



BOARD OF GOVERNORS
Audit & Finance Committee

February 22, 2023
12:30 p.m. to 3:25 p.m.
[Videoconference](#)
+1 289-348-7002 PIN: 269 121 539#

Members: Carla Carmichael (Chair), Roger Thompson (Vice-Chair), Laura Elliott, Mitch Frazer, Thorsten Koseck, Dale MacMillan, Steven Murphy, Kim Slade

Staff: Sarah Cantrell, Krista Hester, Les Jacobs, Lori Livingston, Brad MacIsaac, Kimberley McCartney, Pamela Onsiong, Lauren Turner, Jacquelyn Dupuis

Guests: Leila Fiouzi, PH&N

AGENDA

No.	Topic	Lead	Allocated Time	Suggested Start Time
PUBLIC SESSION				
1	Call to Order	Chair	5	12:30 p.m.
2	Agenda (M)			
3	Conflict of Interest Declaration			
4	Chair's Remarks	Chair	5	12:35 p.m.
5	President's Remarks	Steven Murphy	5	12:40 p.m.
6	Strategic Discussion: Multi-Year Planning* (D)	Brad MacIsaac	30	12:45 p.m.
7	Finance			
7.1	Third Quarter Financial Reports* (U)	Pamela Onsiong	10	1:15 p.m.
7.2	2023-2024 Tuition & Ancillary Fees* (M)	Sarah Cantrell & Brad MacIsaac	15	1:25 p.m.
8	Investment Oversight			
8.1	Semi-Annual Investment Portfolio Report* (D)	Brad MacIsaac	10	1:40 p.m.
9	Compliance Update* (U)	Brad MacIsaac	5	1:50 p.m.

D – Discussion

M – Motion

P – Presentation

U – Update

* Documents attached

No.	Topic	Lead	Allocated Time	Suggested Start Time
10	Risk Update* (U)	Brad MacIsaac	10	1:55 p.m.
11	Consent Agenda (M):	Chair	5	2:05 p.m.
11.1	Minutes of Public Session of A&F Meeting of November 23, 2022*			
11.2	Draft Personal Health Information Privacy Policy and Procedure*			
11.3	Updated Expenditure Signing Authority Procedures*			
11.4	Rescind: International Agreements Procedure*			
12	Adjournment (M)	Chair		2:10 p.m.
BREAK – 10 minutes				
NON-PUBLIC SESSION (material not publicly available)				
13	Call to Order	Chair	5	2:20 p.m.
14	Conflict of Interest Declaration			
15	President's Remarks	Steven Murphy	5	2:25 p.m.
16	Investment Oversight			
16.1	Update from Investment Manager*	PH&N	10	2:30 p.m.
16.2	Revised Statement of Investment Policies* (M)	Brad MacIsaac	5	2:40 p.m.
17	Audit			
17.1	Update on Audit by Auditor General of Ontario + 2022-2023 Committee Work Plan*	Brad MacIsaac and Lauren Turner	15	2:45 p.m.
18	Risk Update (Non-Public Questions)	Brad MacIsaac	5	3:00 p.m.
19	Campus Master Plan Update	Brad MacIsaac	5	3:05 p.m.
20	Consent Agenda (M):	Chair	5	3:10 p.m.
20.1	Minutes of Non-Public Session of A&F Meeting of November 23, 2022*			
20.2	President's Expenses*			
21	In Camera Session		10	3:15 p.m.

D – Discussion

M – Motion

P – Presentation

U – Update

* Documents attached

22	Termination (M)			3:25 p.m.
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Lauren Turner, University Secretary

COMMITTEE REPORT

SESSION:

Public
Non-Public

☒
☐**ACTION REQUESTED:**

Decision
Discussion/Direction
Information

☐
☒
☐

TO: Audit & Finance Committee (A&F)

DATE: February 22, 2023

PRESENTED BY: Brad MacIsaac, Vice-President, Administration

SUBJECT: Budget Assumptions and Multi-Year Planning

COMMITTEE MANDATE:

As set out in its Terms of Reference, this Committee is responsible for ensuring fiscal responsibility with respect to the financial resources of the university, including reviewing and recommending approval of the annual operating budgets.

Today we are presenting for discussion three recommendations that will move Ontario Tech towards an enhanced rolling multi-year budget as part of the 2023-2024 budget planning process.

BACKGROUND/CONTEXT & RATIONALE:

In recent years Ontario Tech's focus has been more on an annual budget due to the turbulent environment caused mainly by COVID pandemic and government policies related to tuition and grants. Universities desiring to implement a multi-year budget are confronted with some puzzling questions: How is multi-year budgeting affected by financial stability? What political and administrative factors should be considered when implementing the multi-year budget? Does multi-year budgeting reduce flexibility?

The attached discussion paper outlines the recommended process for a three-year budget noting the first year is approved for actual management reporting purposes and then the out-years will be brought back for more formal approval in the next fiscal. The main questions for today's Audit & Finance Committee discussion are:

Do you feel comfortable with approving a three-year rolling budget? Noting that each year management will come back with a more detailed "in-year" proposal focused mainly on variance from previous plan.

Do you believe the draft charts for capital planning and commercial revenues provide you with a better line of sight on the subsections of the consolidated budget? Noting that S&P have regular reports on the long-term plans and annual tracking.

ALIGNMENT WITH MISSION, VISION, VALUES:

The suggested directions are made with an eye on the mission of the university and an investment in the priorities laid out in the Integrated Academic Research Plan. They will allow Ontario Tech to continue to provide high quality undergraduate and graduate services and experiences to its students.

COMPLIANCE WITH POLICY/LEGISLATION:

The out-year assumptions include our are expectations on compliance with the provincial tuition fee policy and Ontario Tech's ancillary fee protocol. These will be updated each year as numbers are confirmed.

NEXT STEPS:

If the general direction is endorsed by A&F these materials will be shared with the full Board of Governors on March 9 and management will bring forward the new format at the April A&F budget presentation.

SUPPORTING REFERENCE MATERIALS:

Multi-year Budget Planning – A&F Discussion Paper: Feb 22, 2023

Multi-year Budget Planning – A&F Discussion Paper: Feb 22, 2023

Over the past decade, there has been a resurgence of interest across all sectors, and especially not-for-profit, in reviewing the use of multi-year budgeting. The attention to multi-year budgeting has been prompted in part by the difficulty of linking long-term strategic plans with financial planning processes in annual budget cycles. The debate on “best practice” has increased over the past three years in the post-secondary sector due to the impact of external factors such as the COVID-19 pandemic and/or increasing government intervention and how these impact university financial sustainability in the long term.

Multi-year budgeting provides the opportunity to convert annual budgeting from a technical task focused primarily on the analysis of spending increments to a planning task by forcing consideration of long-term objectives. This in turn reduces work hours dedicated to annual budget development and reallocates that effort toward monitoring, analysis, and innovation. But multi-year budgeting may not be for everyone. Universities desiring to implement a multi-year budget are confronted with some puzzling questions: How is multi-year budgeting affected by financial stability? What political and administrative factors should be considered when implementing the multi-year budget? Does multi-year budgeting reduce flexibility?

1.0 Purpose of this paper

This paper is being presented to Audit and Finance as a discussion piece on how the multi-year budget is currently handled at Ontario Tech and to solicit feedback on proposed enhancements to the process. The goals of the paper are to:

- Outline the purpose of multi-year planning in a university setting, ensuring members are aware of the general assumptions in Ontario Tech’s current multi-year model;
- Address the Ontario Internal Audit Division recommendation to approve out year budget before the next year begins; and
- Address the Auditor General’s recommendation to improve budgeting practices by outlining the impact from all investments and how each contributes to or draws on university resources.

2.0 Multi-year budgets at Ontario Tech

Simply put, a multi-year budget is a document that authorizes anticipated revenues and planned expenditures for two or more consecutive budgetary years. The most common types of multi-year budgets are as follows:

1. The “classic” (traditional) multi-year budget - a “spending plan” that has detailed revenues and expenses for two or more budgetary periods, and each budgetary year is approved at the same time. Management would not need to come back in year two for approval.
2. The rolling multi-year budget - a “spending document” that has detailed revenues and expenses for two or more budgetary periods, but each budget is approved individually each year. Management outlines the direction for out-years but comes back in year two to outline variances to the plan.

A multi-year budget may also consist of an annual budget with financial plans that serve as the tentative spending strategies for the out-years (i.e. the first-year expenditures are formally adopted, whereas the subsequent years are not). A multi-year financial plan is a document that provides budgetary information on how an institution will tentatively fund its departments, programs, and services; how it will address revenue enhancement and collection; and how it will address changes in fiscal health in the future. Because a multi-year financial plan is not formally adopted an institution can amend the financial plan and develop an entirely new budget document each year for Board approval. As the rolling budget also always changes in out-years but gives management more ability to make in year approvals we are proposing this approach moving forward.

Recommendation 1: Ontario Tech moving towards a more formal three-year rolling budget with a longer-term financial plan.

The University normal presents an illustration of how the in-year budget will impact out years but has not asked to formally approve enrolment expectation along with corresponding estimated revenue/ expense assumptions. Several factors have contributed to the focus on annual budgeting at the University including the dependence on government-controlled sources of revenue (grant and domestic tuition); the lack of timely government policy clarity; the increased complexity of university budgets and the speed at which we need to alter to stay ahead on innovation. While none of these limit management's ability to create a financial plan, the previous Board at Ontario Tech felt it was more prudent to spend their time looking at the annual budget and how the in-year investments or reallocations connected to delivering on Ontario Tech's Integrated Academic Research Plan. We now believe we are in a better position to move back to a long-term focus to provide more assurance to the Board that current decisions will not lead to future financial issues.

3.0 Multiyear planning and business continuity

To address the Ontario Internal Audit Division's recommendation to approve the out-year budget before the next year begins we were faced with the decision of moving up the budget approval from the April Board session to an earlier meeting. University budgets are best set after the winter term begins as we have a better indication of the current student enrolment patterns, the new student application data and normally the government's direction on tuition. The rationale for making the transition from an annual budget to a multi-year budget includes improved long-term planning by providing assurances to units about service delivery and greater emphasis on program evaluation and monitoring by giving time to implement and review. Further, as our largest expense is our investment in employees, the multi-year approval provides more time for the hiring process.

Multi-year budgeting requires universities to take a long-term perspective when making decisions to undertake new initiatives and fund existing programs and services over multiple years. At the April Board meeting the University will approve the budget plans individually for each year. The first year is confirming anticipated revenues/ expenses and noting any variation from the prior year's plan. The second year will show Board members the impact of the current year decisions on the future year's budget. It will also include some nominal assumptions related to maintaining staff ratios, contractual increases (labour and operating), and potentially other assumed inflationary increases.

Recommendation 2: Continue to approve budgets in April even though the fiscal year starts April 1st. To mitigate the process concern management will present the second-year budget noting this includes a simple rollover of assumed base expenses to ensure those are in place for planning purposes. Management will come back with a revised annual budget a year later.

The University will be moving to show the Board a high-level detailed multi-year operating plan to answer these budgetary questions: What will the existing programs cost two years from now at a rolled-up level? Will the existing sources of revenue be sufficient to provide a desirable level of service in the years to come? Given the growth rate, what new labour is required to maintain ratios? Will the revenue sources be adequate to cover these needs?

4.0 Multi-year planning and how capital and commercial services impact the budget

The Auditor General's report of 2022 recommends that Ontario Tech develop a separate budget for operating, commercial, and all capital investments to inform the Board of the impact of each activity on the University's resources. Further, to continue to present to the Board the budget on a consolidated basis so members have a holistic picture. The University started to separate out capital for the Board in 2022 and is currently providing regular tracking reports to the Strategy & Planning Committee. However, at the last S&P Committee meeting, there was discussion on how best to present the information as a review of each capital purchase, no matter the dollar value or purpose, is not an effective use of Board member's time. The idea would be to focus on the "strategic" items instead.

Recommendation 3: Add in appendices to the annual budget to show a long-term capital and commercial view along with an in-year specific listing of what is in the consolidated budget.

Management is still reviewing what this may look like but is proposing a section in the budget paper for (a) capital facilities infrastructure/capital IT infrastructure and (b) commercial services. The section will outline the mandate for the expense unit, a multi-year plan, a detailed in-year budget, and a snippet of recent accomplishments. We are proposing the following tables for A&F discussion:

(a) IT Infrastructure as an illustration the long-term capital request may include a 10-year vision, a 3-year budget ask as it relates to the systems and services needed for basic infrastructure along with strategic capital identified in the Digital Learning Strategy and the in-year approved. The current budget has \$1.3M factored into it.

Capital Initiative (with Inflation)	2023-24	2024-25	2025-26
Enterprise	\$673,500	\$629,320	\$801,123
Audio Visual/ Service Desk	\$86,000	\$105,790	\$78,255
Network, Telephony and Data Centre	\$1,060,000	\$1,040,300	\$758,544
Information Security	\$38,500	\$13,905	\$66,306
IT Service Management	\$79,000	\$106,520	\$147,029
Procurement Plan	\$408,578	\$344,972	\$369,755
Creative Application of Technology	\$152,000	\$23,800	\$243,000
Classroom Environment	\$331,000	\$526,000	\$629,000
Quality Information	\$304,000	\$596,000	\$699,000
Totals	\$3,132,578	\$3,399,207	\$3,792,317

To give community members a line of sight on the capital projects that make up the total capital allocation in the given fiscal year, where the funding is coming from and the connection with the IARP.

Project	Grant/ other	Operating / Ancillary	Donation	Total Project Costs	Learning Re-imagined/Tech with a Conscience - Innovative Programming	Learning Re-imagined/Tech with a Conscience - Differentiated Technology and Physical Space	Partnerships - Building Community to Support Learning, Opportunities
Ellucian Revitalization		98,810		98,810	•	•	
Cognos Consulting Services		12,430		12,430	•	•	
Banner Cloud Assessment - Phase 3		46,535		46,535	•	•	
Ellucian Active Directory Account Provisioning (ADAP)		22,973		22,973	•	•	
Ellucian Intelligent Learning Platform (ILP)		29,474		29,474	•	•	
Contract Project Manager - Banner		70,000		70,000	•	•	
Ellucian Experience Premium		107,834		107,834		•	
Network Edge (Access Layer) switch life cycle refresh		462,000		462,000		•	
UPS batteries replacement		17,000		17,000		•	
Wi-Fi life cycle refresh		289,900		289,900		•	
Telephony Core and voicemail replacement Pilot Phase 2		25,000		25,000		•	
PM for ICT		67,000		67,000		•	
Cloud Migration - AD Azure roadmap		50,000		50,000		•	
Lab refresh (TELE)		50,000		50,000		•	
Data Centre - Servers life cycle refresh and upgrades		120,000		120,000		•	
Data Centre - storage life cycle refresh and capacity increase		49,000		49,000		•	
Data Centre - Backup capacity		16,000		16,000		•	
Expandable Cloud Infrastructure		8,000		8,000		•	
PC Faculty staff refresh		410,000		410,000		•	
Podium replacement for AODA requirements		200,000		200,000		•	
Streaming Technology replacement		102,000		102,000		•	

(b) Commercial Services: The Office of Ancillary Services supports the overall University vision by combining excellence in service delivery with a forward-thinking attitude that embraces technology with a conscience as a means to advance knowledge and sustain the planet. The mandate of the unit is to enhance the campus experience by facilitating meaningful relationships, school spirit, and a sense of belonging by offering:

- fresh, nutritious, and minimally processed foods;

- course materials, spirit products, and other necessities; and
- high-end support services that build bridges between our campus and the surrounding community.

Ontario Tech's values of integrity, inclusion, intellectual resilience, and innovation are at the core of everything we do. Our ability to deliver outstanding customer service results from practicing these values each and every day. With this in mind, the overarching goal of the unit is to break even. This would include setting aside reserves for capital upgrades.

Commercial Services Financial Summary

(\$000s)	21/22 Actuals	22/23 Budget	22/23 Forecast	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget
TOTAL							
Revenue	2,964	6,466	5,466	5,932			
Labour Cost	(1,363)	(1,603)	(1,256)	(1,508)			
Operating Cost	(2,469)	(4,320)	(3,834)	(3,866)			
Net Surplus/(Deficit)	(868)	543	376	558	0	0	0
	0	0	0	0			
Bookstore							
Revenue	59	100	40	40			
Labour Cost	0	0	0	0			
Operating Cost	0	0	0	0			
Net Surplus/(Deficit)	59	100	40	40	0	0	0
Parking							
Revenue	606	1,188	1,210	1,364			
Labour Cost	(41)	(42)	(42)	(44)			
Operating Cost	(583)	(837)	(255)	(313)			
Net Surplus/(Deficit)	(18)	309	913	1,008	0	0	0
Food Services							
Revenue	113	2,505	1,744	2,381			
Labour Cost	(4)	(214)	(314)	(274)			
Operating Cost	(548)	(2,248)	(1,673)	(2,317)			
Net Surplus/(Deficit)	(440)	42	(243)	(210)	0	0	0
Regent							
Revenue	95	551	531	551			
Labour Cost	(270)	(406)	(464)	(413)			
Operating Cost	(48)	(143)	(108)	(143)			
Net Surplus/(Deficit)	(222)	2	(41)	(5)	0	0	0
Campus Ice Centre							
Revenue	930	1,175	1,162	941			
Labour Cost	(370)	(526)	0	(532)			
Operating Cost	(646)	(658)	(1,222)	(754)			
Net Surplus/(Deficit)	(86)	(8)	(60)	(345)	0	0	0
Campus Field House							
Revenue	451	643	589	655			
Labour Cost	(51)	(173)	0	(184)			
Operating Cost	(386)	(320)	(473)	(339)			
Net Surplus/(Deficit)	14	149	117	132	0	0	0

COMMITTEE REPORT

SESSION:

Public ☒
Non-Public ☐

ACTION REQUESTED:

Decision ☐
Discussion/Direction ☐
Information ☒

TO: Audit & Finance Committee

DATE: February 22, 2023

PRESENTED BY: Pamela Onsiong

SLT LEAD: Brad MacIsaac

SUBJECT: Third Quarter Financial Reports – Operating Forecast Summary for the year ending March 31, 2023

COMMITTEE MANDATE:

The Committee is responsible for overseeing the financial affairs of the University, including approval of the annual budget and financial reporting to ensure that appropriate financial controls, reporting processes and accountabilities are in place at the University.

BACKGROUND/CONTEXT & RATIONALE:

In April 2022, the Committee approved a budget with a net operating surplus of \$1.0M for the 2022/23 fiscal year. Management had also then noted that “normally, the University sees in-year savings of over \$2.0M which we expect to put towards further reserves if it materializes”.

The operating budget is based on a projection of cash receipts and expenditures for the year. This report provides the Committee with an overview of projected year-end financial results against the approved budget (Appendix 1).

Projected results are based on estimated enrolment count, which has been updated based on Winter 2023 Day 10 registration (enrolment table in Appendix 2) and detailed expense forecast submissions from all budget holders.

The current year has been marred by backlogs on visa processing which has had a direct impact on international enrolment and in turn tuition revenues. On the expense side, the ongoing Russia-Ukraine war and the energy crisis in Europe have led to worsening economic conditions with both

interest and inflation rates increasing to new highs. These did not have a significant adverse impact on the University's budget in the current year as the majority of our expenses are tied to agreements currently in place.

HIGHLIGHTS:

The forecast for the year is trending to budget, with **net operating surplus** for the year projected to be approximately \$0.3M against an original budgeted surplus of \$1.0M and a projected Q2 surplus of \$0.6M.

Total **revenue** is favourable \$5.6M (or 3%) against original budget and includes higher than expected or unbudgeted grants/revenues for which there are offsetting expenses (e.g. \$1.3M for additional campus and equipment renewal, \$1.0M for the research "Start-Up Visa" program) and higher interest revenue due to rising interest rates.

Of note, the forecasted revenue also includes a net slight negative variance of \$0.6M in tuition fees due to a \$3.2M decrease attributable to a shortfall in international enrolment (-139 FTE), offset by \$2.6M increase in total domestic tuition as a result of higher than expected intake and number of returning students (+283 FTE). The enrolment count is a current estimate and there may be fluctuations as we finish the winter term.

Total **operating expenses, including labour**, are expected to see \$1.2M (or 1.0%) of savings against budget. This negative variance includes increased expenses of \$1.0M that are funded by additional grants and other revenues, offset by savings in full-time labour due to vacant positions and general operating expenses.

In spite of the increase in inflation rates since the budget was approved in April 2022, the University is not seeing a significant inflationary pressure on its expenses in the current year as over 75% of expenses pertain to: labour which are tied to collective agreements; fixed debt obligations; and contracted services and license fees which are also fixed for the year under vendor contracts.

Capital investment is higher \$7.6M against budget with over 25% of the additional investment being funded by external grants and/or prior year reserves. Additional capital investment includes \$1.5M purchase of 154 Bruce Street and ~ \$4.5M earmarked for new capital infrastructure.

FINANCIAL IMPLICATIONS:

The primary purpose of this financial update is to report on expected financial results of the operating budget. Maintaining a balanced (or surplus) budget is critical to Ontario Tech University's short-term financial health and long-term financial sustainability.

SUPPORTING REFERENCE MATERIALS:

- Appendix 1: 2022/23 Operating Forecast Summary
- Appendix 2: Enrolment Table based on Winter 2023 Day 10 enrolment count

APPENDIX 1

ONTARIO TECH UNIVERSITY

Operating Forecast Summary

For the year ending March 31, 2023 (in \$ 000s)

The table below shows the variance of the year-end forecast vs the approved 2022/23 budget

April 1, 2022 - March 31, 2023				
	Approved Budget	Y/E Forecast	Fav. (Unfav.) Budget vs. Forecast \$ / %	
<u>Revenue</u>				
Grants	82,179	86,138	3,959	5%
Tuition	94,719	94,166	(553)	-1%
Student Ancillary	14,081	13,162	(919)	-7%
Other	23,649	26,716	3,067	13%
Total Revenue	214,628	220,181	\$ 5,553	3%
<u>Expenditures</u>				
Academic/ACRU	85,761	84,967	795	1%
Academic Support	44,418	45,462	(1,044)	-2%
Administrative	29,894	28,729	1,165	4%
Sub-total	160,073	159,157	916	1%
Purchased Services	14,237	13,596	641	5%
Total Commercial	10,533	10,937	(404)	-4%
Loan Interest Expense	9,617	9,540	77	1%
Total Operating Expenses	194,459	193,229	\$ 1,230	1%
Net Contribution from Operations	\$ 20,169	\$ 26,952	\$ 6,783	34%
Capital Expenses	9,761	17,362	(7,601)	-78%
Principal Repayments - debt & leases	9,360	9,360	(0)	0%
Total Net Surplus	\$ 1,049	\$ 230	\$ (818)	-78%

APPENDIX 2

ONTARIO TECH UNIVERSITY

Operating Forecast Summary

For the year ending March 31, 2023 (in \$ 000s)

Enrolment

FTE's	2021/22 actual	2022/23 approved budget	Q3 forecast	Q3 forecast vs approved budget
Undergraduate				
Domestic	8,084	7,785	8,046	261
International	693	810	692	-118
Graduate				
Domestic	452	384	406	22
International	308	410	389	-21
Total FTE's	9,537	9,389	9,533	144

** Q3 enrolment forecast reflects Winter 2023 Day 10 fall enrolment count. With four enrolment count dates over the year, this is still currently an estimate until final winter count in February 2023.

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

COMMITTEE REPORT

SESSION:

Public ☒
Non-Public ☐

ACTION REQUESTED:

Decision ☐
Discussion/Direction ☐
Information ☒

TO: **Audit & Finance Committee**

DATE: **February 22, 2023**

PRESENTED BY: **Pamela Onsiong**

SLT LEAD: **Brad MacIsaac**

SUBJECT: **Third Quarter Financial Reports - Financial Statements (unaudited)
for the period ending December 31, 2022**

COMMITTEE MANDATE:

The Committee is responsible for overseeing the financial affairs of the University, including approval of the annual financial statements and financial reporting to ensure that appropriate financial controls, reporting processes and accountabilities are in place at the University.

BACKGROUND/CONTEXT & RATIONALE:

This report provides the Committee with an overview of the statements of financial position, operations and cash flow as at the December 31, 2022, together with a year-over-year comparison (Appendix 1).

These financial statements are prepared on an accruals basis following Canadian generally accepted accounting principles (“GAAP”) for non-for-profit organizations in Canada. In contrast, the operating budget, and hence the operating forecast summary, are based on a projection of cash receipts and expenditures. In arriving at the year-end forecast results for GAAP purposes, adjustments are required to be made to the operating forecast results, e.g.

- The operating forecast includes estimated cash outlays for capital investment while the GAAP financial statement forecast reflects the amortization expense of these assets.
- Conversely, the GAAP financial statements include the unrealized gain/loss on investments while these are not budgeted and therefore not included in the operating forecast summary.

A sample of the reconciliation between the 2 sets of financial reports is disclosed in Appendix 2.

HIGHLIGHTS:

The Statement of financial position remains relatively stable at the end of the reporting quarter. **Assets** decreased \$6.0M (or 1.1%) and liabilities decreased \$9.8M (or 2.2%) over the prior year.

Cash and short-term investments are stable, with a total projected cash position of ~ \$78.0M at the end of the fiscal year, of which 30% are restricted for externally funded research and expendable donations.

The most significant variances on the asset side includes:

- a decrease of \$2.6M in our **endowed investments** held at PH&N primarily due to the recognition of unrealized losses as a result of the deterioration in both equity and bond markets in the last year
- a decrease of \$8.7M in **capital assets** attributable to \$20.5M of accumulated amortization, offset by \$11.8M of asset additions in the last 12 months

On the **liabilities** side, and of note,

- **deferred revenue** increase of \$8.4M reflects increases in revenues in the current year and not earned at the end of the reporting quarter, e.g. increases in tuition fees and revenues from the research “Start-Up Visa” program
- the University paid back \$10.4M of its various **debt obligations** in the past year.

The statement of operations includes a net increase in revenue of \$5.4M (or 3.3%) and an increase in expenses of \$14.8M (or 8.8%) over last year. The net operating deficit at the end of the reporting quarter is \$2.0M.

Revenue increases include:

- \$2.0M increase in **student tuition revenues** mainly attributable to international enrolment growth and year-over-year average increase in international tuition fees.
- \$3.0M increase in **other income** for ACE, food services, Regent Theater associated with the recovery of the ancillary services from the pandemic.
- increases of \$1.1M in **interest revenue** due to rising interest rates. **Unrealised gain on swap** is recorded on a quarterly basis in the current year (vs at year-end only in the prior year). The unrealized gain at the end of the reporting quarter reflects the increase in the prevailing swap rates.
- The above increases are offset by a decrease of \$3.3M in **grants** as the prior year included the receipt of one-time only grants (e.g. covid support grant).

Expenses increases include:

- \$4.8M increase in **salaries and benefits** of which \$3.4M relates to annual merit increases and net new hires, and \$1.4M increase in limited term contracts to backfill for open full-time positions and in support of casual labour for summer camps and the Regent Theater as activities gradually return to pre-pandemic levels.
- increase \$4.9M in **supplies and expenses** due to the lifting of covid restrictions and the return to pre-pandemic activities (e.g. increase in research and international recruitment travel and associated costs, base building costs, in-person university fair and convocation). Supplies and expenses in the current year are at the pre-pandemic levels (for the 9 months to Dec 2019 = \$22.3M)

FINANCIAL IMPLICATIONS:

The primary purpose of this financial update is to report on the statement of financial position of the University as at the end of the 3rd quarter. Maintaining a stable financial position is critical to Ontario Tech University's long-term financial sustainability.

COMPLIANCE WITH POLICY/LEGISLATION:

These unaudited financial statements are prepared in compliance with generally accepted accounting principles for not-for-profit organizations.

SUPPORTING REFERENCE MATERIALS:

- Appendix 1: Consolidated Financial Statements
- Appendix 2: Sample of reconciliation of Operating Forecast Summary to year-end GAAP financial statements

Appendix 1

Consolidated Financial Statements of

ONTARIO TECH UNIVERSITY

For 9 months ending December 31, 2022

ONTARIO TECH UNIVERSITY
Consolidated Statement of Financial Position
As at December 31, 2022

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>	<u>YOY Variance</u>	<u>Mar 31, 2022</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 72,760,920	\$ 70,872,886	\$ 1,888,034	\$ 69,225,462
Grant receivable	9,333,372	8,213,066	1,120,306	9,108,026
Other accounts receivable	45,549,090	43,937,373	1,611,717	5,611,209
Prepaid expenses and deposits	2,504,167	2,467,096	37,070	2,158,816
Inventories	27,394	5,131	22,263	5,730
	130,174,943	125,495,553	4,679,390	103,326,916
Investments	32,554,299	35,171,289	(2,616,991)	33,522,655
Other Investments	(681,017)	(582,712)	(98,304)	(754,223)
Other Assets	2,913,267	2,226,031	687,236	2,473,577
CAPITAL ASSETS	395,814,699	404,501,807	(8,687,107)	403,863,908
Total assets	\$ 560,776,192	\$ 566,811,968	\$ (6,035,776)	\$ 542,432,833
Liabilities and Net Assets				
Current and long-term liabilities				
Accounts payable and accrued liabilities	23,931,098	26,620,055	(2,688,957)	30,488,090
Deferred revenue	71,578,141	63,172,674	8,405,467	32,173,944
	95,509,240	89,792,729	5,716,511	62,662,034
Obligations under capital lease	34,509,364	35,495,944	(986,581)	35,260,768
Debenture debt	137,121,464	144,557,828	(7,436,364)	144,557,828
Fair value of interest rate swap	20,882,932	25,000,000	(4,117,068)	23,544,319
Other debt	174,223	177,675	(3,452)	176,842
Deferred capital contributions	158,097,949	161,108,394	(3,010,445)	160,590,853
	446,295,171	456,132,570	(9,837,399)	426,792,644
Net Assets				
Net assets, excluding current year surplus	90,723,933	78,557,121	12,166,812	78,318,574
Endowments	25,791,175	24,797,875	993,300	24,916,255
Current year (deficit)/surplus	(2,034,087)	7,324,402	(9,358,489)	12,405,361
	114,481,021	110,679,398	3,801,623	115,640,189
Total liabilities and net assets	\$ 560,776,192	\$ 566,811,968	\$ (6,035,776)	\$ 542,432,833

ONTARIO TECH UNIVERSITY
Consolidated Statement of Operations
For the 9 months ending December 31, 2022

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>	<u>YOY Variance</u>
Revenue			
Grants - operating & research	\$ 61,633,124	\$ 64,972,619	(3,339,495)
Grant - debenture	13,500,000	13,500,000	-
Donations - operating & research	712,477	607,297	105,180
Student tuition fees	62,760,309	60,702,094	2,058,215
Student ancillary fees	8,277,760	8,397,785	(120,025)
Revenue from purchased services	976,281	403,119	573,162
Other income	8,379,684	5,418,790	2,960,894
Amortization of deferred capital contributions	6,146,599	6,685,904	(539,305)
Interest revenue	1,711,620	568,951	1,142,670
Gain/(Loss) on other investments and disposal of assets	156,198	(299,295)	455,493
Unrealized gain on swap	2,145,387	-	2,145,387
	166,399,440	160,957,264	5,442,176
Expenses			
Salaries and benefits	94,841,573	89,977,435	4,864,138
Student aid, financial assistance and awards	10,762,172	10,925,440	(163,267)
Supplies and expenses	23,629,584	18,188,900	5,440,685
Purchased services	9,239,920	9,002,606	237,314
Professional fees	797,152	840,680	(43,529)
Interest expense - debt obligations	9,680,077	9,312,291	367,786
Interest expense - other	143,029	233,735	(90,706)
Amortization of capital assets	17,412,931	17,863,829	(450,897)
Unrealized loss/(gain) on investments	1,927,089	(2,712,053)	4,639,142
	168,433,527	153,632,863	14,800,664
Excess of expenses over revenues	\$ (2,034,087)	\$ 7,324,402	\$ (9,358,489)

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UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Cash Flows
As at December 31, 2022

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of expenses over revenues	(2,034,087)	7,324,402
Items not affecting cash:		
Amortization of capital assets	17,412,931	17,863,829
Amortization of deferred capital contributions	(6,146,599)	(6,685,904)
Unrealized (gain) on interest rate swap	(2,145,387)	-
Unrealized loss/(gain) on investments	1,927,089	(2,712,053)
(Gain)/loss on other investments and disposal of assets	(156,198)	299,295
	<u>8,857,749</u>	<u>16,089,568</u>
 Working Capital		
Grant and other accounts receivable	(40,163,227)	(34,148,295)
Prepaid expenses and deposits	(345,351)	(290,521)
Inventories	(21,664)	-
Accounts payable and accrued liabilities	(6,556,992)	(6,375,177)
Deferred revenue	39,404,197	34,928,307
	<u>1,174,712</u>	<u>10,203,882</u>
 INVESTING		
Purchase of capital assets	(9,280,731)	(16,292,942)
Investments	16,258,940	(511,961)
Other Assets	(439,690)	(226,024)
Endowment contributions	874,920	447,574
	<u>7,413,439</u>	<u>(16,583,353)</u>
 FINANCING		
Repayment of long term debenture and other debt	(7,438,983)	18,016,734
Repayment of obligations under capital leases	(751,405)	(677,880)
Repayment of interest rate swap	(516,000)	-
Deferred capital contributions	3,653,694	6,786,431
	<u>(5,052,693)</u>	<u>24,125,284</u>
 NET CASH INFLOW	3,535,458	17,745,815
 CASH BALANCE, BEGINNING OF YEAR	69,225,462	53,127,071
 CASH BALANCE, END OF PERIOD	\$ 72,760,920	\$ 70,872,886

Appendix 2

ONTARIO TECH UNIVERSITY	
Sample of reconciliation of operating forecast summary to year-end GAAP FS	\$ 000's
Total net surplus per operating statement	231
Adjustments for:	
Items on operating statement classified on Balance Sheet for GAAP purposes:	
Capital investment	17,362
Debt and lease principal repayments	9,359
Donation/grant received treated as deferred capital contribution	(3,681)
Items on GAAP FS, not budgeted in operating statement:	
Externally funded research revenues	18,220
Externally funded research expenses	(17,666)
Non-cash transactions:	
Amortization of capital assets	(23,561)
Amortization of deferred capital contributions	8,381
Net unrealized gain/loss on swap and investments	(750)
Other - vacation and other non-cash accruals	(1,000)
Forecast year-end GAAP net surplus	\$ 6,896

COMMITTEE REPORT

SESSION:

Public

☒

Non-Public

☐**ACTION REQUESTED:**

Decision

☒

Discussion/Direction

☐

Information

☐**TO:**

Board Audit and Finance Committee

DATE:

February 22, 2023

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

2023-24 Tuition Fees

BACKGROUND/CONTEXT & RATIONALE:

The tuition fee framework, released by the provincial government in December 2018, regulates all publicly funded programs and allows for tuition fee differentiation based on program and program year.

The framework initially had all domestic tuition rates decrease by 10% in 2019-20, then remain frozen for 2020-21, 2021-22, and 2022-23. As there has not been a release of a new framework for the 2023-24 academic year, this document assumes that rates will remain frozen and therefore, will remain the same as seen since the 2019-20 academic year. The current fees are compliant with the existing tuition fee framework, and are being used for planning purposes. When a new tuition fee framework is released, the University will use any flexibility, if provided, to adjust undergraduate tuition fees at that time.

The Ministry has allowed adjustments to domestic out-of-province rates and the rates proposed below are within this framework. It is anticipated that the province will continue the in-province tuition fee freeze and allow up to 5% increase for out of province tuition fees. The university is proposing to increase out-of-province fees to the maximum allowed for 2023-24.

International or cost recovery programs are not included in the limits imposed by the provincial framework.

Recommended international tuition fees for programs were informed by comparative analysis of international fees within the sector for similar programs. The majority of Ontario Tech programs are below the system average. Recommended adjustments bring Ontario Tech tuition fee levels closer to the average of competing programs. International fee increases have been proposed for the first year of undergraduate programs with a commitment to capping further tuition fee increases in years 2, 3 and 4 (for undergraduate programs) to no more than 5% per year.

The University is proposing 0% international tuition increase for research based Masters programs and PhD programs. A 5% increase to Professional/course-based Masters programs is being proposed, with one high demand program increasing by 10%.

The University has increased its overall entrance scholarships and bursaries budget for undergraduate students by 28%, while the graduate student support budget has grown by 58%, over 2022-23. For undergraduates, the increase reflects maintaining entrance scholarships for domestic students and increasing the international entrance scholarships. On the graduate side, support for international students in research-mode programs has significantly increased year over year through Graduate International Tuition Scholarships (GITS) and/or Dean's Graduate Scholarships, Teaching Assistantships, and supervisor-funded Graduate Research Assistantships to recognize increased numbers and need.

RESOURCES REQUIRED:

N/A

IMPLICATIONS:

The rates proposed in this document have been made to remain compliant with the provincial government's tuition framework. Revenue projections for the 2023-24 Budget use the proposed tuition levels. If there are reductions to the rates we would need to explore further reductions to expenses to offset the change.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

The fees recommended will allow Ontario Tech to continue to provide quality undergraduate and graduate programs.

ALTERNATIVES CONSIDERED:

The fees presented below bring Ontario Tech fee levels closer to the average of competing programs in the sector.

CONSULTATION:

These rates were presented to deans and Academic Council. A few points of clarification were raised, however no substantive issues were identified.

COMPLIANCE WITH POLICY/LEGISLATION:

The current fees are in compliance with the existing tuition fee framework.

NEXT STEPS:

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

MOTION FOR CONSIDERATION:

That the Audit & Finance Committee hereby recommends the 2023-2024 tuition fees, as presented, for approval by the Board of Governors.

SUPPORTING REFERENCE MATERIALS:

- Appendix 1: Recommendations for Ontario Tech 2023-24 tuition fees

Appendix 1: Recommendations for Ontario Tech 2023-2024 tuition fees

Undergraduate Domestic

	2022-2023	2023-2024	2023-24 Increase
BA, BASc, BEd, BHSc, BSc, BSc & Mgt, UG Diploma			
First Year	\$5,982.80	\$5,982.80	0%
Second Year	\$5,956.38	\$5,956.38	0%
Third Year	\$5,926.62	\$5,926.62	0%
Fourth Year	\$5,920.76	\$5,920.76	0%
Fifth Year	\$5,914.98	\$5,914.98	0%
BCom			
First Year	\$8,088.28	\$8,088.28	0%
Second Year	\$8,049.76	\$8,049.76	0%
Third Year	\$8,011.44	\$8,011.44	0%
Fourth Year	\$8,003.52	\$8,003.52	0%
BIT			
First Year	\$9,031.18	\$9,031.18	0%
Second Year	\$9,022.42	\$9,022.42	0%
Third Year	\$9,013.68	\$9,013.68	0%
Fourth Year	\$8,991.78	\$8,991.78	0%
BEng, BEng & Mgmt			
First Year	\$9,390.18	\$9,390.18	0%
Second Year	\$9,381.24	\$9,381.24	0%
Third Year	\$9,372.30	\$9,372.30	0%
Fourth Year	\$9,283.04	\$9,283.04	0%
Fifth Year	\$9,159.26	\$9,159.26	0%
BSc & BSc & Mgmt (Comp Sci, Integrated Math & Comp Sci)			
First Year	\$6,339.90	\$6,339.90	0%
Second Year	\$6,333.84	\$6,333.84	0%
Third Year	\$6,327.84	\$6,327.84	0%
Fourth Year	\$6,321.78	\$6,321.78	0%
Fifth Year	\$6,321.64	\$6,321.64	0%
BScN, BHA			
First Year	\$6,100.68	\$6,100.68	0%
Second Year	\$6,094.76	\$6,094.76	0%
Third Year	\$6,088.84	\$6,088.84	0%
Fourth Year	\$6,082.92	\$6,082.92	0%

Undergraduate Out of Province

Current framework allows up to 5% increase in tuition fees for out-of-province students.

	2022-2023	2023-2024	2023-24 Increase
BA, BASc, BEd, BHSc, BSc, BSc & Mgt, UG Diploma			
First Year	\$5,982.80	\$6,281.94	5%
Second Year	\$5,956.38	\$6,254.18	5%
Third Year	\$5,926.62	\$6,222.94	5%
Fourth Year	\$5,920.76	\$6,216.78	5%
Fifth Year	\$5,914.98	\$6,210.72	5%
BCom			
First Year	\$8,088.28	\$8,492.68	5%
Second Year	\$8,049.76	\$8,452.24	5%
Third Year	\$8,011.44	\$8,412.00	5%
Fourth Year	\$8,003.52	\$8,403.68	5%
BIT			
First Year	\$9,031.18	\$9,482.72	5%
Second Year	\$9,022.42	\$9,473.54	5%
Third Year	\$9,013.68	\$9,464.36	5%
Fourth Year	\$8,991.78	\$9,441.36	5%
BEng, BEng & Mgmt			
First Year	\$9,390.18	\$9,859.68	5%
Second Year	\$9,381.24	\$9,850.30	5%
Third Year	\$9,372.30	\$9,840.90	5%
Fourth Year	\$9,283.04	\$9,747.18	5%
Fifth Year	\$9,159.26	\$9,617.22	5%
BSc & BSc & Mgmt (Comp Sci, Integrated Math & Comp Sci)			
First Year	\$6,339.90	\$6,656.88	5%
Second Year	\$6,333.84	\$6,650.52	5%
Third Year	\$6,327.84	\$6,644.22	5%
Fourth Year	\$6,321.78	\$6,637.86	5%
Fifth Year	\$6,321.64	\$6,637.72	5%
BScN, BHA			
First Year	\$6,100.68	\$6,405.70	5%
Second Year	\$6,094.76	\$6,399.48	5%
Third Year	\$6,088.84	\$6,393.28	5%
Fourth Year	\$6,082.92	\$6,387.06	5%

Undergraduate International

	2022-23	2023-2024	2023-24 Increase**
BA, BASc, BEd, BHSc, BSc & Mgt			
First Year	\$29,195.50	\$30,655.26	5%
Second Year	\$27,868.44	\$30,655.26	5%
Third Year	\$24,238.34	\$29,261.86	5%
Fourth Year	\$24,131.40	\$25,450.26	5%
Fifth Year	\$24,010.74	\$25,337.96	5%
BCom			
First Year	\$32,383.84	\$34,003.02	5%
Second Year	\$30,911.84	\$34,003.02	5%
Third Year	\$26,885.28	\$32,457.42	5%
Fourth Year	\$26,757.26	\$28,229.54	5%
BIT			
First Year	\$35,344.50	\$37,111.72	5%
Second Year	\$32,271.06	\$37,111.72	5%
Third Year	\$28,067.48	\$33,884.60	5%
Fourth Year	\$28,040.24	\$29,470.84	5%
BEng, BEng & Mgmt			
First Year	\$39,808.20	\$41,798.60	5%
Second Year	\$36,346.62	\$41,798.60	5%
Third Year	\$31,612.14	\$38,163.94	5%
Fourth Year	\$31,582.04	\$33,192.74	5%
Fifth Year	\$31,551.96	\$33,161.14	5%
BSc & BSc & Mgmt (Comp Sci, Integrated Math & Comp Sci)			
First Year	\$32,344.46	\$33,961.68	5%
Second Year	\$29,531.90	\$33,961.68	5%
Third Year	\$25,685.10	\$31,008.48	5%
Fourth Year	\$25,660.62	\$26,969.34	5%
Fifth Year	\$25,636.20	\$26,943.64	5%
BScN, BHA			
First Year	\$29,770.78	\$31,259.30	5%
Second Year	\$28,417.56	\$31,259.30	5%
Third Year	\$24,715.92	\$29,838.42	5%
Fourth Year	\$24,691.92	\$25,951.70	5%

**5% increase with commitment to cap international tuition to no more than 5% fee increase per year for international students.

Graduate Domestic Program Based

	2022-23	2023-2024	2023-24 Increase
Graduate Degree			
MA (Crim), MHSc, MSc	\$7,579.30	\$7,579.30	0%
MSc (Computer Science)	\$7,579.30	\$7,579.30	0%
MASc	\$7,859.94	\$7,859.94	0%
MEng, MEngM	\$8,859.94	\$8,859.94	0%
MScN	\$8,761.50	\$8,761.50	0%
PhD	\$7,579.30	\$7,579.30	0%
EdD	\$10,097.00	\$10,097.00	0%
Graduate Diploma			
Diploma in Accounting	\$8,508.20	\$8,933.60	5%
Diploma in Nuclear Technology	\$5,906.62	\$5,906.62	0%
Diploma in Nuclear Design Engineering	\$5,906.62	\$5,906.62	0%
Diploma in Engineering Management	\$5,906.62	\$5,906.62	0%

Credit Based (per 3-credit course)

	2022-23	2023-2024	2023-24 Increase
Graduate Degree (Per 3-credit Course)			
MEd	\$1,576.47	\$1,576.46	0%
MA in Education	\$1,576.46	\$1,576.46	0%
MITS	\$1,257.52	\$1,257.52	0%
MBAI, MFDA	\$2,709.00	\$2,709.00	0%
Graduate Diploma (Per 3-credit Course)			
Diploma in Ed & Digital Technology	\$1,576.46	\$1,576.46	0%
Work Disability Prevention	\$1,576.46	\$1,576.46	0%
Police Leadership		\$1,576.46	0%

Note: MBAI has been moved from program fee to course based with the same overall tuition fee being paid but on a per course basis.

Graduate International Program Based

	2022-23	2023-2024	2023-24 Increase
Graduate Degree			
MA (Crim), MHSc, MSc	\$20,124.30	\$20,124.30	0%
MSc (Computer Science)	\$20,124.30	\$20,124.30	0%
MASc	\$22,313.12	\$22,313.12	0%
MEng & MEngM	\$28,960.64	\$30,408.66	5%
MScN	\$23,236.82	\$24,398.66	5%
PhD	\$19,166.00	\$19,166.00	0%
EdD	\$17,374.50	\$18,243.21	5%
Graduate Diploma			
Diploma in Accounting	\$13,370.04	\$14,038.54	5%
Diploma in Nuclear Technology	\$19,307.10	\$20,272.44	5%
Diploma in Nuclear Design Engineering	\$19,307.10	\$20,272.44	5%
Diploma in Engineering Management	\$19,307.10	\$20,272.44	5%

Credit Based (per 3-credit course)

	2022-23	2023-2024	2023-24 Increase
Graduate Degree (Per 3-credit Course)			
MEd	\$2,602.50	\$2,732.62	5%
MA in Education	\$2,602.50	\$2,732.62	5%
MITS	\$3,796.61	\$4,176.26	10%
MBAI, MFDA	\$4,500.00	\$4,725.00	5%
Graduate Diploma (Per 3-credit Course)			
Diploma in Ed & Digital Technology	\$2,602.50	\$2,732.62	5%
Work Disability Prevention	\$2,602.50	\$2,732.62	5%
Police Leadership		\$2,732.62	0%

Note: MBAI has been moved from program fee to course based with the same overall tuition fee being paid on a per course basis.

English for Academic Purposes (EAP) Program

	2022-23	2023-2024	2023-24 Increase
All Levels	\$3,041.29	\$3,041.29	0.0%

COMMITTEE REPORT

SESSION:**Public**☒**Non-Public**☐**ACTION REQUESTED:****Decision**☒**Discussion/Direction
Information**☐☐**TO:****Audit & Finance Committee****DATE:****February 22, 2023****PRESENTED BY: Brad MacIsaac, VP Administration****SUBJECT:****2023-24 Ancillary Fees**

COMMITTEE/BOARD MANDATE:

The committee is responsible for overseeing the financial affairs of the university including reviewing and recommending approval of the tuition fees and ancillary fees.

We are seeking the committee's recommendation of the proposed 2023-24 ancillary fees for approval by the Board of Governors.

BACKGROUND/CONTEXT & RATIONALE:

Provincial policy requires that a negotiated Compulsory Ancillary Fees protocol exists between the board of governors of each university and their student association. For Ontario Tech our agreed upon protocol, signed June 2018, creates a committee that consists of three student and three administrative representatives.

The terms of the current Ontario Tech protocol outline that Consumer Price Index increases do not require committee approval. The university uses the Bank of Canada average in September each year. For clarity, CPI is an indicator of changes in consumer prices experienced by Canadians. It is obtained by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers. Normally, the prices of certain CPI components can be particularly volatile. During COVID we have seen much larger fluctuations than usual; hence, the reason we use CPI-median as our tracker. This is a measure of core inflation corresponding to the price change located at the 50th percentile of the distribution. This measure helps filter out extreme price movements specific to certain components.

The September 2022 median CPI is 4.8%. Prior to March 2021 CPI was normally less than 2% so the university tried to keep fees more in line with that target. The recommended **average increase for full-time students in 2023-2024 is 2.1%**. Of note, we are saying average as this takes in all fees which may not apply to all students (ie specific society fees) nor some sub sets (ie part-time students). This figure does not include course specific (ie nursing lab fee) or contractual increases (ie health insurance plan under OTSU purview). Looking through the lines

you will see variations of increases with some larger increases (4 - 5%) in OTSU items related to programming and events; but, this is on small dollar figures and this was done in partnership with administration to ensure the bottom line average was under CPI.

As we know that every dollar counts to students we have been watching our combined tuition and ancillary rates carefully and make any adjustments with this in mind. Our rates are higher than other Ontario institutions due to our smaller size and the fact that we have two capital projects (~\$350) approved through student referendum. Additionally, we have costs due to our dedication to providing a Technology Enhanced Learning Environment and Sustainable Campus. For many students this actually saves them money rather than having them go out and buy the materials independently. For example, the Durham Region Bus Pass saves students about 65% on a monthly adult rate.

IMPLICATIONS:

Altering the fees will alter our ability to provide specific services.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

The fees recommended will allow Ontario Tech to continue to provide quality undergraduate and graduate services and experiences to its students.

ALTERNATIVES CONSIDERED:

Each fee change was reviewed by the Ancillary fee Committee.

CONSULTATION:

A request for fees was sent out to all unit leads and Ontario Tech Student Union in November. The committee met to evaluate and decide on changes. Instead of applying the CPI to all fees the Student Union and management discussed, and agreed to, reallocating the increase across services.

COMPLIANCE WITH POLICY/LEGISLATION:

The increases are compliant with provincial policy and Ontario Tech's ancillary fee protocol.

MOTION FOR CONSIDERATION:

That the Audit and Finance Committee hereby recommends the 2022-23 ancillary fees as presented, for approval by the Board of Governors.

Compulsory Ancillary Fees

Fee Classification/Description	FY23	FY24	% Increase
each semester to full-time and part-time students			
Career Readiness UCRD	71.54	72.97	2.00%
Health Services (general) UHSV	27.85	28.41	2.00%
Mental Health Services UMHS	68.20	69.56	2.00%
Wellness and Health Promotion UWEL	15.59	15.90	2.00%
Sport and Recreation UACM	93.51	95.20	1.80%
Student Safety and Accessibility UCSF	87.90	89.66	2.00%
Open Access UCOA	34.48	35.17	2.00%
Student Success Support USSS	32.33	32.98	2.00%
Physical and Virtual Infrastructure Enhancements UISE	157.14	160.28	2.00%
Student ID UIDC	19.52	19.91	2.00%
each semester to full-time students only			
U-Pass UUPS	294.50	300.10	1.90%
fall/winter semesters to full-time and part-time students			
Campus Clubs UCCL	5.49	5.49	0.00%
Campus Life and Events UCLE	13.13	13.37	1.83%
Community and Social Programming UCSP	12.49	13.04	4.40%
Convocation CONV	6.90	7.04	2.00%
Georgian Engagement Services UGES	208.83	213.01	2.00%
Instructional Resource UTIR	144.52	147.41	2.00%
OUSA Membership Fee		3.24	NEW
Student Engagement USEN	70.20	71.60	2.00%
Student Learning USLN	120.83	123.25	2.00%
Student Representation and Leadership USRL	9.28	9.95	7.20%
Student Societies USSO	3.41	3.48	2.15%
Student Society Fee FBIT USSF	13.83	13.83	0.00%
Student Society Fee FEAS USSE	19.06	19.06	0.00%
Student Society Fee FHSc USSH	10.20	10.20	0.00%
Student Society Fee FSCI USSC	15.30	15.30	0.00%
Student Society Fee FSSH USSX	7.50	7.50	0.00%
Technology-enriched Learning FBIT Non-Gaming ULSF	154.38	157.47	2.00%
Technology-enriched Learning FBIT -Gaming ULSF	341.96	348.80	2.00%
Technology-enriched Learning FEAS ULSF	200.69	204.70	2.00%
Technology-enriched Learning FESNS ULSF	200.69	204.70	2.00%
Technology-enriched Learning FEDU ULSF	224.10	114.24	2.00%*
Technology-enriched Learning FEDU ULSF	112.00	114.24	2.00%
Technology-enriched Learning FHSc ULSF	161.32	164.55	2.00%
Technology-enriched Learning FSCI ULSF	156.47	159.60	2.00%

Technology-enriched Learning FSSH ULSF	133.56	136.23	2.00%
Technology-enriched Learning Undeclared ULSF	157.38	160.53	2.00%
Wellness and Support Services UWSS	11.67	11.90	2.00%
World University Services of Canada UWUF	2.81	2.87	2.00%
fall/winter semesters to full-time students only			
Benefit Plan Coordination UBPC	24.38	24.38	0.00%
OTSU Building USUB	105.86	111.65	5.47%
Campus Recreation and Wellness Centre UEXP	177.94	179.94	1.12%
Varsity Sports UVAR	80.48	82.09	2.00%

** Education fee for TELE has been moved to payment over four terms rather than two.*

Appendix A

Material/ Service Fees and Administrative fees are exempt from this protocol. These fees are set through agreements with vendors and service providers that do not produce net revenue for the university and are charged in full to all students in applicable courses and programs. These fees may cover the costs of:

- i. Travel and accommodation of students on compulsory field trips;
- ii. Learning materials and clothing that are retained by the student;
- iii. Materials that are used to produce items that become the property of the student;
- iv. Materials and services that are set by a vendor and the university acts as a broker on behalf of students.

Flat Fees Charged per Term (FT/PT)	FY23	FY24	% Increase
Nursing - Nurse Achieve – RN (8 terms)		111.59	NEW
Nursing - Nurse Achieve – RPN (6 terms)		148.79	NEW
Education Placement Fee UPAF	78.12	150.00	92.01%

COMMITTEE REPORT

SESSION:

Public
Non-Public

☒
☐**ACTION REQUESTED:**

Decision
Discussion/Direction
Information

☐
☐
☒

TO: Audit and Finance Committee

DATE: February 22, 2023

PRESENTED BY: Brad MacIsaac, VP Administration

SUBJECT: Investment Portfolio Update

COMMITTEE MANDATE:

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

- i) Overseeing the investment of the Funds in accordance with the university's [Statement of Investment Policies](#) ("SIP").
- ii) Overseeing the performance of the Investment Manager, including the Investment Manager's compliance with their mandate.

BACKGROUND/CONTEXT & RATIONALE:

In summer 2021 the committee reviewed the process and recommended receiving updates twice a year with management bringing forward updates if needed (i.e. changes outside of the Investment Manager's purview). The overall investment objective is to obtain the best possible total return on investments that is commensurate with the degree of risk that Ontario Tech is willing to assume in obtaining such return.

We worked this the investment management team to create an investment plan based on our institutional risk tolerance over a long-time horizon. Additionally, we annually require PH&N to attest to Responsible Investing. The Board recognizes that environment, social, and governance (ESG) factors may have an impact on corporate performance over the long term, although the impact can vary by industry. Given the fact that the university uses the investment pool method, it is not practical for the Committee to directly engage individual companies on ESG related issues. PH&N is a signatory to the United Nations Principles for Responsible Investing; as such, they incorporate ESG factors in the investment decision making process for the strategies in the

Ontario Tech investment portfolios to the extent that such considerations are material and relevant to the expected risk and return of the investment under consideration.

As of December 31, 2022, the performance summary shows that we have a market value of just over \$32.5M, which is up from the \$31M presented at September 30, 2022. The general summary of our performance measurements are:

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

Asset Mix	Benchmark	Target	Min	Max	Check
Fixed Income		20%	15%	35%	✓
Cash & Short-term	<i>FTSE Canada 30 Day T-Bill Index</i>	0%	0%	10%	✓
Universe Bonds	<i>FTSE Canada Universe Bond Index</i>	20%	15%	35%	✓
Equities		55%	45%	65%	✓
Canadian	<i>S&P/TSX Capped Composite Index</i>	20%	10%	30%	✓
Global	<i>MSCI World Net Index \$C</i>	30%	20%	45%	✓
Emerging Markets	<i>MSCI Emerging Markets Net Index \$C</i>	5%	0%	10%	✓
Alternatives		25%	10%	30%	✓
Real Estate	<i>Canadian CPI (Non-Seasonally Adjusted) 1-month lag + 400 bps</i>	10%	0%	15%	✓
Mortgages	<i>FTSE Canada Short Term Overall Bond Index</i>	15%	0%	20%	✓

2) **Minimum performance expectations** are currently under our desire for at least 6% annually in a 5-year period as outline in SIP section 7.1. This is being closely monitored based on the volatile market. We note that the current 5-year rate is above benchmark and since inception we are still above our target.

Performance ¹	Three Months %	One Year %	Three Years %	Five Years %	Since Incep. %
Ontario Tech Long Term Account	4.1	-7.1	4.5	4.8	7.1
<i>Benchmark²</i>	<i>4.5</i>	<i>-7.3</i>	<i>3.9</i>	<i>4.7</i>	<i>6.4</i>

SUPPORTING REFERENCE MATERIALS:

N/A

COMMITTEE REPORT

SESSION:

Public ☒
Non-Public ☐

ACTION REQUESTED:

Decision ☐
Discussion/Direction ☒
Information ☐

TO: Audit & Finance Committee

DATE: February 22, 2023

FROM: Brad MacIsaac, Vice President Administration

SUBJECT: Compliance Update – Office of Risk Management

COMMITTEE MANDATE:

The Audit and Finance Committee is responsible for overseeing risk management and other control functions at the university. This oversight includes receiving regular reports from management on areas of significant risk to the university, compliance and other regulatory matters.

BACKGROUND/CONTEXT & RATIONALE:

The Compliance policy framework was established in February 2021, with notable features that include:

- Responsibilities and Accountabilities,
- Compliance Manual, Register, Checklist,
- Risk Assessment, Risk Management Plan,
- Non-Compliance Reporting, and
- Training and Education.

Compliance began reporting into the Office of Risk Management in June 2022. This shift has initiated a re-evaluation of the university's existing compliance framework and subsequent processes. The change in structure and initial analysis has shown an overlap in tools, resources, and procedures which we have acknowledged as areas to build efficiencies.

NEXT STEPS/RECOMMENDATIONS:

- Management is proposing that compliance no longer stand alone in reporting. Compliance will become part of the quarterly and annual risk report presented to A&F.
- The Annual Status Accessibility Plan update will become part of the university's annual Risk Management Report.
- The Compliance Framework Policy will be baked into the Risk Management Policy, with operational procedures established. As part of the policy consultation, it will be recommended the Compliance Framework Policy is retired.

COMMITTEE REPORT

SESSION:

Public ☒
Non-Public ☐

ACTION REQUESTED:

Decision ☐
Discussion/Direction ☒
Information ☐

TO: Audit & Finance Committee

DATE: February 22, 2023

FROM: Brad MacIsaac, Vice President Administration

SUBJECT: Risk Management – February 2023 Risk Report

COMMITTEE MANDATE:

The Audit and Finance Committee is responsible for overseeing risk management, and other control functions at the University. This oversight includes receiving regular reports from management on areas of significant risk to the University. These reports highlight processes are in place to identify areas of risk and outline appropriate mitigative actions are taken or planned in areas where material risk is identified.

BACKGROUND/CONTEXT & RATIONALE:

In November 2022, the Committee approved recommendations which included changes to the Board professional development (PD), the risk report design, timing, and information. The Committee also requested the following additions;

- Annual Report include a picture dashboard of the university's risk portfolio;
- More details on the efficacy of the mitigation plans in place; and
- Director of Risk Management have direct access to the committee chair.

The attached Risk Report has been prepared in accordance with the approved new format with additional changes.

Attachments:

February 2023 Risk Report



February 2023 RISK MANAGEMENT REPORT

Prepared by:
Brad MacIsaac - Chief Risk Officer
Jackie Dupuis - Director of Risk Management
February 22, 2023



The University Risk Management (URM) framework was established in June 2014, underpinned by the institutional risk register developed and validated in partnership with all faculty and administrative units in 2017. The University's risk register is continuously reviewed with risk owners. The June 2022 report had 70 items on the list. The university's next annual report is scheduled for April 2023, in accordance with approved changes.

The risk register defines institutional risks into four categories: financial, operational, strategic, and reputational. Risks are then catalogued based on the calculated risk level within their area. Risks identified as strategic or with a high or extreme calculated risk level are assigned to a member of the Senior Leadership Team for oversight see appendix B. The ongoing assessment of risk includes reexamining the causes of risk, existing controls, the likelihood and consequence of the risks occurring, and the mitigation strategies in place.

The risks highlighted in the dashboards that follow are subject to change every quarter. The highlights are a snapshot in time of a few of the items that the Director of Risk Management wanted to call out based on a new addition, a change from last quarter, and/ or those with the highest residual impact and likelihood scores after existing management controls have been fully considered.

As the risk IQ matures across the institution, so does the risk appetite. As discussed with A&F in November 2022 the plan this year is to have a simple dashboard included at the start of this report to outline the majority of risks and a discussion with senior leadership to update strategic risks and risk appetite.

Operational Risk remains well within appetite as we continue to invite our community back to campus after remaining virtual due to COVID-19. There are no major projects taking place on campus with the potential to increase the risk of disruption and safety. There is a need to move more focus to the preventative maintenance program on north campus and away from reactionary which can lead to equipment failure, downtime, lost production, and injury. Working with our facilities partners at Durham College we are collaborating on a fulsome review. The likelihood of safety risks occurring internationally has slowly increased due to the inherent nature of returning to regular duties post-pandemic, while the impact remains low resulting from effective processes in place. Expansion of the crisis management plan on a global scale is being considered, respecting the lessons learned from COVID-19.

Financial Risk is within appetite, while *Financial Sustainability* remains foundational to the institution. Concerns grow across the sector as limited government funding will impact financial outcomes in certain areas of the university. Ontario Tech's enrollment remains stable, however the lower than anticipated international enrollment in fall 2022 requires the university to become even more strategic on other additional revenue streams. The university remains vigilant in complying with fiscal controls and reporting. The university continues a focus of long-term strategy planning and decision making to sustain financial responsibility.

Strategic Risk remains within appetite, however requires a fulsome review against the innovative new normal of alternative revenue generation and hybrid and remote modelling.

Reputational Risk is within appetite and remains stable. The changes to the university brand has demonstrated success as evidenced by the recognition of being one of Canada's #1 research institutions, the increase in high school applications as well as the continued increase in overall university ranking in Canada. The university's reputation remains optimistically bright entering into 2023.

Operational Risk

Risk Definition: Exposures that arise from people or a failure in internal processes, systems or controls and may impact the University's ability to sustain immediate or future business operations.

Alignment to Risk Appetite: Within risk appetite



Key updates since last report: As the university continues to return its members to campus, existing processes and protocols in place pre-pandemic are being tested. The Student of Concern Committee has been re-established to respond to the increase in incidents of student misconduct on campus.

The university continues to support the hybrid learning models, and remote work.

Top Operational Risks

Risk Trend

Risk Mitigation Plan

Campus Safety and Security

Risks associated procedural deficiencies regarding prevention, safety, and protection of campus community members.

?

External review pending, with a focus on nonacademic student misconduct activities.

Student of Concern committee to establish proactive response procedures.

Risk trend to be updated once the details of the report are made available.

Preventative Maintenance Program

Failure to perform routine maintenance could result in breakdowns, engine failure, lost production, inflated costs, and down time.

↑

Collaborate with college partner on Work Description Document reviews to capture the current state of the infrastructure with agreed upon realistic response time frames. Support subsequent training initiatives of facilities management.

Risk Owner:

VP - Administration

Financial Risk

Risk Definition: Exposures that arise from the University's financial operations and/or external market forces, with the potential to impact funding level, investment performance, liquidity, budget, premium revenue/rates, and other key financial indicators.

Alignment to Risk Appetite: Within risk appetite



Key updates since last report: After years of budget uncertainty relating to COVID, we are forecasting a relatively stable yet lean three-year balanced budget position.

Top Financial Risk

Risk Trend

Risk Mitigation Plan

Financial Sustainability:

Risk associated with inadequate fiscal controls

→

Ensure predictive analysis is based on sound assumptions. Continue to monitor what others within the sector are considering and adjust accordingly. Exploring alternate sources of revenue. Budget process, sound management and recruitment strategies. Use innovative enrollment tactics to meet University enrollment goals. Assess existing contractual obligations.

Update to the risk mitigation plan upon completion of the proposed 2023 budget asks.

Risk Owner:

VP - Administration

Strategic Risk

Risk Definition: Risk that arises from internal and external trends and events that might impact the University's ability to achieve its mandate, or that arise from its ability to identify and execute on objectives and to establish and implement strategies to achieve them.

Alignment to Risk Appetite: Within risk appetite



Key updates since last Report: The university's new Wellness Manager has been busy evaluating the university's current wellness program. A new program and resources have been introduced to the institution called: 'I Need Help – Get Support' which is intended to provide quick/easy access to employees needing to access supports. In addition, enhancements have been made to the well-being website.

Top Strategic Risk

Risk Trend

Risk Mitigation Plan

Employee Health and Wellness:

Risk in instability in work-life balance



Continue the expansion of mental health service providers as part of our health and wellness benefits. 'I Know Someone Who Needs Help – Learn How To Help Now' is anticipated to roll out within the first quarter of 2023, which is intended to provide quick/easy access to *Faulty Supporting Students* and *Employee supporting Employee*.

Continue to enhance the university's well-being website.

Focused efforts on mental health specific training which includes *Campus Connected*, *The Working Mind*, *Mindsight*, and *safeTALK*.

Focused efforts on health practices via the new *Wellness Wheel Self-Assessment and Action Plan*

Continue to provide workshops to support individual health practices organized by our Healthy Workplace Committee.

Risk Owner:

Chief Transformation and Organization Culture Officer

Reputational Risk


Risk Definition: Exposures that arise from stakeholders' perception of the University with the potential to impact public trust in the University, as a result of direct or indirect action of the University, its employees, partners or suppliers.

Alignment to Risk Appetite: Within risk appetite



Key updates since last report: The university has significantly reduced its financial exposure to cyber security losses. Operationally, the university has made great strides in developing repeatable processes that involve privacy loss control techniques for the end user. The university was successful in procuring comprehensive cyber security insurance coverage to respond to first party and third-party losses. Both institutions have entered into a partnership with an organization supporting Breach Coach services. IT has developed a template for data collection when reporting incidents externally. Two Factor authentication was successfully initiated in areas of high risk across the institution.

This particular risk overlaps with the risk categories of operational and financial risk. Cyber risk been reduced from a high to a medium in all categories of risk, while remaining a top priority for mitigative strategies at the institution.

Top Reputational Risk	Risk Trend	Risk Mitigation Plan
Cyber Security and Privacy: The failure to safeguard our information systems and data		Continue to lead Table Top Scenario based discussions between the institutions to strengthen our understanding of the response in crisis. These scenarios will have narrow focus to test specific vulnerabilities. Continue to launch phishing campaign/cyber security awareness twice annually and based on the results we set up additional training. Continue to initiate two factor authentication program across all areas of the institution.
Risk Owner:	VP – Administration	

APPENDIX A: EMERGING RISKS AND NEW INITIATIVES

There are no emerging risks to report at this time

New Initiatives:	Legacy subcritical assembly ¹
Risk Assessment:	Absolute liability exists with all activities associated with nuclear instruments in the event of an incident. <i>Canada's Nuclear Liability and Compensation Act</i> (NLCA), requires third-party liability coverage for designated nuclear installations in alignment with the International Nuclear Liability Convention to which Canada is party, the Convention on Supplementary Compensation (CSC).
Update since previous report:	NIAC attended campus in January 2023, and made several noteworthy recommendations and mandatory actions related to loss control and loss prevention. Overall, NIAC was impressed with the existing safety processes and protocols in place.
Risk Category:	Operational, reputational
Next Steps:	Respond to the mandatory actions and await further engagement from NIAC regarding possible revisions to our insurance portfolio.

New Initiatives:	University Fine Arts policy
Risk Assessment:	The university carries a plethora of fine art across the institution with values that are currently unknown. The university's existing insurance portfolio specifically excludes fine arts damaged or destroyed by all perils.
Risk Category:	Operational, financial
Next Steps:	Meet with key stakeholders across the institution to secure a comprehensive list of all instruments defined under the term <i>fine art</i> , and apply for consideration of coverage. Application submission is set for April 2023.

¹ Continuation of initial reporting in November 2022

APPENDIX B: Strategic Risk Register

Reference	Establish Risk Context (Describes the institutional environment, behaviors that affect the way the risk arises and the way it should be managed. What do we need to take into account and what are the objectives.)	Identification of Strategic Risks
SR.1.a	<ul style="list-style-type: none"> - Critical Assessment of internal stakeholders needs and making informed decisions - Define enrolment strategy for attraction of key staff and faculty as competition continues to increase - Maintain acceptable student, faculty, and staff satisfaction and maintain standards to drive institutional success and reputation <ul style="list-style-type: none"> - Manage social media reviews - Understand the long term impacts of decision making on prospective internal stakeholders 	Stakeholder Relations / Engagement, Internal – Students
SR.1.b	<ul style="list-style-type: none"> - Critical Assessment of internal stakeholders needs and making informed decisions - Define enrolment strategy for attraction for key staff and faculty as competition continues to increase - Maintain acceptable student, faculty, and staff satisfaction and maintain standards to drive institutional success and reputation <ul style="list-style-type: none"> - Manage social media reviews - Understand the long term impacts of decision making on prospective internal stakeholders 	Stakeholder Relations / Engagement, Internal – Employees
SR.2	<ul style="list-style-type: none"> - Incorporate risk management in decision making to recognize short and long term impacts to external stakeholders <ul style="list-style-type: none"> - Assess and understand external stakeholder group needs to preserve and foster relationships - Foster long term partnerships with external stakeholders in effort to fortify the institution's brand - Understand the long term impacts of decision making on prospective external stakeholders 	Stakeholder Relations / Engagement, External
SR.3	<ul style="list-style-type: none"> - Inspire and challenge faculty and staff personally, professionally and academically in order to make UOIT a remarkable place for work - Enable faculty and staff to be entrepreneurial to inspire innovation 	Academic and Non-academic Staff Engagement

SR.4	<ul style="list-style-type: none"> - Meet student's needs by providing career-focused professional development options, amplify research and providing student developmental opportunities <ul style="list-style-type: none"> - Recruit a high caliber of student mix - Enable and foster student, faculty and staff to be entrepreneurial to inspire innovation <ul style="list-style-type: none"> - Maintain acceptable student engagement levels - Assessment of drivers and outcomes leading to (good and bad) student engagement levels - Anticipate, explore and leverage technological developments to prepare students for successful careers and improve student experience <ul style="list-style-type: none"> - Maintain acceptable student engagement levels 	Student Experience / Culture
SR.5	<ul style="list-style-type: none"> - Effective management of a change in leadership and create synergies resulting in misalignment or compromise of strategic focus - Maintain the optimal leadership mix to enable student success and meet strategic goals <ul style="list-style-type: none"> - Communicate expectations to leadership 	Leadership
SR.6	<ul style="list-style-type: none"> - Sustainability of current infrastructure (physical), systems (technology), resources and environment- Maintain safety, security and wellness of stakeholders groups including faculty, staff, students- Enable organizational diversity at all levels and continue to be inclusive of all stakeholder groups- Link community issues to UOIT's approach (e.g. research) to thinking, doing and leading in effort to fortify the institution's strengths to make a difference in society - Recognize opportunities within the community to become a change-maker and leader in technology-driven research 	Campus Wellbeing
SR.7	<ul style="list-style-type: none"> - Sustainability of current infrastructure (physical), systems (technology), resources and environment - Maintain safety, security and wellness of stakeholders groups including faculty, staff, students - Enable organizational diversity at all levels and continue to be inclusive of all stakeholder groups - Link community issues to UOIT's approach (e.g. research) to thinking, doing and leading in an effort to fortify the institution's 	Brand

	<p>strengths to make a difference in society</p> <ul style="list-style-type: none"> - Recognize opportunities within the community to become a change-maker and leader in technology-driven research 	
SR.8	<ul style="list-style-type: none"> - Facilitate the application of technology to meet the needs of students, community and society as a whole to remain innovative and competitive - Inspire students, faculty and staff to be creative and entrepreneurial 	Innovation
SR.9.a	<ul style="list-style-type: none"> - Effective management of infrastructure (information computing technology, space constraint etc.) and adequately plan for future needs - Provide the necessary tools and infrastructure to enable the pedagogy of learning - Manage and secure cyber security platforms / systems to protect staff, faculty and student data 	Physical Infrastructure
SR.9.b	<ul style="list-style-type: none"> - Effective management of infrastructure (information computing technology, space constraint etc.) and adequately plan for future needs - Provide the necessary tools and infrastructure to enable the pedagogy of learning - Manage and secure cyber security platforms / systems to protect staff, faculty and student data 	Virtual Infrastructure
SR.10	<ul style="list-style-type: none"> - Work closely with DC to recognize opportunities while maintaining a symbiotic relationship - Maintain communication to foster the partnership 	Partnership Success with Durham College
SR.11		

	<ul style="list-style-type: none"> - Widened access to PSE and growing competitive pressures resulting in a greater need to raise teaching standards and strengthen student experience (better facilities, cutting-edge technology etc.) - Anticipate competitive advancements and offerings within higher education - Maintain desired enrolment levels 	Disruption – From within PSE sector
SR.12	<ul style="list-style-type: none"> - Provide inspirational and imaginative solutions to become differentiated as an institution, stay relevant and maintain desired enrolment levels - Inspire innovation and remain entrepreneurial to remain attractive - Consider external opportunities outside of PSE in order to think big and break new ground - Explore partnerships to offer innovative solutions to students 	Disruption – From outside PSE sector



BOARD OF GOVERNORS
Audit & Finance Committee

Minutes of the Public Session of the Meeting of November 23, 2022
2:00 p.m. to 3:26 p.m. via Videoconference

Members: Carla Carmichael (Chair), Roger Thompson (Vice-Chair), Laura Elliott, Thorsten Koseck, Dale MacMillan, Steven Murphy

Regrets: Mitch Frazer, Kim Slade

Staff: Sarah Cantrell, Krista Hester, Les Jacobs, Lori Livingston, Brad MacIsaac, Kimberley McCartney, Pamela Onsiong, Lauren Turner

1. Call to Order

The Chair called the meeting to order at 2:00 p.m. and read aloud the land acknowledgement.

2. Agenda

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

3. Conflict of Interest Declaration

None.

4. Chair's Remarks

The Chair thanked everyone for meeting today, saying that she is honoured to be the new Audit and Finance Committee Chair. She thanked Roger Thompson for his support as Vice-Chair and Laura Elliott as the former Committee Chair. The Chair stated that she is impressed with the leadership and staff at the University. She closed by welcoming K. McCartney, new Assistant University Secretary, L. Turner, University Secretary, and thanking K. Hester for serving as Interim Secretary.

Les Jacobs joined the meeting.

5. President's Remarks

The President reflected on the excellent fall semester and the happiness felt around campus as people return in person. He commented on the financial pressures on higher education, particularly the tuition and grant freezes by the government. He shared that Ontario Tech is

collaborating with the Council of Ontario Universities (COU) and exploring other initiatives to provide options to the government in this regard.

6. Annual Terms of Reference Review

The University Secretary presented the Committee's Terms of Reference, noting that an annual review is a good governance practice. No revisions to the Terms of Reference were requested by the Committee.

7. Finance:

7.1 Strategic Discussion: Budget Assumptions

The Strategic Discussion on Budget Assumptions was led by B. MacIsaac, S. Cantrell and L. Livingston. It was noted that the paper was presented to Academic Council on November 22, 2022. The Committee was asked by the Committee Chair to consider whether or not the assumptions presented are valid and reasonable; and aligned with the University's priority areas and objectives.

It was highlighted for the Committee that the budget assumptions are aligned to the four strategic pillars and the 2023-2024 priorities. Tuition is currently at \$1.5M under budget attributable to \$3M loss of international tuition due to processing delays at Immigration, Refugees and Citizenship Canada (IRCC) offset by \$1.5M increase in domestic tuition. It was reported that grant and other revenue is up \$4M, but not flexible – the funds have discrete expenses to which they must be allocated and cannot be used for general operational expenses. With respect to enrolment, the IRCC delays continued to impact the University's international student numbers. The enrolment projections presented in the budget assumption are conservative and based on pre-COVID-19 retention rates as retention rates were artificially high during the pandemic. The Committee was advised that universities, including Ontario Tech, are advocating for a relaxation or lift of the tuition freeze. Every 1% in tuition increase would equate to approximately \$500k in gross revenue. B. MacIsaac noted for the committee that labour costs are expected to increase by about \$8M in 2023/2024 and that no inflationary increases are assumed in the budget. He advised the Committee that the final budget, which management is expecting to be balanced, will be presented to the Audit and Finance Committee in April 2023.

The Committee then discussed the University's progress towards its target international student enrolment. It was noted that the IRCC delays this year slowed progress towards target. In response to a question, S. Cantrell advised that the University intends to pursue a higher enrolment corridor in the next Strategic Mandate Agreement (SMA) with the Ministry.

In response to a question about deferred maintenance, B. MacIsaac advised the Committee that a paper presented last October indicated deferred maintenance costs would reach \$40M by 2045. The University invests approximately \$2M in facilities renewal each year. He acknowledged that a higher percentage of funds set aside for deferred maintenance would be desirable, but does not fit in the budget.

In response to a question about student retention, the Provost advised the Committee that a report will be tracking to the Strategy and Planning Committee in January and then the Board of Governors in March. She shared with the Committee that a multi-prong approach has been taken to retention, including extending the hours and formats of academic advising, the learning

enhanced program for students in difficulty and the Teaching and Learning Centre that supports students with adapting to university life.

A discussion then ensued on inflation and the process for approving requests for additional budgetary funds. B. MacIsaac discussed the budget approvals process, describing the Budget Working Group, and the importance of alignment with strategic priorities. With respect to inflation, he acknowledged that it is a risk, particularly as pressure is put on operational expenses, many of which are nearing their bottom lines.

7.1 Second Quarter Financial Reports

P. Onsiong presented the Second Quarter Financial Reports, noting that the University is trending to budget with an anticipated surplus of \$700k – just under the \$1M surplus that was approved in the budget. She advised the Committee that inflation is not impacting current year finances significantly because nearly 75% of the University's expenses are tied to contracts already factored into the budget. Similarly, the University's debts are governed by agreements and repayment schedules and therefore not fluctuating with inflation. Finally, she drew the Committee's attention to capital investments, which are \$4M over budget, but more than 50% funded by external grants. Some costs, e.g. \$500k in IT equipment, were procured last fiscal but only received and expensed in the current year due to supply chain delays.

7.3 Moody's Change in Practice

B. MacIsaac updated the Committee on a change to the look and feel of Moody's reporting, which now includes Environmental, Social and Governance considerations. He noted that credit agencies meet annually with the University, hear about strategy, financials, capital and research. He advised the University's credit rating for the year will be presented to the Committee in February.

8. Investment Oversight – Quarterly Review

B. MacIsaac presented the Quarterly Review of Investments, noting that the investment manager, PH&N, attends Committee twice yearly. He advised that the University is currently under the five year desired rate of return largely due to market volatility. For example, in March the University's rate of return was 7.1%, which exceeded the desired rate of return of 6%, but has since declined. He advised that mitigation efforts are underway with PH&N.

9. Risk Management Update

Jackie Dupuis joined the meeting.

B. MacIsaac gave a brief overview of the efforts over the summer to revise risk reporting to the Board of Governors. He advised the Committee that Jackie Dupuis, Director, Risk Management, will be presenting the report to ensure its independence.

J. Dupuis thanked L. Elliott, C. Carmichael and D. Reiner for their input on the revised Risk report. She noted that the report groups risks into four categories aligned with the Risk Management Policy. She drew the Committee's attention to the dashboard presentation of risk, which provides specific updates, position on the University's risk registers, and a trend direction since the last quarter's report. J. Dupuis highlighted key operational strategic risks as well as the increased risk to talent management and employee health and wellness.

The Committee Chair commented on the various key aspects of risk reporting: identification, rating, mitigation, tracking, and assessment of acceptability of residual risk. She advised the Committee that the leadership team is seeking input on the revised risk reporting format. Support from the Committee was expressed for the report's conciseness as well as the use of colour-coding and trend directions. In response to a question, J. Dupuis advised that a one-picture dashboard could be included in the annual risk report. In response to a further question, J. Dupuis indicated that the assessment of the efficacy of mitigation plans is a work in progress for the University.

Jackie Dupuis left the meeting.

10. Consent Agenda

- 10.1 Minutes of the Public Session of the Audit and Finance Committee Meeting of June 15, 2022**
- 10.2 University Driving Policy**
- 10.3 Freedom of Expression Annual Report**

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

11. Adjournment (M)

There being no other business, upon a motion duly made by D. MacMillan, the meeting adjourned at 3:26 p.m.

Lauren Turner, University Secretary

COMMITTEE REPORT

SESSION:

Public ☒

ACTION REQUESTED:

Decision ☒
Discussion/Direction ☐
Information ☐

Financial Impact ☐ Yes ☒ No

Included in Budget ☐ Yes ☒ No

TO: Audit & Finance Committee

DATE: February 22, 2023

PRESENTED BY: Niall O'Halloran, Manager, Privacy & Policy
Sara Gottlieb, General Counsel

SUBJECT: Draft Personal Health Information Privacy Policy

COMMITTEE/BOARD MANDATE:

- Under the University's Act, section 9 (1), the Board of Governors has the power: "to establish academic, research, service and institutional policies and plans and to control the manner in which they are implemented". The university's Policy Framework is a key institutional policy that delegates the Board's power, establishing categories of policy instruments with distinct approval pathways.
- Under the Policy Framework, the Board of Governors is the approval authority for the Privacy Policy: Personal Health Information Collection, Use and Disclosure and A&F is the deliberative body. A&F is the approval authority for the related procedures.
- We are seeking A&F's approval of the following motion:

Motion: That the Audit and Finance Committee hereby recommends the Privacy Policy: Personal Health Information Collection, Use and Disclosure, as presented, for approval by the Board of Governors; and

That the Audit and Finance Committee hereby approves the Procedure for Release of Personal Health Information, as presented.

BACKGROUND/CONTEXT & RATIONALE:

- The University operates student services that are considered health care under the Personal Health Information Protection Act (PHIPA), including Student Mental Health Services and Athletic Therapy. PHIPA allows higher education institutions

to choose the structure by which the personal health information associated with health-related student services is governed. Institutions can take on the role of “health information custodian” or they can assign that role to one or more employees or contractors.

- The new policy defines the University as a health information custodian and sets out roles and responsibilities, rights of privacy and access, consent for collection and use, disclosure, retention and disposal, correction of records, breach of privacy, safeguards for PHI, employee awareness and training and continuity of care. Adopting this policy will allow the university to improve student services by ensuring all staff involved in the provision of health care (known as “agents”) have the proper training to protect student privacy.
- Under this policy, the Privacy Office is responsible for investigating and responding to PHIPA privacy breaches, using the protocol set out by the Information and Privacy Commissioner of Ontario (linked as Reference Materials, below).
- A formal procedure is in development to codify steps in a PHIPA and Freedom of Information and Protection of Privacy Act breach investigation and remediation (these steps to follow the requirements in applicable legislation).¹ .

RESOURCES REQUIRED:

- External trainer has been engaged to train faculty members, administrative and clinical staff who have obligations under PHIPA.

IMPLICATIONS:

- N/A

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

- This policy supports the university’s culture of trust and belonging by ensuring there is a framework of responsibilities in place to ensure compliance with privacy law.

ALTERNATIVES CONSIDERED:

- N/A

CONSULTATION:

- The policy was drafted in consultation between the Privacy Office, Student Mental Health Services and Athletic Therapy. In order to ensure compliance with PHIPA, a draft was reviewed by external legal counsel.
- Policy Advisory Committee
- Academic Council
- Online Consultation
- Administrative Leadership Team

¹ This process requires Agents reporting potential or actual privacy breach to the Privacy Office, which coordinates an internal investigation and notifies the Chief Privacy Officer, unit leadership, and those who will be involved in addressing the breach (including ITS, if applicable). The investigation aims to determine means to mitigate against future breaches and provides notification to affected individuals and reporting to the IPC and to regulatory colleges (as required). Annual statistical reporting will be provided to A&F as part of its compliance oversight.

- Audit & Finance Committee
- Board of Governors

COMPLIANCE WITH POLICY/LEGISLATION:

- This policy supports compliance with PHIPA, and defines roles and responsibilities within the university to enable Ontario Tech to meet requirements. The General Counsel has been delegated the role of Chief Privacy Officer under this policy.

NEXT STEPS:

- Approval by the Board of Governors.

MOTION FOR CONSIDERATION:

- Motion: That the Audit and Finance Committee hereby recommends the Privacy Policy: Personal Health Information Collection, Use and Disclosure, as presented, for approval by the Board of Governors; and

That the Audit and Finance Committee hereby approves the Procedure for Release of Personal Health Information, as presented.

SUPPORTING REFERENCE MATERIALS:

- Privacy Policy: Personal Health Information Collection, Use and Disclosure and related Procedure
- [Responding to a Health Privacy Breach: Guidelines for the Health Sector \(October 2018\)](#)
- [Reporting a Privacy Breach to the IPC \(March 2021\)](#)
- [Privacy Breaches: Guidelines for Public Sector Organizations](#) (September 2019)

Classification Number	LCG XXAB
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	General Counsel
Approval Date	DRAFT FOR CONSULTATION
Review Date	
Supersedes	

PRIVACY POLICY:

PERSONAL HEALTH INFORMATION COLLECTION, USE AND DISCLOSURE

PURPOSE

1. The purpose of this Policy is to establish a standard for privacy and confidentiality of Personal Health Information to ensure compliance with the University's obligations under Ontario's Personal Health Information Protection Act. As a health information custodian, the University is responsible for ensuring that Personal Health Information is protected and treated with respect and sensitivity at all times.

DEFINITIONS

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

"Agent" means any person who is authorized by the University to perform services or activities in respect of Personal Health Information on the University's behalf and for the purposes of the University. An agent includes a Health Care Practitioner, or another University employee or volunteer who supports Practitioners, and any member of the University Counselling Team.

"Chief Privacy Officer" means the member of SLT with delegated responsibility for addressing compliance obligations related to applicable privacy law.

"Health Care" means any observation, examination, assessment, care, service or procedure that is done for a health-related purpose and that:

- is carried out or provided to diagnose, treat or maintain an individual's physical or mental condition;
- is carried out or provided to prevent disease or injury or to promote health;
- is carried out or provided as part of palliative care, and includes:
- the compounding, dispensing or selling of a drug, a device, equipment or any other item to an individual, or for the use of an individual, pursuant to a prescription; and
- a community service that is described in subsection 2 (3) of the Long-Term Care Act, 1994 and provided by a service provider within the meaning of that Act.

"Health Care Practitioner" or "Practitioner" means:

- A person who is a member of a health care professions within the meaning of the *Regulated Health Professions Act, 1991* and who provides Health Care;
- A person who is registered as a drugless practitioner under the *Drugless Practitioners Act* and who provides Health Care;

- a person who is a member of the Ontario College of Social Workers and Social Service Workers and who provides health care; or
- any other person whose primary function is to provide health care.

“Health Care Unit” means a unit or service acting for or on behalf of the University to provide Health Care or retain and protect Personal Health Information.

“Personal Health Information” means oral or written information that is collected, used or disclosed by the University or anyone acting on behalf of the University, about an identifiable individual if the information:

- Relates to the individual’s physical or mental health, including family health history;
- Relates to the provision of Health Care, including the identification of a person as a provider of HealthCare to an individual;
- Is a plan of service for individuals requiring long-term care;
- Relates to payment or eligibility for Health Care or eligibility for coverage for Health Care;
- Relates to the donation of body parts or bodily substances or is derived from the testing or examination of such parts or substances;
- Is the individual’s health number;
- Identifies an individual’s substitute decision-maker; or
- Is included in a record containing Personal Health Information.

“Personal Information” means information about an identifiable individual.

“Privacy Breach” or **“Breach”** means an incident where Personal Information or Personal Health Information is collected, retained, used, disclosed, or disposed of in ways that do not comply with Ontario’s privacy laws.

“Privacy Impact Assessment” or **“PIA”** means a risk management tool used to identify the actual or potential effects that a proposed University project/initiative may have on an individual’s privacy or the University’s information privacy and security practices/procedures.

“University Counselling Team” means advisors and counsellors from Student Mental Health Services, Student Accessibility Services, the Career Centre and Indigenous Student Services, as well as graduate –level student trainees (e.g. internship and practicum students) and administrative staff.

SCOPE AND AUTHORITY

3. This Policy applies to Health Care Units and services of the University that support Health Care Practitioners and/or collect, use and disclose Personal Health Information to fulfil their mandate.
4. The University is the Health Information Custodian for records containing Personal Health Information created by Health Care Units.
5. This Policy does not apply to Health Care services contracted by the University from a third party to be directly provided by the third party. Any contracts for such third party services must nonetheless comply with the Personal Health Information requirements under PHIPA.

6. The General Counsel, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Policy.

POLICY

The University is committed to the privacy and security of Personal Information and Personal Health Information it collects, uses and discloses. It maintains privacy in compliance with the Personal Health Information Protection Act, 2004 and its regulations (PHIPA).

7. Roles and Responsibilities

7.1. Chief Privacy Officer will:

- a) Ensure that secure information practices are in place that comply with the requirements of PHIPA, and that all Health Care Units are informed of and receiving training on their duties under PHIPA.
- b) Respond to requests of an individual for access to or correction of a record of Personal Health Information about the individual that is in the custody or under the control of the University.
- c) Ensure compliance with reporting obligations under PHIPA.
- d) Oversee the management and response to any potential or actual Privacy Breaches.

7.2. Agents will:

- a) Conduct searches and review records in access to information requests involving clinical records related to their area of practice or duties on behalf of the University.
- b) Understand and comply with information privacy practices established to safeguard records containing Personal Health Information and other sensitive information.
- c) Report Privacy Breaches or situations that could lead to potential Privacy Breaches to the Privacy Office.
- d) Maintain privacy and confidentiality of Personal Health Information created, collected or used in their role.

7.3. Privacy Office will:

- a) Coordinate and respond to requests for access to records containing Personal Health Information under PHIPA and the Freedom of Information and Protection of Privacy Act (FIPPA) (see Access to Information and the Protection of Privacy Policy for the University's FIPPA practices and procedures, [\[link\]](#)).
- b) Support compliance with PHIPA and FIPPA through education and advice on developing information practices that safeguard records containing Personal Health Information and other sensitive information.

- c) Respond to inquiries from the public about the University's information privacy practices.
- d) Investigate and respond to potential Privacy Breaches.
- e) Ensure information is made publicly available regarding the University's privacy policies and practices.
- f) Ensure compliance with reporting obligations under PHIPA and FIPPA.
- g) Monitor compliance with this Policy and PHIPA by whatever means are appropriate to the circumstances.

7.4. Managers/Supervisors of Health Care Units will:

- a) Ensure awareness and enforcement of, and compliance with, applicable privacy policies, laws, procedures, protocols and practices.
- b) Ensure University staff and Agents are up to date and have completed appropriate privacy training and education.
- c) Immediately report all actual or suspected Privacy Breaches to the Privacy Office.
- d) At the request of, and in coordination with the Policy Office, support investigations into suspected Privacy Breaches.
- e) Assist the Privacy Office in responding to privacy queries and complaints.
- f) Receive and implement recommendations from the Privacy Office regarding necessary actions and/or remedial measures following a Breach, including actions to prevent a reoccurrence.
- g) Receive and implement recommendations from the Privacy Office regarding necessary actions following a Privacy Impact Assessment.
- h) In consultation with Human Resources, take appropriate remedial and/or disciplinary action to ensure incidents are addressed and not repeated.
- i) Where requested, assist with client/patient or an individual's requests for access and correction and withdrawal of consent to the collection, use or disclosure of their Personal Health Information/Personal Information.

8. Application to members of regulated health professions

- 8.1.** This Policy applies to members of regulated health professions acting on behalf of the University, while they are performing within the scope of practice set out by enabling legislation, as well as performing authorized acts that constitute Health Care.
- 8.2.** Employees whose duties include acts that are not within their regulated scope of practice are not considered Practitioners while they are performing those duties, but are still bound by any applicable privacy and confidentiality requirements associated with the records and information used in performing those duties, including this Policy.
- 8.3.** Individual Health Professionals must differentiate between Health-Related Acts and other activities for the purpose of fulfilling obligations under PHIPA and their regulatory college. This determination will be made based on the Health Professional's understanding of their obligations, guidance from the regulatory college, and the scope of practice as defined by the enabling legislation.

9. Right to Privacy and Access

- 9.1.** Individuals have a right to privacy and a right to control how their Personal Health Information is collected, used, disclosed, retained and disposed of, subject to limited exceptions in PHIPA.
- 9.2.** Individuals have a right of access to their own Personal Health Information.

10. Consent for collection and use of Personal Health Information

- 10.1.** The University will provide a notice of collection that describes the information it will collect or create, the purposes for collecting Personal Health Information or creating records, the uses for those records and how that information will be shared. The notice will include any exceptions to the expectation of confidentiality.
- 10.2.** Consent from individuals receiving Health Care will be obtained in writing at or before the time information is collected.

11. Disclosure of Personal Health Information

- 11.1.** Disclosure of Personal Health Information to an individual who is not an Agent will only be done with express consent of the individual to whom the Personal Health Information relates, except as permitted or required by legislation.

12. Retention and Disposal of Personal Health Information

- 12.1.** Records containing Personal Health Information will be retained and securely destroyed in accordance with the University's Records Classification and Retention Schedule. Record destruction will occur in a manner that is in compliance with PHIPA and protects information until it is permanently destroyed.

13. Access and Correction to Record

- 13.1.** Individuals have a right to be informed of the existence, use and disclosure of their Personal Health Information. Under PHIPA, individuals can make a formal request to access their records, or to request a correction to their record.

14. Safeguards for Personal Health Information

- 14.1.** The University will establish appropriate technical and administrative safeguards to ensure secure storage and maintain confidentiality of Personal Health Information.
- 14.2.** Access rights to information systems with Personal Health Information will be granted only to authorized personnel. Access rights will be based on the role of the individual, and the level of access required to fulfil that role.

15. Breach of Privacy

- 15.1.** The University will investigate and respond to any potential or actual breach of privacy or loss of Personal Health Information in compliance with PHIPA.

16. Employee Awareness and Training and Mandatory Confidentiality Agreements

- 16.1.** Agents are expected to be knowledgeable of and abide by this policy and related privacy and security practices.
- 16.2.** The University will make its employees aware of the importance of maintaining the confidentiality of Personal Health Information.

- 16.3.** Health Care Unit Managers/Supervisors, in collaboration with the Privacy Office, will identify Health Care Practitioners and employees who support Health Care services and maintain a roster of Agents. Agents must sign the University confidentiality agreement and are subject to mandatory privacy training requirements.

17. Continuity of care

- 17.1.** To ensure the continuity of care and support for all individuals receiving Health Care, Agents may consult with each other. This occurs on a need-to-know basis, meaning that Personal Health Information will only be shared when warranted or required to provide support. Personal Health Information will be held in confidence, and will only be released with individual consent, or in accordance with applicable law.

MONITORING AND REVIEW

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

RELEVANT LEGISLATION

- 19.** Personal Health Information Protection Act, 2004, S.O. 2004, as amended

RELATED POLICIES, PROCEDURES & DOCUMENTS

- 20.** Access to Information and the Protection of Privacy Policy
Health Record Access and Release Procedure
Records Management Policy
Records Disposition Procedure
Records Classification and Retention Schedule

Classification	LCG XXAB.1
Parent Policy	Legal, Compliance and Governance
Framework Category	Board of Governors
Approving Authority	General Counsel
Policy Owner	DRAFT FOR CONSULTATION
Approval Date	
Review Date	
Supersedes	

PROCEDURE FOR RELEASE OF PERSONAL HEALTH INFORMATION

PURPOSE

1. The purpose of these Procedures is to outline a process for responding to requests for Personal Health Information consistent with applicable legislation.

DEFINITIONS

2. For the purposes of these Procedures the following definitions apply:

“Health Care” means any observation, examination, assessment, care, service or procedure that is done for a health-related purpose and that:

- is carried out or provided to diagnose, treat or maintain an individual’s physical or mental condition;
- is carried out or provided to prevent disease or injury or to promote health; or
- is carried out or provided as part of palliative care, and includes:
- the compounding, dispensing or selling of a drug, a device, equipment or any other item to an individual, or for the use of an individual, pursuant to a prescription; and
- a community service that is described in subsection 2 (3) of the Long-Term Care Act, 1994 and provided by a service provider within the meaning of that Act.

“Health Care Practitioner” or “Practitioner” means:

- A person who is a member within the meaning of the *Regulated Health Professions Act, 1991* and who provides Health Care;
- A person who is registered as a drugless practitioner under the *Drugless Practitioners Act* and who provides Health Care;
- a person who is a member of the Ontario College of Social Workers and Social Service Workers and who provides health care; or
- *any other person whose primary function is to provide health care for payment.*

“Health Care Unit” means a unit or service acting for or on behalf of the University to provide Health Care or retain and protect Personal Health Information.

“Personal Health Information” means oral or written information that is collected, used or disclosed by a Custodian, about an identifiable individual if the information:

- Relates to the individual’s physical or mental health, including family health history;

- Relates to the provision of health care, including the identification of persons providing care;
- Is a plan of service for individuals requiring long-term care;
- Relates to payment or eligibility for health care;
- Relates to the donation of body parts or bodily substances or is derived from the testing or examination of such parts or substances;
- Is the individual's health number; or identifies an individual's substitute decision-maker.
- Is included in a record containing Personal Health Information.

"Requester" means a person who makes a request for Personal Health Information from the University.

SCOPE AND AUTHORITY

3. These Procedures apply to all requests for Personal Health Information in the custody and control of the University.
4. The General Counsel, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of these Procedures.

PROCEDURES

5. Request for record transfer

- 5.1. A client of a University Health Care Unit may request the transfer of some or all of their records. The intended recipient will dictate the process to be followed.
- 5.2. **Transfers to another Health Care Practitioner** require the client to submit a consent form [LINK] to the Health Care Unit, requesting records be transferred to the other Health Care Practitioner. Consistent with PHIPA section 38 (1), personal health information about an individual may be disclosed when it is reasonably necessary for the provision of health care. Prior to making a disclosure, University Health Care Unit staff will ensure there is no notice of instruction in the client's file that limits disclosure
- 5.3. **Transfers to an internal Ontario Tech unit** require the client to submit a consent form [LINK] to the Health Care Unit describing the type of record sharing allowed with the internal Ontario Tech unit.
- 5.4. **Transfers to an external entity or individual other than a Health Care Practitioner** will follow the process for Formal request for access to Personal Health Information.

6. Formal request for access to Personal Health Information

- 6.1. All requests for Personal Health Information in the custody and control of the University will be formal requests made in writing to the Health Care Unit or Privacy Office using the form provided and submitted by mail or in person.

- a) When submitting a formal access request, sufficient detail must be provided to enable an experienced employee, with a reasonable effort, to identify the personal information being sought.
- b) Requests for Personal Health Information must be accompanied by a \$5.00 application fee. The application fee may be made by cheque or money order.

6.2. Requests for Mixed Records or requests for a complete file made directly to a Health Care Unit will be forwarded to the Privacy Office for processing. Other requests may also be forwarded to the Privacy Office at the Director or Manager's discretion.

6.3. Requests will be processed in accordance with the *Personal Health Information Act* and/or *Freedom of Information and Protection of Privacy Act*, as applicable.

7. Request for a Record Search

7.1. If the Privacy Offices receives a formal request, either directly from a requester or from a Health Care Unit, the Chief Privacy Officer or delegate will prepare and send a search memo to the applicable Health Care Unit. The original request and any signed consent forms will be included to allow the identity of the Requester to be verified.

8. Search for Personal Health Information

8.1. Before initiating a search, the Health Care Unit will verify the signed consent of the Requester, and initiate a tracking form with the identity of the patient. If necessary, additional distinguishing identifiers will be verified, such as health card number, address, date of birth.

8.2. The Health Care Unit will designate a member of staff to track and manage ongoing access request files. The designate will verify the request and consent for completeness and specific request details. Requests may be made for:

- a) a full file; or
- b) specific date range; and/or
- c) specific content.

8.3. The designate will arrange to have the necessary content extracted from the file (i.e. specific date of lab reports, results or specific physician notes, or full file) and copied as necessary. Records will be provided to the Practitioner who treated the patient along with a clear statement about what release is requested.

8.4. The Practitioner reviews the documents for the purpose of compliance with Section 52 of PHIPA, in context of the specific content requested for release. The Practitioner completes the tracking form and identifies any concerns with release.

9. Concern for Release of Personal Health Information

- 9.1.** When a Practitioner identifies a concern with the release of the medical file during their review, the Practitioner will meet with the Director or Manager to discuss the concerns, and whether the concerns can be addressed by having the Practitioner meet with the patient to discuss the content and context of the file before direct release. The Director or Manager will review the concerns in the context of Sections 51 and 52 of PHIPA.
- 9.2.** The Director or manager will determine whether:
- Information will be redacted as per Section 54 of PHIPA; or
 - The Practitioner will meet with the patient who has requested the file before direct release.
 - FIPPA exemptions may apply to the records.
- 9.3.** If the request was initiated by a search memo to the Health Care Unit, the Director or Manager will respond to the Chief Privacy Officer to explain the concern, and whether:
- a)** Information will be redacted as per Section 54 of PHIPA; or
 - b)** The Practitioner will meet with the patient who has requested the file before direct release.
- 9.4.**
- 9.5.** When no concern is identified by the Practitioner, the Director or Manager will review the materials.
- 10. Review of Personal Health Information**
- 10.1.** The Director or Manager reviews the materials signed off by the Practitioner(s) to:
- a)** Confirm that all documents required to fulfill the request have been identified and signed off.
 - b)** Confirm that all files meet note-taking standards.
 - c)** Identify any terminology which may be unfamiliar to non-health professionals and to provide explanations for same in a covering document to be included with the file.
- 10.2.** For requests to the Campus Health Centre, where it is determined that FIPPA exemptions do not apply, the Director signs off on the request, and provides a written summary of the records provided including an explanation of any redactions according to Section 54 of PHIPA.
- 10.3.** For requests initiated by a formal search memo to the Health Care Units, or where FIPPA exemptions may apply, the Director or Manager will release the Records to the Chief Privacy Officer for a review and determination of any exemptions to be applied prior to releasing records to the Requester.

11. Fees for Record Search and Preparation

- 11.1.** For requests to the Campus Health Centre, the clerk completes the “Record of Requests for Access to Personal Health Information” form and invoices for the services required to release the file, as outlined in section 10.3.
- 11.2.** For requests to other Campus Health Units, Campus Health Unit staff complete the Records Search Form. Privacy Office Staff calculate the fees for the services required to release the file, as outlined in section 10.3.
- 11.3.** Charges are calculated at the current suggested Ontario Medical Association rates and include photo copying, time to complete the request, and delivery charges. The invoice will be included with the records and provided to the patient or representative who has filed the request by the Ontario Tech Chief Privacy Officer or Campus Health Centre, as applicable.

12. Release of Records

- 12.1.** For requests to the Campus Health Centre, the Campus Health Centre will keep a copy of all records released and notify the Chief Privacy Officer of the release of records relating to any patient who is a student of the University.
- 12.2.** For requests initiated by a search memo, or where FIPPA exemptions may apply, the Privacy Office will keep a copy of all records released.
- 12.3.** Records may be released:
 - a)** In person if the patient comes in to physically pick up the file. The patient will be asked to show photo identification and may be asked to meet with a health professional as per section 8.2 b).
 - b)** Through delivery by registered mail, courier or secure electronic means with signature or secure access code required by recipient named in the request for release.

13. Reporting

- 13.1.** Each year, the Campus Health Centre will report to the University on all files of patients who are students of the University over the course of the year and will file statistical reporting with the Information and Privacy Commissioner on those releases of information.
- 13.2.** The Privacy Office will file statistical reporting with the Information and Privacy Commissioner on requests initiated by a search memo.

MONITORING AND REVIEW

- 14.** These Procedures will be reviewed as necessary and at least every three years. The Chief Privacy Officer, or successor thereof, is responsible to monitor and review these Procedures.

RELEVANT LEGISLATION

- 15.** Personal Health Information Protection Act

Freedom of Information and Protection of Privacy Act

RELATED POLICIES, PROCEDURES & DOCUMENTS

- 16.** Personal Health Information Access and Privacy Policy
 Access to Information and the Protection of Privacy Policy

COMMITTEE REPORT

SESSION:

Public ☒

ACTION REQUESTED:

Decision ☒
Discussion/Direction ☐
Information ☐

Financial Impact ☐ Yes ☒ No

Included in Budget ☐ Yes ☐ No

TO: Audit & Finance Committee

DATE: February 22, 2023

PRESENTED BY: Brad MacIsaac, Vice-President Administration

SUBJECT: Expenditure Signing Authority Procedures

COMMITTEE MANDATE:

In accordance with the university's Policy Framework, Finance presents the attached Expenditure Signing Authority Procedures to the Audit & Finance Committee for approval.

BACKGROUND/CONTEXT & RATIONALE:

We present two limited amendments to the Expenditure Signing Authority Procedures, which was last reviewed by the Administrative Leadership Team in 2021. These amendments are being made based on recommendations from the Ontario Internal Audit Division's (OIAD) 2021 audit of the university.

Section 5.3 of the Expenditure Signing Authority Procedures has been expanded to fully explain our practice regarding the payment of invoices pursuant to a Purchase Order. Once a PO has been approved (in accordance with the Expenditure Signing Authority Procedures) invoices against that PO only require one signature because the authority to spend was already granted with the PO. The invoice is a receipt of the good or services that delivered against the PO. The total of the invoices against the PO cannot exceed the original authorized value of the PO.

The second amendment is an editorial amendment to the chart that demonstrates the signing authority at the different monetary levels for first and second approvers. Based on conversations with the user community.

CONSULTATION:

This procedure was co-developed between the Finance Department and the Office of the General Counsel. The policy advisory committee (PAC) reviewed and provided feedback on the procedure. The Academic Council was consulted on this change on October 25, 2022.

COMPLIANCE WITH POLICY/LEGISLATION:

This amendment will ensure a clear, transparent process for the payment of invoices pursuant to a PO. In combination with the University's other signing authority policy instruments, they allow for the highest standard of governance.

NEXT STEPS:

- Audit & Finance (Approval)

MOTION FOR CONSIDERATION:

That the Audit and Finance Committee hereby approves the amendment to the Expenditure Signing Authority Procedures, as presented.

SUPPORTING REFERENCE MATERIALS:

- Expenditure Signing Authority Procedures (Amendment)

Expenditure Signing Authority Procedures

Classification number	LCG 1132.01
Parent policy	Signing Authority Policy
Framework category	Legal, Compliance and Governance
Approving authority	Audit and Finance Committee
Policy owner	Vice-President, Administration
Approval date	June 16, 2021
Review date	June 2024
Supersedes	Editorial Amendments, February 18, 2020; Interim Amendment Approved by Board of Governors, November 29, 2018; Signing Authority Registry and Approval Procedures, December 2008

Purpose

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

Definitions

2. For the purposes of these Procedures the following definitions apply:

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

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

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

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

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

Scope and Authority

3. This Policy applies to all types of Expenditures and Financial Contracts and extends to all members of the University community. Non-monetary contracts, such as academic agreements, the establishment of a partnership or similar arrangement, and employment agreements are not under the scope of these procedures. For greater certainty, authority over contracts governed by the Legal Commitments Signing Authority are set out therein.

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

Procedures

5. Authorization of Expenditures

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

5.1 General Operating Funds and Capital Items

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

relevant Dean/ VP becomes the responsibility of the Faculty/Department.

5.2 Research and Trust Funds

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

5.3 Approval of expenditures

As set out in Appendix A, approval of expenditures requires two approvers (1st and 2nd approver). This dual approval process exists to provide assurance that the expenditure is relevant, appropriate, falls within University policies and that due diligence has been applied. Appendix A sets out who may act as the 1st and 2nd approver. For purchase order invoices require one signature to acknowledge receipt of materials since the expenditure has dual approval through the procurement process.

6. Expenditure Submission and Internal Control

1. The dual approval process is intended to:
 - Ensures expenditures are in compliance with, and processed in compliance with, university policies and procedures and, if applicable, in compliance with external granting agency/donor terms and conditions.
 - Ensures the appropriate supporting documentation is attached or available (on file, etc.).
 - Confirms authorization signature (signature verification).
 - Ensures funds are available within the allocated budget amounts, Verifies correct account coding and ensures expenditure commitment does not exceed project/grant end date.

7. Approver functions and responsibility

7.1 The 1st approver performs the following functions:

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

7.2 The 2nd approver performs the following functions:

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

8. Delegation of Signing Authority

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

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

Monitoring and Review

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

Related Legislation

10. This section intentionally left blank.

Related Policies, Procedures and Documents

12. All procurement activities must adhere to standards and procedures as outlined in the associated procedures and guidelines, which include the following:

- Gift Acceptance Policy and Procedures
- Investment Policy
- Purchasing Procedures
- Signing Authority Registry
- Signing Authority Registry and Approval Procedures
- Travel Expense Reimbursement Procedure
- Contract Management Policy and Procedure
- Procurement Policy and Procedure
- Expenses Policy and Procedures

Appendix A: Approval Authority Registry

Board of Governors

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

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

Procurement of goods, services and student awards

A.2 The following table is used to determine the first and second approver, based on the size of the Expenditure or Contract. For research expenditures, see paragraph A.3. Financial Contracts with a value equal to or less than \$10,000 require only one approver. Expenditures above \$10,000 require two approvers, with individuals who may act as first and second approver being set out as per the below table. For clarity, the first approver noted in the table

below is minimum authority level. Any individual who is denoted in the table as a possible second approver may also serve as the first approver. An individual may not approve their own expense claims.

University Operations

1st Approver	Less than \$10,000	\$10,001- \$100,000	\$100,001- \$250,000	\$250,001- \$2,000,000	\$2,000,001- \$4,000,000
Officer, Analyst, Advisor, EA's	Yes	Yes	No	No	No
Manager, Assoc. Dean, Associate Registrar	Yes	Yes	Yes	Yes	No
Director, Executive Director, AVP, Registrar, Dean	Yes	Yes	Yes	Yes	No
VP/General Counsel, Provost	Yes	Yes	Yes	Yes	Yes
President	Yes	No	No	No	No

2nd Approver	Less than \$10,000	\$10,001- \$100,000	\$100,001- \$250,000	\$250,001- \$2,000,000	\$2,000,001- \$4,000,000
Officer, Analyst, Advisor, EA's	N/A	No	No	No	No
Manager, Assoc. Dean, Associate Registrar	N/A	Yes	No	No	No
Director, Executive Director, AVP, Registrar, Dean	N/A	Yes	Yes	No	No
VP/General Counsel, Provost	N/A	Yes	Yes	Yes	No
President	N/A	Yes	Yes	Yes	Yes

Research Related Expenses

1st Approver	Less than \$10,000	\$10,001- \$100,000	\$100,001- \$250,000	\$250,001- \$2,000,000	\$2,000,001- \$4,000,000
PI	Yes	Yes	Yes	Yes	Yes
2nd Approver	Less than \$10,000	\$10,001- \$100,000	\$100,001- \$250,000	\$250,001- \$2,000,000	\$2,000,001- \$4,000,000
Dean	Yes	Yes	Yes	Yes - but not final approver	Yes - but not final approver
Final Approval	Less than \$10,000	\$10,001- \$100,000	\$100,001- \$250,000	\$250,001- \$2,000,000	\$2,000,001- \$4,000,000
VP/General Counsel, Provost	Yes - But not nesscessary	Yes - But not nesscessary	Yes - But not nesscessary	Yes	Yes

Research – Expenditure of grant funds

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

[i](#) Appointment of External Auditors, Banking agreements, and the Purchase or Sale of Real Property require, in addition to the above, require approval of the VP Admin.

COMMITTEE REPORT

SESSION:

Public

**ACTION REQUESTED:**Decision
Discussion/Direction
Information**TO:** Audit and Finance Committee (A&F)**DATE:** February 22, 2023**FROM:** Les Jacobs, Vice-President, Research**SUBJECT:** Signing Authority Policy Instrument Framework

AUDIT & FINANCE COMMITTEE MANDATE:

- In accordance with the Policy Framework, A&F is the approval authority for Procedures and has the authority to revoke Procedures.
- **Request:** We present this memo to seek the Committee's approval of the revocation of the International Agreements Procedure.

MOTION:

That the Audit and Finance Committee hereby revokes the International Agreements Procedure.

BACKGROUND/CONTEXT & RATIONALE:

- In June 2021, a revised signing authority register was approved by this Committee in the form of a [Legal Commitments Signing Authority Procedure](#) (LCSA) and an Expenditure Signing Authority Procedure. Together, the two procedures were intended to supersede all existing policy instruments that delegate signing authority at Ontario Tech University.
- The Policy Office has identified the [Procedures for the Approval of International Agreements](#), an additional policy instrument that appears to set out a conflicting signing authority requirement for international agreements. This procedure was first approved in 2006, and does not appear to have been revoked.
- When the LCSA was brought for approval, the intent was for it to supersede all existing signing authority policy instruments, although the International Agreements Procedure was not identified in the report sent to this Committee. As a result, the International Agreements Procedure was not formally revoked.

CONSULTATION:

- The LCSA reflects contemporary good practice in the university sector, and was subject to extensive consultation with the Chair and various members of the Board, members of the Senior Leadership Team, and the decanal group.

COMPLIANCE WITH POLICY/LEGISLATION:

- Revocation of the International Agreements Procedure will ensure clear delegation of signing authority consistent with the University's Act according to the LCSA.

NEXT STEPS:

- Pending the Committee's approval of the motion, the International Agreements Procedure will be revoked and removed from the Policy Library.

SUPPORTING REFERENCE MATERIALS:

- [Procedures for the Approval of International Agreements](#)
- [Legal Commitments Signing Authority Procedure](#)