

*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).