobilization resources. Further, we must consider how UOIT faculty research achievements compare nationally and internationally.

TOTAL SPONSORED RESEARCH/ RESEARCH INTENSITY

Research capacity is a key measure within the Strategic Research Plan. The metrics in this area look at the success of faculty members in acquiring funding to illustrate the amount of, and commitment to, research. UOIT’s success in research funding provides an indirect measure of the university’s future capacity to generate new intellectual property and to support innovation in the Durham, Ontario and Canada.



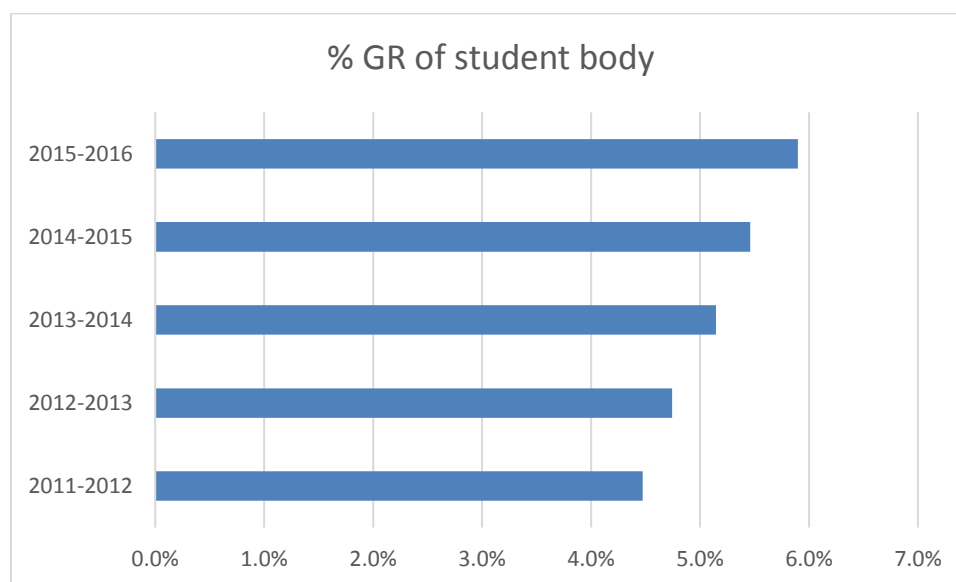
Definition of the Indicator: The chart above provides the total sponsored funding for each year as well as the intensity which is the total funding divided by the number of faculty members (equation below). This metric is the average disbursement of externally sponsored funding per faculty member during the fiscal year. This measure is far from perfect, as it is only calculated on external funding and not on any other measure of research intensity.

$$\text{Research Intensity Per Capita} = \frac{\text{Externally Sponsored Funding Disbursed}}{\text{Total \# of Tenured \& Tenure Track Faculty Members}}$$

Findings and Conclusion: The chart above shows that relative to our size we have been quite successful in obtaining sponsored research each year, with 2015-2016 showing just over \$10.6M. UOIT has a solid reputation in the research domain and is cultivating a culture that consistently produces valuable and meaningful research projects. Although the figure above depicts the total research funding, Tri-Council funding traditionally makes up 30-40% of the research funds awarded. The chart above demonstrates that there has been a steady decline over the last 3 years in research intensity. The reason is two-fold: first, there has been an increase in faculty members at UOIT; second, there has been a significant increase in national competition for Tri-Agency, NGO and other externally sponsored research funds. Given that many tenure-track faculty members at UOIT are just beginning their careers at a time of heightened competition, it is imperative that individual Faculties and the VPRII develop a plan to develop UOIT's competitiveness in this measure.

GRADUATE STUDENT BODY

Graduate students participate in many aspects of University life including research, teaching, mentorship, and outreach. With respect to research focus, graduate students conduct their own research and assist with the research of Faculty members. Graduate students publish research outcomes and engage in discovery and technology transfer alongside faculty. Thus, the proportion of graduate students within the total enrolment is one measure of research capacity at UOIT.

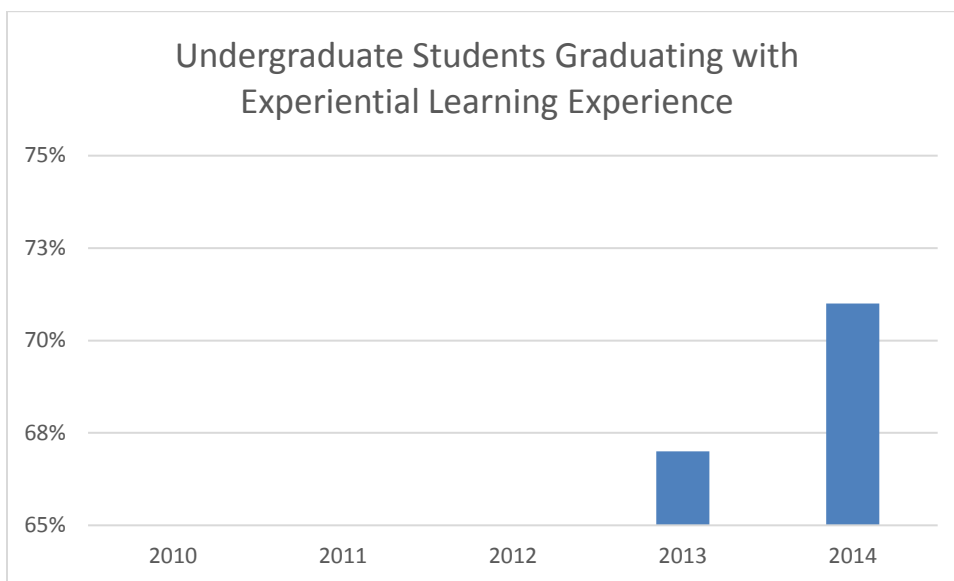


Definition of the Indicator: UOIT reports the student counts for each academic term to MTCU. The official counts produced in these reports are used to calculate the proportion of graduate students within the entire student body. UOIT reports the student counts for each academic term to MTCU. The official counts produced in these reports are used to calculate the proportion of graduate students within the entire student body. UOIT reports the students that have graduated from UOIT at the end of the calendar year to MTCU. The counts for graduate degrees awarded are derived from this measure.

Findings and Conclusion: The proportion of graduate students within the institution has been increasing steadily over the period of review which is impressive given UOIT's newness in offering graduate studies combined with consistent growth in undergraduate students. While impressive to such a new institution it is key to note that the average graduate student body in the Ontario system is double UOITs. To enhance our research impact, UOIT must enhance program advertising, ensure faculty members attract exceptional students and that methods to support graduate students evolve.

EXPERIENTIAL LEARNING

Experiential learning is the process of learning through experience. UOIT offers its students numerous opportunities to obtain hands-on learning that allow them to build on what they learn in the classroom and make connections with partners in their area of pursuit.

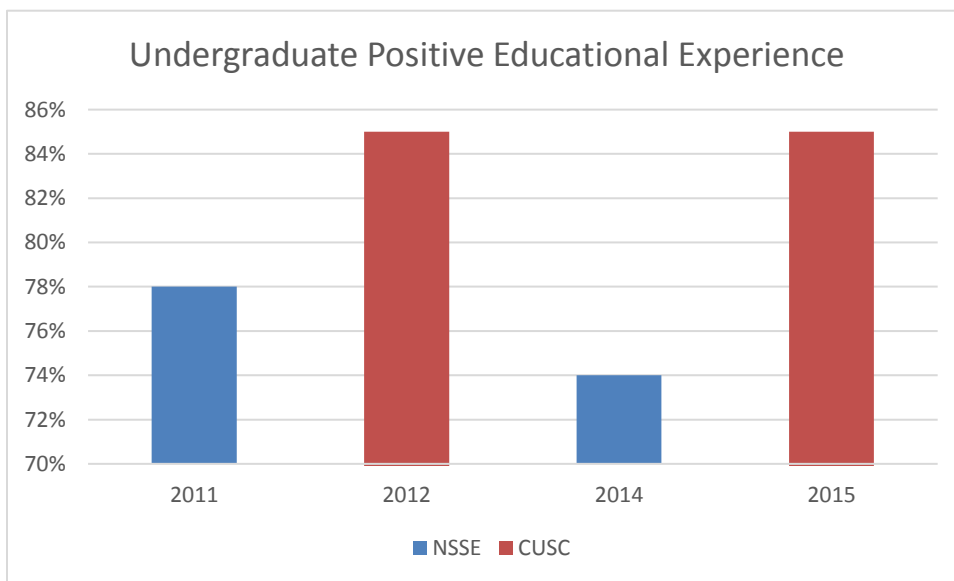


Definition of the Indicator: An experiential learning database captures all experiential learning experiences each academic year. The types of experiential learning captured are; Capstone, Internship, Practicum, Co-Op, Teaching Assistants, Research Assistants, Research Awards, and Research Practicum. The list of graduating students that is produced every December for submission to MTCU is then matched to those who had an experience.

Findings and Conclusion: The experiential learning database was started in 2012-13. The first year that students graduated from these captured experiences was in 2013. The latest data available shows that 71% of students graduate UOIT with an experiential learning experience. It is anticipated that the percentage of students graduating with an experiential learning experience will increase slightly over the next few years, due to the maturation of the database. Once the data in the database has stabilized we will have a better understanding of the number of undergraduate students that graduate with an experience.

EDUCATIONAL EXPERIENCE

UOIT students take part in two different undergraduate surveys that occur on a three-year cycle which measure the undergraduate student experience as well as other factors.



Definition of the Indicator: The National Survey of Student Engagement (NSSE) focuses on the nature of first-year and senior students’ undergraduate experience. To facilitate comparison with the CUSC survey, only upper year data will be utilized. The following is a highlighted question from NSSE:

- *How would you evaluate your entire educational experience at this institution?*
(Positive = Excellent, Neutral = Good, Fair, Negative = Poor)

The Canadian Undergraduate Survey Consortium (CUSC) measures the level of student satisfaction with various aspects of the university experience. During the past three cycles, UOIT targeted graduating students. The following is a highlighted question from CUSC:

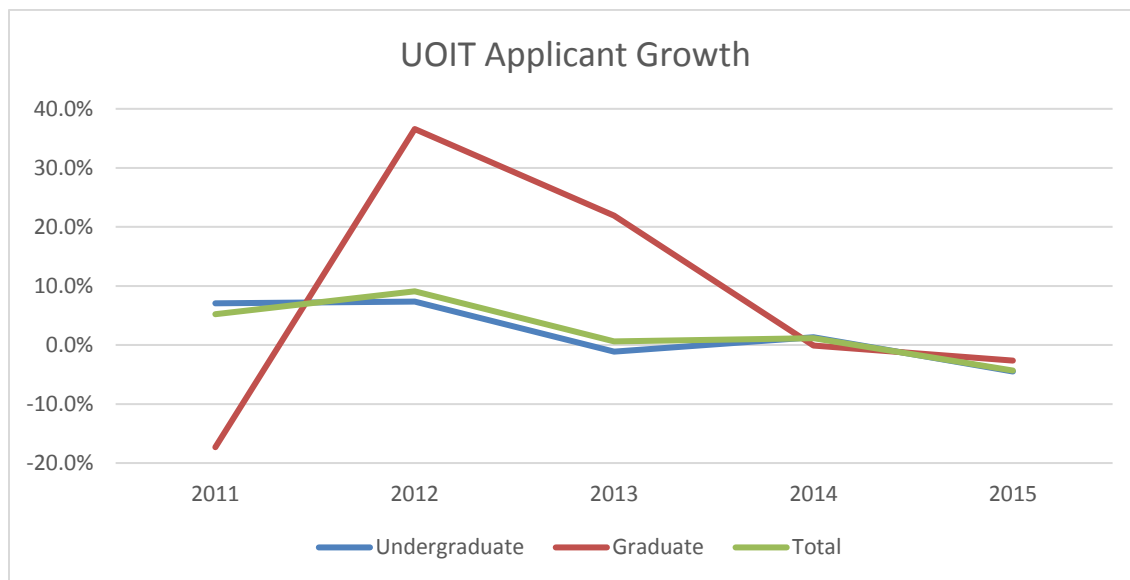
- *How satisfied are you with the overall quality of education you have received at this university?*
(Positive = Very Satisfied, Neutral = Satisfied, Negative = Dissatisfied and Very Dissatisfied)

Findings and Conclusion: Undergraduate students have shown a decreasing rating of their educational experiences at UOIT over time. However, compared to the system, UOIT did not underperform in any indicator. The initial decrease from positive ratings in 2008 may be associated with the “first class effect,” (responses reflect the experiences of those students who came to UOIT during its initial year). We attribute these decreases to two factors: diminishing resources (lack of classroom and study space) and decreased engagement (reductions in response rates). The response rate for NSSE dropped 2% (2011—2014) and CUSC dropped ~30% (2007—2012). Other factors, such as the time of year the survey was administered, the length of the survey, and how well it was promoted may also play a significant role in completion rates.

BE DISTINGUISHED AS A DESTINATION FOR WORK AND STUDY

APPLICATIONS

This indicator provides insight into the demand of the programs offered at UOIT.



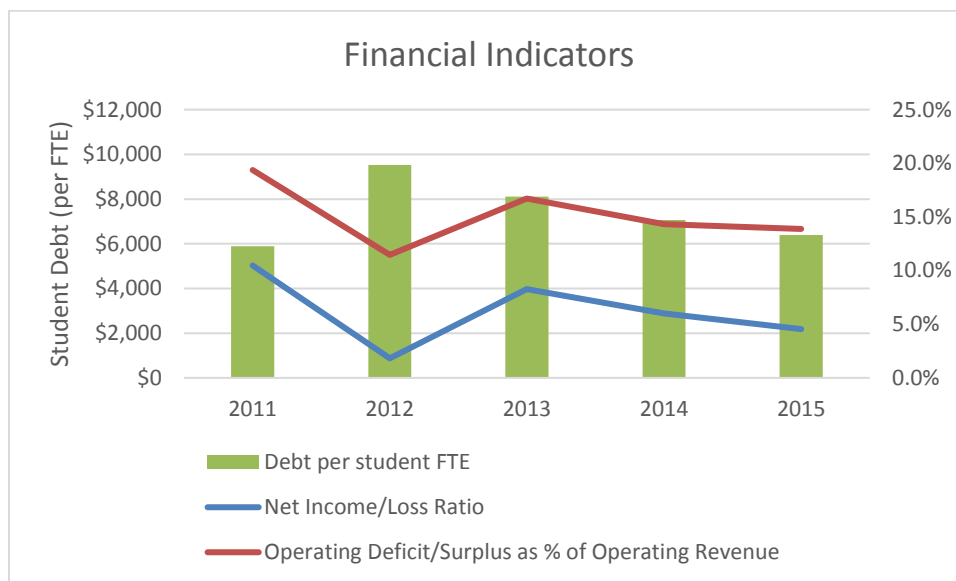
Definition of the Indicator: UOIT reports the applicants for the upcoming academic year in tracking reports produced for internal circulation. The last report, captured on the tenth day of classes, is considered the final report for that academic term. The counts above represent fall final applicant counts, the fall historically has the largest intake of students for both undergraduate and graduate levels.

Findings and Conclusion: As shown in an earlier measure the graduate student body represents about 6% of UOIT total students. Therefore it is not surprising that the total applicant growth mirrors closely with that of the undergraduate applicants. The chart above shows that over the last few years the applicant growth has hovered around the zero mark. This

is not surprising knowing that the traditional aged student population in Ontario is declining, while the competition to attract students is increasing. Interesting to note however is the drastic changes in graduate applicants, and the steady decline in applicants for the last few years. In order to maintain the current graduate compliment UOIT will have to become more active in trying to attract applicants for graduate programs.

OPERATING REVENUE MEASURES

Operating funds support the delivery of academic programs and support services. Thus, a sound, stable and healthy financial system will support the efficient allocation of sparse resources and distribute risks across the institution thereby supporting future success. The following indicators provide a small snapshot off the financial health of UOIT, for a more comprehensive analysis the financial report produced by the Finance Department should be reviewed.

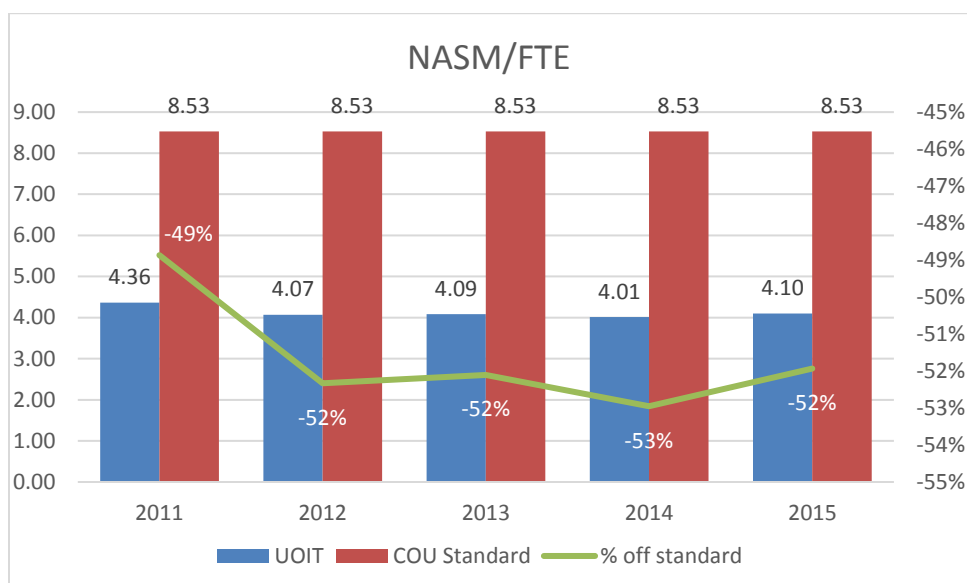


Definition of the Indicator: The operating surplus as a percentage of the total operating revenue is one indicator of financial health. Operating revenue is defined as the total revenue less interest revenue, amortization of deferred capital contributions, and unrealized gain on investments. Operating deficit/surplus is operating revenue less total expenses less amortization of capital assets and gains/losses on disposal of capital assets. The debt per student FTE compares the debt of the institution (without debenture) to the size of the student body and is commonly used in this sector.

Findings and Conclusion: There has been a significant surplus over the past five years. In many environments, revenues outpacing expenses is a positive indicator; however, in educational institutions surpluses may reflect lost opportunities or poor planning. At UOIT, the surplus has been devoted to improving our space and is held in an internal reserve to finance a new building. The long-term debt per student FTE has grown during the beginning time of study, but has recently begun to decline in part because UOIT entered into Capital leases on buildings (2011) and took-on debt to improve leaseholds for some of the downtown locations (2012).

SPACE

Student success requires space to study and learn. Some students need the space to study quietly alone, while others need sufficient space to perform group work. When there is a limited amount of either or both types of space—students suffer. This section will examine the amount of teaching and classroom space UOIT has compared to the system standards.

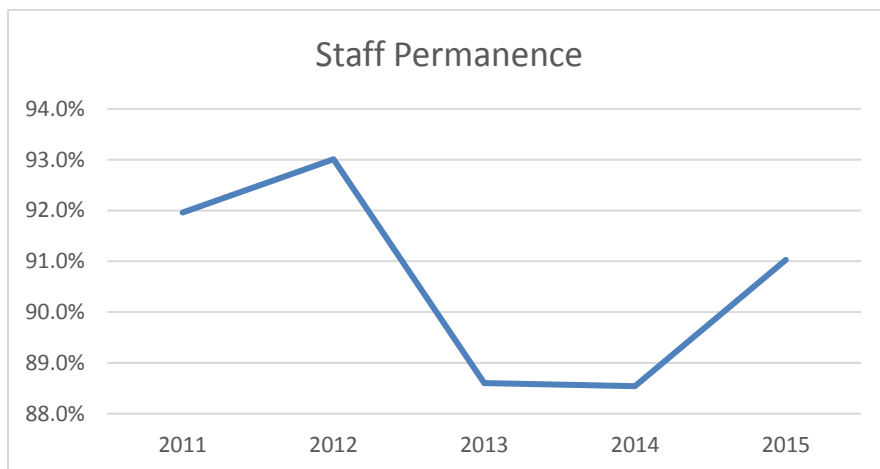


Definition of the Indicator: This indicator measures the amount of net assignable square metres (NASM) that can be used by the occupants of the building. NASM is the sum of all areas which is usable by an occupant (except custodial, circulation, and mechanical). The measure above monitors the Teaching/Research/Academic Support category, which includes classroom, teaching labs, research space, offices, library and study space.

Findings and Conclusion: UOIT’s desperately needs more space. Based on UOIT’s NASM per FTE totals, it continues to rank substantially below the COU formula standards. In 2011-12 and 2012-13 UOIT increased its Teaching/Research/Academic Support category with the addition of the ACE building and the third floor of Charles Street, and by reallocating other space. However despite this increase during that period of time UOIT experienced a decrease in both metrics in 2013-14 because enrolment growth outpaced space increases.

EMPLOYEE PERMANENCE

The institution invests time in ensuring careful employee selection and training to its employees. The ability for the institution to maintain these employees provides a gage on how well the institution is maintaining employee morale and institutional productivity.



Definition of the Indicator: The official staff counts are created every October 1st. Using these the number of continuing staff that remain the subsequent year is calculated to obtain the staff permanence percentage.

Findings and Conclusion: UOIT has a very high staff permanence rate. As there is not a way to gage this across the system UOIT will set its benchmarks and goals.

APPENDIX A: STUDENT DEMOGRAPHICS BY ACADEMIC LEVEL

Undergraduate					
	2011-12	2012-13	2013-14	2014-15	2015-16
Gender					
Male	4,651	5,091	5,391	5,462	5,417
Female	3,254	3,512	3,782	3,880	3,805
% Female	41.2%	40.8%	41.2%	41.5%	41.3%
Residency					
Domestic	7,618	8,200	8,632	8,800	8,686
International	287	403	471	542	536
% International	3.6%	4.7%	5.2%	5.8%	5.8%
First Generation Status					
Self declared first generation	2539	3674	4672	5098	5318
% First Generation	32.1%	42.7%	50.9%	54.6%	57.7%
Aboriginal Status					
Self declared aboriginal	60	76	84	83	86
% Aboriginal	0.8%	0.9%	0.9%	0.9%	0.9%
Enrolment Status					
Part-time	433	464	502	594	605
% Part time	5.5%	5.4%	5.5%	6.4%	6.6%
Local Catchment					
Durham Region	2,915	3,173	3,346	3,427	3,402
Northumberland	100	104	106	98	93
% from Durham	36.9%	36.9%	36.8%	36.7%	36.9%
% from Northumberland	1.3%	1.2%	1.2%	1.0%	1.0%
% either Durham or Northumberland	38%	38%	38%	38%	38%

Graduate					
Demographics	2011-12	2012-13	2013-14	2014-15	2015-16
Gender					
Male	288	333	370	421	452
Female	154	181	224	242	271
% Female	34.8%	35.2%	37.7%	36.5%	37.5%
Residency					
Domestic	368	430	481	516	568
International	74	84	113	147	155
% International	16.7%	16.3%	19.0%	22.2%	21.4%
First Generation Status					
Self declared first generation		2	4	21	62
% First Generation	0.0%	0.4%	0.7%	3.2%	8.6%
Aboriginal Status					
Self declared aboriginal	2	2	1	2	2
% Aboriginal	0.5%	0.4%	0.2%	0.3%	0.3%
Enrolment Status					
Part-time	148	181	218	265	304
% Part time	33.5%	35.2%	36.7%	40.0%	42.0%
Local Catchment					
Durham Region	64	119	184	214	239
Northumberland	-	2	-	3	5
% from Durham	14.5%	23.2%	31.0%	32.3%	33.1%
% from Northumberland	0.0%	0.4%	0.0%	0.5%	0.7%
% either Durham or Northumberland	14%	24%	31%	33%	34%

GLOSSARY OF TERMS

COU:

Council of Ontario Universities

CUSC:

The Canadian Undergraduate Survey Consortium (CUSC) surveys measure the level of student satisfaction with various aspects of the university experience. They target specific undergraduate sub-samples based on a three-year cycle, alternating between first year students, all undergraduates, and graduating students. The past three cycles, UOIT targeted graduating students.

FTE:

Full-Time Equivalent – An FTE is a unit of measure used to describe enrolments. It is used by governments to determine the level of funding provided to universities.

MTCU:

Ministry of Training, Colleges and Universities

NSSE:

The National Survey of Student Engagement (NSSE) focuses on the nature of first-year and senior students' undergraduate experience. The questions allow UOIT to measure how successful it is at engaging students in activities and programs that it provides for students' academic and personal development.

PSE:

Post-Secondary Education

STEM:

Science, Technology, Engineering and Math

TRI-AGENCY:

The three national granting councils: the Canadian Institutes of Health Research; the Natural Sciences and Engineering Research Council; and the Social Sciences and Humanities Research Council



**THE UOIT DEFINED CONTRIBUTION PENSION PLAN (UOIT DCP)
GOVERNANCE COMPLIANCE CERTIFICATE**

The University of Ontario Institute of Technology ("UOIT") sponsors the University Of Ontario Institute Of Technology Pension Plan, Registration No. 1087808 (the "Plan"). The Plan is a member-investment directed defined contribution pension plan registered with the Financial Services Commission of Ontario and the Canada Revenue Agency governed by the Pension Benefits Act (Ontario) (the "PBA") and the Income Tax Act ("ITA"), Canada, respectively.

The Senior Administration (Pension & Benefits) Sub-Committee (SASC) exercises overall responsibility for the proper administration of the Plan and administration and investment of the Fund.

The SASC's responsibilities are carried out by three members of senior management, the Vice President, Human Resources & Services (VP, HR & Services), the Chief Financial Officer (CFO) and the General Counsel (GC). The main responsibility for the Plan and Fund lies with the VP, HR & Services and the Pension & Benefits Staff which report to him/her.

The SASC (or member thereof) is responsible for reporting to the Governance, Nominations & Human Resources Committee of the UOIT Board of Governors and for certifying that all aspects of the UOIT Pension Plan Governance Structure and the UOIT Plan Governance Processes have been met.

With respect to the Year January 1, 2015 to December 31, 2015 the SASC hereby certifies that the responsibilities and processes listed in the accompanying ten (10) Pension Governance Checklists have been fulfilled and completed.

Murray Lapp,
Vice-President Human Resources and Service

DATED the 13th day of January, 2016.

Craig Elliott
Chief Financial Officer

DATED the 14 day of January, 2016.

Cheryl Foy,
University Secretary and General Counsel, Office of the President

DATED the 13th day of January, 2016.

BOARD OF GOVERNORS

As the guiding mind of UOIT, the Board is the legal plan administrator and, as such, has general oversight responsibility for the administration of the Plan and the administration and investment of the Fund. The Board has established a governance system for the Plan and Fund, which delegates most of the functions relating to the Plan to the SLT. The Board plays an oversight role vis-à-vis the Plan, with its main responsibilities being to receive and consider reports from the Governance, Nominations & Human Resources Committee and the Audit Committee (to which the SLT reports) and to approve Plan design changes recommended by the Governance, Nominations & Human Resources Committee. The Board also appoints the auditor for the Plan and receives reports on risk management issues from the Audit Committee. The Board may also receive submissions from the Pension & Benefits Committee if that Committee feels that it is necessary to bring a matter directly to the Board's attention.

Board of Governors Checklist

January 1, 2015 to December 31, 2015

No.	Item	Completion Date ¹	Action Required/ Taken/Comments
1.	Establishes and updates the governance system for the Plan on the recommendation of the Governance, Nominations & Human Resources Committee	November 2013	As required
2.	Approves design changes to the Plan ² on the recommendation of the Governance, Nominations & Human Resources	April 2015	None
3.	Appoints the Plan auditor	2015 N/A	None
4.	Receives annual report from the Governance, Nominations & Human Resources Committee	June 2015	At least annually
5.	Receives and considers reports from the Audit Committee	June 2015	
6.	May receive submissions directly from the Pension & Benefits Committee	N/A	None

Green - completed

Yellow - in progress

Red - outstanding

¹ If a matter is not required to be addressed in a given year, "N/A – 20—" is indicated in this column so it is clear that someone turned their mind to whether the item was relevant.

² Design Changes are any changes other than changes that are required by legislation (changes required by legislation are approved by SASC). The annual report from the Governance, Nominations & Human Resources Committee should reference any amendments that were approved by SASC.

GOVERNANCE, NOMINATIONS & HUMAN RESOURCES COMMITTEE

The Governance, Nominations & Human Resources Committee exercises an oversight role with respect to the SLT, a committee of senior management to which is assigned responsibility for most administrator and employer functions relating to the Plan, including all day-to-day operational matters. The Committee's main function is to receive and consider reports from the SLT/SASC with respect to the administration of the Plan and the administration and investment of the Fund, as well as with respect to certain employer-related matters including the budget for the Plan. The Governance, Nominations & Human Resources Committee is also responsible for ensuring that the Board receives appropriate reporting on pension-related matters and makes recommendations to the Board on Plan design changes. The Governance, Nominations & Human Resources Committee may receive submissions from the Pension & Benefits Committee if that Committee feels that it is necessary to bring a matter directly to the Committee's attention.

Governance, Nominations & Human Resources Committee Checklist

January 1, 2015 to December 31, 2015

No.	Item	Completion Date	Action Required/ Taken/Comments
1.	Receives and considers reports from SLT/SASC on matters relating to the, administration and governance of the Plan and Fund	May 2015	At least annually
2.	Receives and considers reports from SLT/SASC on investment options offered under the Plan	June 2015	At least annually
3.	Receives and considers reports from the SLT/SASC on employer-related matters, including the operational budget for the Plan	June 2015	At least annually
4.	May receive submissions directly from the Pension & Benefits Committee	2015 N/A	None
5.	Considers Plan design changes and makes recommendations to the Board.	2015	Recommendation for approval of Amendments: -6.01 Benefits on Retirement and Termination-payment of small amounts, 6.03 Payment of Pension – Surviving Spouse and 8.09 Shortened Life Expectancy
6.	Ensures that the appropriate reporting on pension-related matters is made to the Board.	May 2015	At least annually
7.	Make changes to the Accountability Tool	2015 N/A	None

Green - completed

Yellow - in progress

Red - outstanding

AUDIT & FINANCE COMMITTEE

The Audit Committee has been assigned certain risk management functions and oversees the Plan audit. In carrying out its functions, it works with the SASC and particularly the CFO.

Audit Board of Governors Checklist

January 1, 2015 to December 31, 2015

& Finance Committee No.	Item	Completion Date	Action Required/ Taken/Comments
1.	Performs risk management functions in relation to the Plan and Fund as part of its ERM responsibilities	November 2015	In accordance with the Committee's normal practices
2.	Oversees pension audit as part of the audit of UOIT	September 2015	Done
3.	Receives reports from SLT/SASC/CFO on audit and risk management matters	November 2015	Done
4.	Reports to the Board on risk management and audit issues	November 2015	Done

Green-completed

Yellow-in progress

Red-outstanding

SENIOR LEADERSHIP TEAM (SLT)

The SLT is responsible for high level oversight of the sponsor, administration and investment functions. The SLT carries out its functions through a sub-committee, the SASC. As such, the SLT, as a committee of the whole, serves mainly as a resource for SASC (i.e., as a sounding board and/or to get input on issues which could have an impact on the University as a whole), receives reports and recommendations from the SASC, and ensures that appropriate reporting is made to the Governance, Nominations & Human Resources and Audit Committees of the Board. Finally, the SLT may receive submissions from the Pension & Benefits Committee if that Committee feels that it is necessary to bring a matter directly to the SLT's attention.

SLT Checklist

January 1, 2015 to December 31, 2015

No.	Item	Completion Date	Action Required/ Taken/Comments
1.	Receives reports from SASC	Ongoing	SLT meetings held weekly Monday updates provided as required
2.	Considers Plan design changes and makes recommendations to the Governance, Nominations & Human Resources Committee	July 2015	None
3.	Ensures that appropriate reporting is made to the Governance, Nominations & Human Resources Committee	Ongoing	Done
4.	May receive submissions directly from the Pension & Benefits Committee	2015 N/A	None

Green-completed
 Yellow-in progress
 Red-outstanding

Senior Administration Sub-Committee (SASC)

The SASC exercises overall responsibility for the proper administration of the Plan and administration and investment of the Fund as well as certain employer-related responsibilities.

SASC's responsibilities are carried out by three members of senior management, the VP, HR& Services, the Chief Financial Officer (CFO) and the General Counsel (GC). The main responsibility for the Plan and Fund lies with the VP, HR & Services and P&B Staff report to him/her.

One of the main responsibilities of SASC is to oversee the activities of P&B Staff, which has primary responsibility for the day-to-day operations of the Plan. SASC ensures that the appropriate policies for the governance of the Plan and Fund are in place, appoints service providers, executes service contracts, and approves Plan amendments, deals with any material regulatory issues and reports to the SLT, the Governance, and Nominations & Human Resources as necessary or required.

Another key responsibility of SASC is to participate in meetings of the Pension & Benefits Committee and to serve as a liaison between the Pension & Benefits Committee and the SLT.

As a sub-committee of SLT, SASC (or a member thereof) is responsible for reporting is to the Governance, Nominations & Human Resources and Audit Committees of the Board.

SASC Checklist January 1, 2015 to December 31, 2015

No.	Item	Party Responsible	Completion Date	Action Required/ Taken/Comments
1.	Reviewing and approving the completed checklists/reports of P&B Staff	VP, HR& Services	January	To be reviewed
2.	Approving and executing Plan amendments and signing any related regulatory filings.	VP, HR & Services/GC ¹	March April	6.01 Benefits on Retirement –payment of small amounts 6.03 Payment of Pension Surviving Spouse & 8.09 Shortened Life Expectancy –approved by GNHR & the Board
3.	Approving and signing *all annual regulatory filings	VP, HR& Services/GC ²	December September	<i>Annual Information Return (AIR) – reviewed & filed with FSCO*</i> <i>Form 7- Contribution Summary-reviewed and filed with Sun Life (custodian)</i>

¹ GC plays an advisory role on an as needs basis.

² GC plays an advisory role on an as needs basis.

No.	Item	Party Responsible	Completion Date	Action Required/ Taken/Comments
			December	Financial Statements
4.	Approves, reviews and amends SIPP	VP, HR & Services/ GC, CFO ³	November	Filed with FSCO January 2016
5.	Selecting third party service providers and negotiating and executing contracts.	VP, HR & Services/GC ⁴	N/A 2015	None
6.	Liaising with the Audit Committee in connection with the Plan audit; reviewing, approving and signing financial statements.	CFO/ VP, HR & Services ⁵	December	Financial Statements filed with FSCO
7.	(a) Chairing the Pension & Benefits Committee and preparing the agenda	VP, HR & Services (or a delegate)	March, May, October	Preparation of Agenda Approval of Minutes
	(b) Attending the pension & Benefits Committee	CFO (or a delegate)	March 2015	Year End Pension Investment Performance meeting and discussions.
8.	Receiving and reviewing reports from P&B Staff regarding the performance of third party service providers	VP, HR & Services	Ongoing Meetings	VP, & HR services meets with the Manager of Pension, Benefits & Wellness (PBW) on a monthly basis or more frequently as required
9.	Establishing service standards/benchmarks based on recommendations from P & B Staff	VP, HR & Services	Ongoing	Monthly conference calls and annual reviews
10.	Receiving and reviewing reports from P&B Staff regarding investment performance (and or having in-person meetings with provider(s) and consultants)	VP, HR & Services	Q1- April Q2- July Q3 - October Q4- January 2016	Quarterly Rates of Return emailed to all pension plan members

³ GC and CFO play an advisory role on an as needed basis.

⁴ GC plays an advisory role on an as needs basis.

*FSCO –Financial Services Commission of Ontario

⁵ VP, HR & Services plays an advisory role on an as needs basis

No.	Item	Party Responsible	Completion Date	Action Required/ Taken/Comments
			<p>September</p> <p>September</p> <p>January</p>	<p>Several communications to all active and former members regarding</p> <p><u>Discontinued funds:</u> Hexavest SLF MFS U.S. Equity Templeton International Stock Trust</p> <p><u>Introduction of New Funds</u> MFS Global Equity BlackRock U.S. Equity Index MFS International Equity</p> <p>MFS Responsible Global Research</p>
11.	Receiving and reviewing member communication and education initiatives	VP, HR & Services	<p>Includes # 10 above</p> <p>May</p> <p>May 14th & 15th</p> <p>May</p> <p>January, May, August, December 2015</p> <p>October 2015</p>	<p>“Creating Your Financial Road Map” workshop presentation</p> <p>One on One sessions with SLF representative</p> <p>“Creating Your Financial Road Map” workshop” Presentation materials emailed to all pension plan members</p> <p>Quarterly P & B Newsletters</p> <p>“Taking A Closer Look At Your Investments” workshop. Presentation materials emailed to all pension plan members.</p>

No.	Item	Party Responsible	Completion Date	Action Required/ Taken/Comments
			November 3 rd to 5 th	One on One sessions with SLF representative
12.	Reviewing and approving the annual expense budget	VP, HR& Services/GC ⁶	Budget Approval April	In accordance with normal practice
13.	Considering and approving P&B Staff's recommendations with respect to Plan design changes; initiating recommendations with respect to Plan design changes as required.	VP, HR& Services/CFO	December 2014 To be approved by GNHR and Board 2016	Amendments for small benefits payout and Shortened Life Expectancy approved by SASC Restatement of pension plan text to incorporate in all amendments to date
14.	Considering and approving P&B Staff's recommendations with respect to development of new policies and changes to existing policies; initiating policy development as required.	VP, HR& Services/GC,CFO ⁷	Under review Includes items in #13 Pension Plan Amendments	Development of 5 year Pension Education Strategy Approved by Board 6.01 Benefits on Retirement –payment of small amounts 6.03 Payment of Pension -Surviving Spouse @ age 71 8.09 Shortened Life Expectancy
15.	Dealing with material regulatory issues.	VP, HR& Services/GC	2015 N/A	None
16.	Working with the Audit Committee to address risk management issues	VP, HR & Services/GC ⁸	2015 N/A	None

⁶ GC plays an advisory role on an as needs basis.

⁷ GC and CFO play an advisory role on an as needed basis.

⁸ GC plays an advisory role on an as needs basis.

No.	Item	Party Responsible	Completion Date	Action Required/ Taken/Comments
17.	Overseeing governance review using CAPSA governance tool	CFO/ VP, HR & Services ⁹	Ongoing and annual review and certification to the Board SASC January 2016	SASC meetings
18.	Preparing and delivering report(s) to the a) SLT b) Governance, Nominations & Human Resources Committee c) Audit Committee d) Board	GC/ VP, HR & Services ¹⁰	Ongoing Meetings with P & B Staff April 29, October 29 & December 16 a) Weekly b) April, May, September, November c) April, September d) March & April 2015	Updates provided by P & B Staff to VP, HR Services SASC Committee Meeting Continued ongoing reporting
19.	Ensuring that the Accountability Tool is completed on an annual basis and maintaining a record of the completed Checklists	VP, HR & Services/CG/CFO	January 2016	SASC annual review and compliance certification to the Board

Green-completed
 Yellow-in progress
 Red-outstanding

⁹ VP, HR & Services plays an advisory role on an as needs basis

¹⁰ VP, HR & Services plays an advisory role on an as needs basis

Pension & Benefits (P & B) Committee

The Pension & Benefits Committee serves in an advisory capacity with respect to the Plan. The composition of the P&B Committee and other procedural matters are set out in the P&B Committee Terms of Reference, a copy of which is attached to this Accountability Tool.

The mandate of the P&B Committee includes oversight with respect to the administration, communication and investment management of the Plan. This includes the ability to make recommendations to SASC to amend and interpret the provisions of the Plan as well as to make recommendations to SASC with respect to the specific matters identified in the P&B Committee Terms of Reference.

P&B Committee Checklist

January 1, 2015 to December 31, 2015

No.	Item	Party Responsible	Completion Date	Action Required/ Taken/Comments
1	Developing Agenda	VP, HR & Services (or delegate)	February, April, September	Review of previous minutes and bringing forward any actions completed and provide updates
2	Transmitting Notice and Agenda	VP, HR & Services (or delegate)	March, May, October	Agenda and any accompanying materials reviewed prior to P & B committee meeting
3	P&B Committee Meeting	VP, HR & Services and members of same, including CFO	March, May, October	Done
4	Distributing Minutes	Secretary	March, May, October	Done
5	Completing Action Items from P&B Committee Meeting	VP, HR & Services (or delegate)	January 2015 March 2015 January September	Done Introduction of MFS Responsible Global Research Segregated Fund to offer fund with ESG considerations Annual Investment Performance Review and recommendations for fund changes MFS Responsible Global Research <u>Discontinued funds:</u> Hexavest SLF MFS U.S. Equity Templeton International Stock Trust

No.	Item	Party Responsible	Completion Date	Action Required/ Taken/Comments
			October	<p><u>Introduction of New Funds</u> MFS Global Equity BlackRock U.S. Equity Index MFS International Equity</p> <p>P & B in depth review of Mercer's "Ontario ESG Disclosure Requirements & Trends"</p>
6	Maintaining minutes of meetings	Secretary	At least twice a year	Done-Posted under Public Folders in Outlook and filed

Green-completed
 Yellow-in progress
 Red-outstanding

PENSION & BENEFIT (P&B) STAFF

P&B Staff is responsible for managing the day-to-day operations of the Plan and Fund. Many of the responsibilities in the P&B Staff Checklist may be carried out by third party service providers and in that case P&B Staff's role is primarily one of co-ordination, monitoring and supervision.

P&B Staff is responsible on an ongoing basis for enrolling Plan members, maintaining historical records of individual members, sending each member an annual statement, calculating and processing retirement, termination, marital breakdown and death payments, and responding to questions from members and former members, ensuring contributions are remitted to the custodian, reviewing monthly pension payments from the fund, making recommendations to the VP, HR & Services with respect to service providers, recommending service standards/benchmarks to VP, HR & Services, monitoring accuracy and timeliness of major services/investment options against established performance standards, explaining and providing written explanations to members about the Plan provision and members' rights and obligations with respect to the Plan, promoting awareness of the Plan and its provisions among the members and beneficiaries, providing member education programs, assisting the VP, HR & Services and GC in the negotiation of contracts with third party service providers, ensuring that expenses relating to the operation of the Plan are paid within the budget established by the VP, HR & Services and CFO, and ensuring that the Plan is administered in accordance with applicable legislation and all filed documents, including interpreting the Plan document as necessary. P&B Staff also ensures that the Accountability Tool is completed on an annual basis and provided to the VP, HR & Services and for maintaining appropriate records.

The attached checklists are intended to assist P&B Staff in carrying out the foregoing responsibilities to form the basis of P&B Staff's report to the VP, HR & Services. They consist of an administrative checklist, a regulatory compliance checklist, a key document checklist, and a service provider checklist and accompanying evaluation forms.

P & B STAFF ADMINISTRATIVE CHECKLIST*

January 1, 2015 to December 31, 2015

No.	Item	Prepared By	Completion Date	Action Required/ Taken/Comments
1.	Certified copies of all documents that create and support Plan amendments made during the year	AON Hewitt	<p>March</p> <p>April</p>	<p>Approved by Board</p> <p>6.01 Benefits on Retirement – payment of small amounts</p> <p>6.03 Payment of Pension -Surviving Spouse</p> <p>8.09 Shortened Life Expectancy</p>

No.	Item	Prepared By	Completion Date	Action Required/ Taken/Comments
2.	Information with respect to the remittance of employer contributions to the custodian or reallocation of assets within the Fund.	Payroll and verified by HR P & B Staff	<p>Full time -2015 January to December</p> <p>Less than Full time or Limited Term January to December Bi-Weekly</p>	<p>Each pay cycle either monthly or bi-weekly, as the case may be, payroll deductions are processed by payroll and verified by P & B Staff</p> <p>Cumulative amounts are monitored to ensure CRA limits do not exceed the maximum permitted under the Income Tax Act 2015 maximum \$25,370</p>
3.	Reports and returns filed with the Financial Services Commission of Ontario ("FSCO") and Canada Revenue Agency ("CRA").		<p>December</p> <p>September</p> <p>December</p>	<p><i>Annual Information Return</i> – filed with FSCO*</p> <p>Form 7-<i>Contribution Summary Form</i> reported to Sun Life</p> <p><i>Audited Financial Statements</i> filed with FSCO</p>
4.	Summaries of Pension Adjustments ("PAs").	Payroll	December	<p>Done</p> <p>2015 Pension Adjustments year-end checked no issues as confirmed by payroll & SLF</p>
5.	Summaries of Pension Adjustment Reversals ("PARs")	N/A	N/A	Applicable to DB plans UOIT Pension Plan is DC
6.	Annual Information Return	Pension & Benefits Staff	December	Done

No.	Item	Prepared By	Completion Date	Action Required/ Taken/Comments
7.	Form 7, Summary of Contributions/Revised Summary of Contributions	Pension & Benefits Staff	September	Done
8.	Financial Statements (including auditor's report)	KPMG and UOIT	December	Done
9.	Copy of SIPP as either confirmed or amended by VP, HR & Services	VP, HR & Services, Manager, PBW and vetted by Mercer	November	Done, approved by the Board Nov 26, 2015 –to be filed with FSCO January 2016
10.	Reports on monitoring of investment options	Mercer	March May	Done Mercer Analysis & recommendations. <u>Discontinued funds</u> Hexavest, SLF MFS U.S. Equity & Templeton International Funds <u>New Funds</u> MFS Global Equity, BlackRock U.S. Equity & MFS International
		Sun Life	Quarterly & Annual reporting	
11.	Information with respect to the monitoring of Plan expenses	Fees paid by members	Reported quarterly on Member statements each quarter	Pension Plan statements available online quarterly and mailed to member's home address in January (yearend statement) and July (semi-annual statement) Former members with assets on deposit also receive same.
12.	Information with respect to the monitoring of fees charges to members	Sun Life	Reported on Member statements each quarter	see comments # 11

No.	Item	Prepared By	Completion Date	Action Required/ Taken/Comments
13.	Information with respect to the enrolment of new members	UOIT and Sun Life	<p>1st day of hire for full time continuing (FTC) or</p> <p>Less than full time or limited term employees (LTE) when criteria attained</p> <p>Meeting with each eligible pension plan member for enrolment and information session</p>	<p>All FTCs are eligible to join the plan from their date of hire</p> <p>Eligibility for less than full time or LTE employees 24 months of consecutive employment with the University having attained either:</p> <p>a) 700 hours in each of the 2 years or;</p> <p>b) 35% YMPE in each of the previous 2 years*</p> <p>Prior to or on date of hire for FTCs. For LTE upon eligibility.</p>
14.	Information with respect to the termination and death benefit payments made from the Fund.	UOIT and Sun Life	Ongoing	Reports received monthly
15.	Information with respect to marriage breakdowns	Sun Life	December 2015	1 reported
16.	Information with respect to numbers of member and active members	Sun Life	Monthly & at Plan Year end June	Reports available at any time on Sun Life Plan Sponsor website to access current statistics. Plan Year End reports generated for AIR, Form 7, Audit & Financial Statements

No.	Item	Prepared By	Completion Date	Action Required/ Taken/Comments
17.	Information with respect to the annual statements provided to members, including sample statements.	UOIT and Sun Life	March 2014	Guides available at UOIT HR Pension website How to read your Pension Statement
18.	Information with respect to the written explanations provided to the members about the Plan provisions and the members' rights and obligations with respect to the Plan.	UOIT and Sun Life	<p>March 2014</p> <p>Ongoing- Full time continuing Pension and Benefits Personal Sign Up meeting (prior to date of hire)</p> <p>Less than full time or limited term employees' pension personal sign up meeting date of eligibility</p>	<p>UOIT DCPP Member Booklet (summary of plan text rules) UOIT HR Pension website</p> <p>My Money Investment Guide</p> <p>Pension & Benefits At a Glance</p> <p>Eligible limited term employees elect to participate or opt out.</p>
19.	Information with respect to the educational or other information provided to Plan members about the Plan and financial planning for retirement.	UOIT and Sun Life	Semi-Annually Group Information Workshops followed by one on one sessions May & October	"Creating Your Financial Road Map" & "Taking a Closer Look at Your Investments"
20.	Information with respect to any regulatory or other administrative issues that arose during the year.	Amendment for wording to Plan text requested by CRA	N/A	None
21.	Information with respect to member complaints	Sun Life	N/A	None
22.	Reports on retention of new service providers/copy of completed third party evaluations	Sun Life	January 2015	RFS for Pension Investment Consultant – completed -Mercer Awarded Contract
23.	Copies of any legal opinions obtained during the year.	N/A	N/A	None

No.	Item	Prepared By	Completion Date	Action Required/ Taken/Comments
24.	Copy of completed regulatory compliance checklist	UOIT	January 2016	Done
25.	Report on the results of the reviews of and/or amendments to any Key Plan Documents		March & April 2015	Approved by the Board - 6.01 Benefits on Retirement – payment of small amounts & 6.03 Payment of Pension a& Surviving Spouse 8.09 Shortened Life Expectancy

*YMPE (Year's Maximum Pensionable Earnings) and 35%

- 2014 YMPE \$52,500/\$18,375
- 2015 YMPE \$53,600/\$18,760

Green-completed

Yellow-in progress

Red-outstanding

**P&B STAFF REGULATORY COMPLIANCE CHECKLIST
January 1, 2015 to December 31, 2015**

P&B STAFF : REGULATORY COMPLIANCE CHECKLIST

This checklist is intended as a guide to the regulatory responsibilities of UOIT as the administrator of the University of Ontario Institute of Technology Pension Plan (the "Plan"), an Ontario registered pension plan.

For the purpose of this checklist the following abbreviations are used:

Pension Benefits Act (Ontario)	PBA
Regulations under the Pension Benefits Act (Ontario)	PBA Reg.
Federal Investment Regulations (i.e. sections 6, 7, 7.1 and 7.2 and Schedule III to the PBSA Regulation, 1985 (Canada)	FIR
Income Tax Act (Canada)	ITA
Regulations to the Income Tax Act	ITA Reg.
Financial Services Commission of Ontario	FSCO
Canada Revenue Agency	CRA

P&B STAFF REGULATORY COMPLIANCE CHECKLIST

January 1, 2015 to December 31, 2015

	Legislation	Time Limit (if any)	Person Responsible	Comments
(a) Filing of Plan Documents				
<input type="checkbox"/> File certified copy of plan amendments with Superintendent along with Form 1.1.	PBA s.12(1), (2)	Within 60 days after the date on which the plan is amended.	N/A	None
<input type="checkbox"/> File with Superintendent certified copies of each document that changes the documents that create and support the plan or pension fund (e.g. trust documents). File with CRA as appropriate.	PBA s.12(3) ITA Reg. 8512(2)	Within 60 days after the date on which the plan is amended. July 24, 2003 September 13, 2004	AON Hewitt	Done UOIT DCP FSCO – Plan registration CRA – Plan registration
<input type="checkbox"/> File explanation of amendment transmitted to members with Superintendent.	PBA s.26(3) Reg. 3(4)	Within 6 months after registration of the amendment. (If amendment is adverse (i.e. reduces benefits or rights on a go forward basis), Superintendent may require explanation to be provided prior to registration.)	N/A	None
<input type="checkbox"/> If Superintendent dispenses with notice of the amendment required under s.26(3) of the PBA, then must provide notice of amendment with next annual statement to members.	PBA s.26(4), 27 Reg. 39(2)		N/A	None
<input type="checkbox"/> File copy of notice of adverse amendment provided to members (if such notice was required) with Superintendent and certify details as to classes of persons who received notice, date when last such notice given and that notice was provided as required.	PBA s. 26(1) Reg. 3(3)	Within 30 days after the date on which the last of the notices was transferred. See under section (c) below regarding required disclosure of adverse amendments to members.	2014 N/A	None
<input type="checkbox"/> File certified copy of amendments with CRA along with form T920.	ITA 147.1(4) ITA Reg. 8512(2), (3)	Within 60 days after the date the amendment is made. May	P & B Staff	Amendments filed with CRA

P&B STAFF REGULATORY COMPLIANCE CHECKLIST
January 1, 2015 to December 31, 2015

	Legislation	Time Limit (if any)	Person Responsible	Comments
(b) Reporting Requirements				
<input type="checkbox"/> File an annual information return.	PBA s.20(1) Reg. 18(1), (6), (7) Reg. 37 ITA Reg. 8409(1), (2)	9 months after the plan's fiscal year end. September	P & B Staff	Done -filed with FSCO
<input type="checkbox"/> File financial statements (including auditors' report where plan assets exceed \$3 million)	Reg. 76	By June 30 of the year following the plan's fiscal year end. December	Finance and P & B Staff	Audited Financial Statements filed with FSCO
<input type="checkbox"/> Review SIP&P and amend/confirm annually.	Reg. 79 FIR, s.7.2(1)	November	VP HR and Services	Approved by the Board and all committees leading up to it. & Services
(c) Disclosure to Members				
<input type="checkbox"/> Explain plan provisions to employees who will become eligible to join the plan.	PBA s. 25(2)(b) Reg. 38	At least 60 days before employees become eligible. Date of Hire or date employee meets with part-time pension eligibility criteria	Payroll and P& B Staff	Full time continuing Pension and Benefits Sign Up meeting (prior to date of hire) Less than full time or limited term employees' pension sign up once eligibility criteria met and member elects to join

P&B STAFF REGULATORY COMPLIANCE CHECKLIST
January 1, 2015 to December 31, 2015

	Legislation	Time Limit (if any)	Person Responsible	Comments
<input type="checkbox"/> Explain Plan provisions to persons who become eligible for plan membership upon becoming employed.	PBA s. 25(2)(c) Reg. 38	<p>Within 60 days after employees commence employment.</p> <p>Every eligible employee meets with P & B Staff for sign up</p> <p>Pension and Benefits Sign up meetings prior to date of hire for full time continuing employees.</p> <p>For less than full time employees - on or near the date in which the employee has met the required criteria to join the pension plan</p>	P & B Staff	<p>Eligibility for less than full time or Limited Term</p> <p>Employees 24 months of consecutive employment with the University having attained either:</p> <p>a) 700 hours in each of the 2 years or;</p> <p>b) 35% YMPE in each of the previous 2 years*</p>
<input type="checkbox"/> Provide notice and explanation of non-adverse amendments to affected members.	PBA s. 26(3) Reg. 39(1)	Within 60 days after provincial registration.	N/A	None
<input type="checkbox"/> Provide notice and explanation of adverse amendments to affected members if Superintendent requires.	PBA s.26(1), (2) Reg. 3(3), (4)	At least 45 days prior to registration of the amendment.	N/A	None
<input type="checkbox"/> Provide annual statement of benefits as prescribed.	PBA s.27 Reg. 40(1), (2)	6 months after the plan's fiscal year end.	Sun Life	<p>Pension Statements Quarterly on line</p> <p>Pension Statements mailed semi-annual to home address annually in January following year end</p>

P&B STAFF REGULATORY COMPLIANCE CHECKLIST
January 1, 2015 to December 31, 2015

	Legislation	Time Limit (if any)	Person Responsible	Comments
<input type="checkbox"/> Make documents that create and support the pension plan and other prescribed information available for inspection by members and others as entitled.	PBA s. 29, 30 Reg. 45	Within 30 days after receipt of written request.	P & B Staff	2015 No requests received
<input type="checkbox"/> Provide termination statement containing prescribed information for termination of employment in situations other than retirement or death.	PBA s. 28 Reg. 41(1), (2), 42	Within 30 days after termination of employment or, where notice of termination is not provided to the administrator prior to the event, within 30 days after receipt of such notice.	Sun Life	Termination statements are issued in 2 weeks from date of departure from the University
<input type="checkbox"/> Where a plan member who is not entitled to a pension or deferred pension terminates employment in situations other than retirement or death, the administrator must pay any refund to which the member is entitled.	Reg. 42(3), (4) 42. revoked: O. Reg. 178/12, s. 40	Within 60 days after termination or, where a member has an option for receiving a refund, within 60 days after receipt of a direction from the member.	Sun Life	Payments are made within 30 days upon receipt of member's election to transfer out of the UOIT DCPP.

P&B STAFF REGULATORY COMPLIANCE CHECKLIST
January 1, 2015 to December 31, 2015

	Legislation	Time Limit (if any)	Person Responsible	Comments
<input type="checkbox"/> Provide retirement statement and options for payment of pension.	PBA s.28 Reg. 44	<p>At least 60 days prior to the member's normal retirement date or the date at which the member has indicated he or she intends to retire.</p> <p>If the administrator does not receive adequate notice of the intended retirement to comply with the 60 day time requirement, the administrator shall provide the required information within 30 days following receipt by the administrator of a completed application for commencement of the pension.</p>	<p>Sun Life</p> <p>N/A</p>	<p>Sun Life transfers the value of the member's pension account in accordance with the member's election within 30 days of the receipt of the member's direction to transfer to a retirement income option.</p> <p>Commencement of pension from DC N/A</p>
<input type="checkbox"/> Provide statement of benefits payable upon death to spouse, beneficiary or estate.	PBA s.28 Reg. 43(1)	Within 30 days after receipt of notice of death of member or former member.	Sun Life	None
<input type="checkbox"/> Comply with surviving spouse's election regarding pre-retirement benefits.	Reg. 43(3)	Within 60 days after receiving direction from spouse or same-sex partner.	Sun Life	None

P&B STAFF REGULATORY COMPLIANCE CHECKLIST
January 1, 2015 to December 31, 2015

	Legislation	Time Limit (if any)	Person Responsible	Comments
<input type="checkbox"/> In cases of marital breakdown, calculate the value of the pension, as requested by the member and/or spouse using Superintendent of Financial Services approved forms throughout the process.	PBA s. 67.1 – 67.6 Ont. Reg. 287/11 (Family Matters)	Within 60 days of receiving a completed application	Sun Life Request sent to Sun Life Oct 26 th – payment to former spouse made Dec 14 th	On payment to former spouse completed
(d) Miscellaneous				
<input type="checkbox"/> If benefit transfer request made within 60 days of termination of employment, pay in accordance with request. Must ensure that transfers to retirement savings arrangements or deferred life annuities will be administered as pensions or deferred pensions.	PBA s.42(1), (5), (6), (7) Reg. 20	Within 60 days after request	Sun Life	Done -processed as termination instructions received from members
<input type="checkbox"/> Ensure all contributions are paid when due.	PBA s.56(1) Reg. 4(4) Reg. 5(1)	Employer contributions in respect of normal costs: within 30 days after the month for which contributions are payable	Payroll, P & B Staff	Contributions are invested by pay date. Contributions received before 2p.m. invested same day after 2p.m. next day
<input type="checkbox"/> Report to Superintendent if contributions are not made when they become due.	PBA s.56(2) Reg. 6.1	Within 60 days after the day on which the contribution was due.	Sun Life	None reported
<input type="checkbox"/> Provide pension fund trustee with a summary of contributions required to be made.	PBA s.56.1(1) Reg. 6.2(1)	Within 90 days after the pension plan is established for the first fiscal year and within 60 days after the beginning of each subsequent fiscal year.	N/A	Applicable when a contribution is <u>not</u> remitted No delays to report

P&B STAFF REGULATORY COMPLIANCE CHECKLIST
January 1, 2015 to December 31, 2015

	Legislation	Time Limit (if any)	Person Responsible	Comments
<input type="checkbox"/> Provide pension fund trustee with a revised summary of contributions required to be made.	Reg. 6.2(2)	Within 60 days after becoming aware of a change in contributions.	N/A	Applicable when contribution is <u>not</u> remitted No delays
<input type="checkbox"/> Pension Adjustments must be reported to CRA in the appropriate manner.	ITA Reg. 8401	On or before the last day of February of the year following the end of the calendar year.	Payroll	Prior to February 28 of each year T4 distribution deadline
<input type="checkbox"/> Pension Adjustment Reversals must be reported to CRA.	ITA Reg. 8402.01	When the Termination occurs in the 1 st , 2 nd , 3 rd quarter of the calendar year, within 60 days after the last day of the quarter in which the termination occurs. When the termination occurs in the 4 th quarter, before February 1 of the following calendar year.	N/A	This applies to DB plans only and not the UOIT DCP. P. No action required
<input type="checkbox"/> Where there is a change in the name or address of person who is administrator or persons who constitute the body that is the administrator, inform the Minister of National Revenue in writing within 60 days after the change.	ITA 147.1(7)(c)		N/A	No change

Green-completed

Yellow-in progress

Red-outstanding

P&B STAFF: KEY PLAN DOCUMENT CHECKLIST*

This checklist is designed to ensure that a complete record of the key documents used in the administration of the Plan and the administration and investment of the Fund is maintained in an accessible manner and that reviews of the key documents are carried out at regular intervals to ensure they are updated to reflect current information and practices.

P&B STAFF: KEY PLAN DOCUMENT CHECKLIST

January 1, 2015 to December 31, 2015

No.	Document	Last Review Date	Next Scheduled Review Date, if any	Review Completed By	Action Required/Taken/Comments
1.	Plan text	December 2015	None	SASC & P & B Staff	UOIT DCPD Plan text restated pending Board approval
2.	Custodial Agreement (under Group Annuity Contract)	2003	2015	N/A	Under review
3.	Record-keeping Agreement (Sun Life Service Fee Agreement)	April 2013	2016	VP HR & Services,	Fee negotiation underway expected decrease in FMFs
4.	Insurance Policy Sun Life Group Annuity Contract	June 27, 2003 renewed April 1, 2015	2016	VP HR & Services	Under review
5.	Statement of Investment Policies and Procedures (see Appendix)	November 2015	2016	VP HR & Services	New regulatory requirement to file initial SIP&P with FSCO. Subsequent filings required if SIP&P is amended.
6.	Investment Consulting Agreement	Effective January 2015	2018	VP HR & Services	Mercer Canada appointed
7.	Governance Documentation (including Board resolution approving UOIT Pension Plan Governance Structure and Functions Chart and Accountability Tool)	January 2016	2017	SASC	SASC annual certification

*A binder of key documents is retained in Human Resources by P & B Staff

Green-completed
 Yellow-in progress
 Red-outstanding

No.	Document	Last Review Date	Next Scheduled Review Date, if any	Review Completed By	Action Required/Taken/Comments
8.	Employee Booklet	March 2014	2016	VP HR & Services and P & B Staff	Upon Board approval of restated plan text; Employee booklet to be revised accordingly
9.	Service Provider Benchmarks	December 2013/15	2018/2020	SASC	P& B providers review in 2018 – Pension Investment Consultant review in 2020

P&B STAFF: THIRD PARTY SERVICE REVIEW

This checklist is designed to ensure that agents and advisors retained by the Plan are meeting the performance standards expected by the Plan administrator. This is a particularly critical component of the governance system in the case of agents of the Plan administrator. For PBA purposes, an agent is a service provider that is performing a function that the administrator would otherwise have to perform itself (e.g., a record keeper or investment manager) and therefore it is particularly important to ensure the agent is meeting the PBA fiduciary standard of care (as the Plan administrator will be liable if it does not). Advisors fall into a different category since they only give advice to the administrator who makes the ultimate decision on the matter as part of its functions. Nonetheless it is important for the ongoing operations of the Plan that advisors are evaluated to ensure that they are providing their services to the expected standards. Finally, the external auditor falls into its own category in that it is performing specific functions under the PBA. Nonetheless, again, it is important for the Plan administrator to be satisfied that the external is providing its services to the expected standards and to report any issues to the Audit Committee.

A review of the services provided by employees of the Plan administrator should also be undertaken. This review generally occurs as part of the normal course HR processes. Board and management committees should perform self-evaluations at specified intervals (this should be addressed in a governance policy) or from to time may wish to commission third party evaluations of their governance of the Plan.

P&B STAFF: THIRD PARTY SERVICE REVIEW January 1, 2015 to December 31, 2015

No.	Item	Reviewed by	Completion Date	Action Required/ Taken/Comments
1.	Performance Review of Trustee/ Custodian	AON Hewitt	April 24, 2013	Market Review Sun Life Next review 2018
2.	Performance Review of Investment Manager, i.e., provider of investment platform for the Plan	P & B advisory committee V.P. HR & Services	April 24, 2013	Market Review Sun Life Next review 2018
3.	Performance Review of Record-Keeper	P & B advisory committee V.P HR & services	April 24, 2013	Market Review Sun Life Next review 2018
4.	Performance Review of Investment Consultant	N/A	December 2014	Effective January 2015 Contract awarded to Mercer
5.	Performance Review of External Legal Counsel	N/A	N/A	None required
6.	Performance Review of External Auditor	N/A	N/A	None required

Green-completed
 Yellow-in progress
 Red-outstanding