



BOARD MEETING # 3 2015-2016

September-25-15

A meeting of the University Students' Council Board of Directors was held in the USC Boardroom on the above mentioned date.

From the Board: I. Jacobi (Chair), C. Maidment, P. Demarco, I. Lalani, S. Helpard, S. Franchetto. H. Zafari, J. English

From Management C. Clark, S. Courtice, J. Armour, C. Passi, N. Soave

Guests Dipesh Parmar, CPA, CA (Senior Manager at PwC)

Regrets: S. Kerr.

1. CALL TO ORDER

I Jacobi called the meeting to order at 2:18pm

2. DISCLOSURES OF INTEREST

3. CHANGES TO AND ADOPTION OF THE AGENDA

The agenda was adopted

Moved by P. Demarco, second by S. Franchetto. Approved

4. APPROVAL OF THE MINUTES

Motion to approve meeting minutes from the July 2015 to the agenda with no changes

Moved by P Demarco second C. Maidment. Approved

5. COMMENTS FROM THE CHAIRPERSON

I Jacobi commented that there was a new Deputy Appeals Board Chair in place. The Deputy Appeals Board Chair is Brandt Chu. He stated that currently there were only three members on the Appeals Board, which meets the quorum requirements for the Appeals Board to meet and hold hearings, but that there will be a requirement for six new members to be hired. Hiring will take place once all of the members of the Appeals Board Nominating Committee.

I Jacobi further informed the Board that members are able to bring forward documents and work to present to the Board. Public documents should be sent to Elizabeth da Ponte, confidential, private or in-camera document should be sent to Nick Soave. In cases where members are unsure of whether a document should be confidential, these documents should be sent to the Chair or Nick Soave for assistance in determining whether a document is sensitive in nature.

6. APPROVAL OF THE CHAIR AND VICE CHAIR TERMS OF REFERENCE

Mr. Jacobi informed the Board that the Terms of Reference had been distributed to members 2 weeks prior. I. Jacobi brought forward one possible change to the Chair and Vice-Chair Terms of Reference, namely, a semi-weekly meeting of the Chair and Vice-chair added to the Terms of Reference.

Moved by H. Zafari, second by S. Helpard. Approved

7. ELECTION OF VICE-CHAIR

Members of the Board who were interested in the position nominated themselves for the role. Each was given a brief opportunity to address the group with their perspective strengths with respect to the role. Preferential balloting would follow the presentations and be announced via email after the meeting. C. Maidment, P. Demarco and S. Franchetto, nominated themselves for the role.

8. AUDIT APPROVAL

8.1 a) Financial Review and Analysis

Presented by Mr. Dipesh Parmar, CPA, CA (Senior Manager at PwC):

Mr. Parmar discussed the overview of the audit process. He stated that the audit risk and scope has not changed from the previous years. He informed the Board that the creation of the financial statement is largely the responsibility of the USC management team and that the role PwC plays in the audit process is to check these statements for accuracy. Disclosures are all there are the PwC responsibility. He explained that he role of the board is largely to oversee the financial reporting and ultimately approve the financial statements. Mr. Parmar explained that PwC comes in and verifies that the proper disclosures are present.

Mr. Parmar informed the Board that the audit is substantially complete, and that most of the work is done. The only items that are currently outstanding are items that typically are outstanding at this point in the audit process, namely a management representation letter and board approval letter. He further informed the Board that there was also a return legal letter is outstanding, outlining whether there are any legal claims against the corporation. If there were any outstanding legal claims against the corporation, the financial statements would need to reflect these liabilities pending against the Corporation.

Mr. Parmar referred the Board to Appendix C (Management Representation Letter). He explained that in this letter, management attests to having provided all the information necessary for the compilation of the financial statements. If there are issues or disagreements they must disclose to the board. Statements were completed in a timely manner.

Mr. Parmar asked if the board was aware of any fraud that PwC ought to be made aware of. No fraud was noted. He also noted that there were no instances of non-compliance of the rules and regulations were found, as well as taxes were filed on time. No internal controls were recommendations. Mr. Parmar asked the board if there are any issues they know of. I. Jacobi spoke on behalf of the group, seeing none.

The financial statements are complete in the board package and a condensed version can be distributed at large. Mr. Parmar identified that if any student wished to have a copy of the statements in full, that C. Passi could provide these documents on request.

Mr. Parmar stated that the financial statements are accurately represented. He further informed the Board that PwC also completes the Corporations tax filings, and audit internal controls for the USC with respect to financial reporting. Mr. Parmar informed the Board that the financial statements for

the USC there are a different year end from Western. May 1st to April 30th. The financial statements accrue cash from the university, operating on a separate year end from the USC.

Mr. Parmar noted that under the Capital Assets: Note 4 – that Radio Western appeared on the financial statements due to the amortization of the radio equipment, noting that this would no longer be the case for the next year. It will be up to management to make these changes in the next year.

Mr. Parmar further drew the Boards attention to the Occupancy costs: May 1st 2010, was the first year of the Occupancy agreement. The first year (note 11) UWO signed a lease in May 1, 2010, and that this 5 year term is now over; this will not become a month to month lease going forward. The terms are stated in this financial statement for disclosure.

POINT OF INFORMATION:

The USC and Western renewed the term of the UCC Occupancy Agreement last year; the term now extends to April 30th, 2020. The Occupancy Agreement requires Western and the USC to revisit the agreement again in 2019.

Another concern that Mr. Parmar noted to the Board was the post-retirement Benefits cost incurred through the use of the benefits plan from former (now retired) employees. He noted that at some point in this organization's future that this may have a significant impact on the organization. He noted that currently, most of the people within the plan are 25-35 and not eligible for this benefit until 65. Only a relatively small number of people in the plan at this time will remain in the plan until retirement, and that this does not pose a significant liability to the corporation.

Mr. Parmar brought forward Appendix B, are no non-adjusted item.

I Jacobi asked if there were any questions. There were no questions to note.

Moved by S. Franchetto, second I. Lalani. (Unanimous) Approved

8.1 b) Purchasing Policy

Mr. English, Secretary Treasurer explained to the Board that the purpose of the policy is to create a structure for fiscal reporting within the USC. The Policy would outline how the USC would report purchases and that further procedures would be put into place in order to track spending

Mr. Franchetto put forward concerns with respect to possible order splitting, and asked that the policy explicitly speak to not allowing purchases for identical items to be split, in order to bypass the rules relating to reviewable spending in contracts.

C. Passi informed the Board that currently, the USC requires a full quote for purchases upfront, but that this provision could be added for clarity.

9. PRESENTATIONS

9.1 Gazette Subcommittee Discussion -- Iain Boekhoff

Mr. Boekhoff is the editor and chief of the Gazette. He spoke with respect to the Gazette Publishing Committee Terms of Reference, which would be an amendment from the current Terms of Reference, establishing a Publishing Subcommittee, which would not include at least one member of the USC Board of Directors. These amendments would see the merger of the two advisory boards for the Gazette, and allow for monthly meetings; whereby facilitating greater long-term planning for the Gazette.

Mr. Boekhoff explained that the major changes include adding a board member on the committee, as well as professional journalists on board. This subcommittee would make recommendations for the budget as well.

Mr. English explained that from a risk perspective, this new subcommittee would remove the USC and President from overseeing the Gazette, and budget recommendations would be presented by the Editors directly to Council. This would also remove the Chief from working too closely in relation to Council. The Gazette would no longer be separate and unsupervised. Mr. English explained that this would remove much of the tension between VPs and Gazette, and funding would no longer be used as a change mechanism.

Mr. Boekhoff stated that the first meeting of the Publishing Subcommittee would be in October, and that financial reporting is in place.

S. Courtice noted to the Board that it is rare for a group to seek out additional oversight, both within their elections and other governance matters. He further recommended proceeding with approving the document in theory then in full once all the Board members were better able to review the document.

I. Jacobi moves to approve the document in principle, then in full at the next Board meeting.

Mr. H. Zafari volunteered to be the new member of the Publishing Subcommittee.

Moved by S. Helpard, second H. Zafari. (Unanimous) Approved

10. ELECTION OF BOARD MEMBERS TO BOARD STANDING COMMITTEES

- a) Finance – S. Franchetto
- b) Governance – P. Demarco
- c) Human Resources – I. Jacobi
- d) Agenda Committee – S. Franchetto
- e) Nomination & Appeals Board Members (3) – C. Maidment, P. Demarco

11. REPORTS FOR INFORMATION

11.1 Report of the President -- Sophie Helpard

Ms. Helpard discussed the following projects with the Board of Directors:

- USC partnership with Western to lease space in the basement for a wellness centre. In partnering with the University, the USC has a say and oversight over services they offer. Renovations are due to be completed next month. Currently the UCC Building is at full capacity.
- Budget – the Budget team this year will include, the President, Secretary Treasurer, C. Passi and C. Clarke. The President will present the Budget to Council this year.
- October will be a Budget planning month.
- November will be when the C. Passi and the Secretary Treasurer begin meetings with various stakeholders, senior manager with respect to budget planning.
- December is a writing period. The Budget dates are further refined and the narrative is written.
- January, one on one meetings continue. Debriefs about final budget begin.
- February, the Long-term Planning and Budget Standing Committee should see a draft of the budget. February 15th, 2016 is the (Board of Governors) meeting property and finance, and senate.

C. Clarke Cathy: made the note that the meeting with Property and Finance cannot be changed.

11.2 Report of the General Manager -- Cathy Clarke

11.3 Board and Corporate Governance -- Jonathan English

Mr. English discussed the following projects with the Board of Directors:

- *OUSA representation doesn't need to be enshrined into a by-law, presently; it is now outlined in an external representation policy.*
- *OWL is now being used with Council and the Board of Directors as the primary means of distribution materials to these groups.*
- **Ongoing:** *Board of Directors Committee Terms of Reference and structure needs further attention.*
- *By-law changes. Currently consulting with legal representatives with respect to changes to the current by-laws. Mr. English noted that the corporate by-law (By-law 1) is quite large.*
- *By-law 4 and 5 had been combined into a joint General Manager and Executive Terms of Reference.*
- **Risk:** *a greater effort will be placed on identifying areas of risk. The elections were a huge element of risk for the organization. Mr. Matt Wilson came to council over summer to discuss the risk of holding the non-binding plebiscite. Council withdrew the September plebiscite on Mr. Wilson's recommendation.*
- *Board retreat to be scheduled for early*

11.5 Q1 Financial Update -- J. English, C. Passi

*Ms. Passi reported to the Board of Directors, that in short, things are looking good. The student fees are currently ahead of schedule. We are on budget from the year before, but last year was an anomaly. On the third page, C. Passi pointed out Western film, and highlights from the budget. **Western Film** is currently behind budget.*

Mr. J English spoke to a systemic issue within the cinema trend where cinema is struggling. December is hopefully going to pick up, with more metrics being implemented to track the progress of Western Film.

Wave– *there has been fewer weddings, and the food and beverage changing industry wide. Suggestive selling and further training is being provided to staff members.*

Spoke– *is currently ahead of their projected budget but behind in food sales. Have there been recession implications.*

Creatives Services– *currently the printing budget is behind their projected budget. We are tracking their progress/. The **Promotions Department** is currently meeting their projections.*

C. Passi commented on the Q1 results, pointing out that there is a new section in Q1 assumption adjustment. She noted that assumptions are not always correct; and demonstrated to the Board how these assumptions might impact the statements. She stated that have to see the Q2 and Q3, which might result in cash for spending.

Motion to receive Q1 Report.

Moved by S. Franchetto, second H. Zafari. (Unanimous) Approved

11.6 Capital Process and Procedure Report -- J. English, C. Passi

Mr. English discussed the Purchasing policy, and the recommendations set out in the document with respect to purchasing orders. He notes that the Capital Plan has been subjected to the will of the executives, and with annual turnover this plan has succumbed to the ever changing executive plans and projects.

Mr. English drew attention to page 2, that \$1M for many years will create a backlog for many years. 5 year capital plan. Ask management to look forward and not allow executives to make changes yearly. The cash flow memo appendix also speaks to this.

Ms. C. Passi, spoke with respect to the Capital plan, in that there were changes in the student fees collected, and a capital plan based on a greater projected amount of income from students. There were 1000 fewer student fees collected, and the new budget will align with the new estimates.

Ms. C. Passi, explained to the Board that the purpose of the capital backgrounder was to explain differences in the projections in the last budget, and the full capital plan will come in line with the budget.

Moved by P. Demarco, second I. Lalani. (Unanimous) Approved

12. REPORTS REQUIRING BOARD ACTION

No reports requiring Board action to note.

13. INQUIRIES AND OTHER BUSINESS

No inquiries or other business to note.

14. ADJOURNMENT OF PUBLIC MEETING

Meeting was adjourned by consensus at 4:35p.m.

Secretary

Chair