

NICOLA VALLEY INSTITUTE of TECHNOLOGY

Board of Governors

MINUTES

Audit & Risk Management Meeting #2016/06 – December 8, 2016

Teleconference Call, 4:00pm

[1-877-385-4099, passcode: 3990546#]

ATTENDANCE: Charlene Taylor [A/RM Chair]
Paul Donald [A/RM Vice-Chair]
Terena Hunt
Yvonne Mensies

BOARD MEMBER: Jamie Sterritt [Board Chair]

STAFF: Ken Tourand [President]
Diane Black [Director of Finance]
Marlie Worrin, [Manager, Budgets & Financial Reporting]
Pat Brown [Recorder]

REGRETS: Michele Guerin

Note: Prior to this meeting, the Chairperson submitted a list of questions to Management. Those questions & responses are attached to these minutes.

1. Call to Order

1.1 Call to Order

Board ARM Chair Charlene Taylor called the meeting to order at 3:32pm.

1.2 Adoption of Agenda

It was moved and seconded that

the A/RM Committee meeting agenda be adopted. *Motion Carried.*

1.3 Review and Adoption of Minutes

It was moved and seconded that

the November 3, 2016 minutes be adopted as amended. *Motion Carried.*

Amendment: 2.1 – Discussion item Capital Projects: The capital project was identified as the Centre of Excellence in Sustainability.

2. *Financial Reporting and Statutory Items*

2.1 **Quarter 3 Financial Forecast**

It was moved and seconded that

the Quarter 3 Financial Forecast be approved and that the A/RM committee authorize Charlene to sign the Forecast. ***Motion Carried.***

Discussion:

- The Ministry of Aboriginal Relations & Reconciliation [MARR] has confirmed that the outstanding PNWLNG receivable will be paid.

3. *Other Reports*

3.1 No additional reports.

4. *Board Governance*

4.1 **Enterprise Risk Management.**

No additional information to discuss.

5. *Other*

5.1 No additional items to discuss.

6. *In-Camera Meeting*

6.1 No in-camera meeting was necessary.

7. *Adjournment*

7.1 The ARM Committee meeting adjourned at 3:45pm.

NEXT ARM MEETING: Monday January 30, 2017 [teleconference]



Briefing Note to the Board: Quarterly Financial Forecast – Quarter 3, 2016/17

Prepared by: NVIT Finance Department

Queries received from: ARM Chair

Query: Nov 3 minutes - S 2.1 - for clarity and to ensure the sentence above is not contradicted can you identify which specific capital project was approved by the Minister

Answer: Yes, will be amended.

Query: Page 6 - the summary mentioned that the current year expenses were increased 46,000 as a contingency to bring forecasted amount to zero - will that create a problem or more questions from the Ministry?

Answer: This amount is a “contingency” amount and necessary to carry. NVIT’s percentage of the overall budget is very minor to the Province’s overall budget. Management does not anticipate questions in this regard.

Query: Page 7 - Revenue - 2017-18 - how much is the increase for the economic stability mandate

Answer: 2017/18: \$152,837 (\$133,992 ESM and \$18,845 Economic Stability Dividend-additional amount for additional increased tied to BC’s economic growth), 2018/19: \$198,941 ESM, 2019/20: \$235,383 ESM.

Query: Page 7 - Revenue - one-time funding - what are the inferred agreements and how much dollars are involved

Answer: ITA funding agreement has an annual renewal clause (\$535k/year) that we assume will be enacted each year up until and including 2019/20.

Query: Page 9 - Salaries and benefits - increase between 2016-17 and 2017-18 is 2.68 percent rather than 2.5 percent per assumptions - why?

Answer: The 5% increase and 2.5% decrease is based on the Board approved budget amount for 2016/17, not the actual expenditures forecasted in Q3 for the 2016/17 year. The Board approved budget was \$6,758k. A 5% increase would be \$338k and a 2.5% decrease would be \$169k, for a net increase of \$169k.

Query: Page 13 - assumptions - not clear if provincial revenues should agree to Page 8 - 8,655 total. Is there a way to agree this to that schedule? The same for Operating contributions? Is it tied in elsewhere. I would prefer separate paragraph for each year for clarity as well.

Answer: I have a spreadsheet that I use to balance all of the provincial revenues (internal spreadsheet that is not part of the forecast documents). In the future we will ensure that the assumptions and/or the briefing note ties to the different line items for provincial revenue for your clarity.

Query: Rounding errors:

Page 8 - 2017-18 - DCC - From Ministries Cash - rounding error - adds to 14,118 rather than 14,119 and From Federal Government Cash - adds to 9,076 rather than 9,077

Page 9 - 2017-18 - Total revenue adds to 12,913 rather than 12,912

Page 10 - 2017-18 - Liabilities adds to 23,899 rather than 23,898

Answer: These are all due to rounding included in the cells, specifically from the DCC's and amortization where we use a formula to calculate the amounts. Due to the rounding, some cells may end up with a .4 or a .2 which round down to the nearest thousand, but when added all together will show the total as higher (or lower in some cases).