

NICOLA VALLEY INSTITUTE of TECHNOLOGY

Board of Governors

MINUTES

Audit & Risk Management Meeting #2016/04 – September 23, 2016

Teleconference Call, 8:30am  
[1-877-385-4099, passcode: 3990546#]

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

**BOARD MEMBERS:** 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  
Yvonne Mensies

Charlene, on behalf of the ARM committee, extended a welcome to Michele & Terena.

**1. Call to Order**

**1.1 Call to Order**

Board ARM Chair Charlene Taylor called the meeting to order at 8:32am.

**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 August 31, 2016 minutes be adopted as revised. *Motion Carried.*

Revision: change date of the next meeting from October 31<sup>st</sup> to September 23, 2016.

**2. Financial Reporting and Statutory Items**

**2.1 Quarter 2 Financial Forecast**

**It was moved and seconded that**

the Quarter 2 Financial Forecast be accepted and recommended to the Board for approval.  
*Motion Carried.*

Discussion:

- Question: Does finance anticipate a lot of changes from the Quarter 2 report to the Quarter 3 report?

Answer: Yes, we have seen variability in the past due to one-time funding from Community Education contracts and Ministry. [NVIT takes a conservative approach to the Forecast and does not include this type of revenue if it hasn't been confirmed through receipt of a funding letter or execution of a contract.]

### **3. *Other Reports***

#### **3.1 *Educloud Move***

Discussion:

- NVIT is part of a Consortium of Institutions that run a Colleague ERP system. Camosun has hosted the servers for the ASC and is unable to continue to do so. [With the support of a BC Net project manager and involvement of OA Solutions (ASC contractor), the Colleague ERP instances will be migrated to Educloud.] There was a plan to move to Educloud over the summer however testing revealed delays in processing. Additional testing will occur and if successful, the move to Educloud will occur in October.

### **4. *Board Governance***

#### **4.1 *Enterprise Risk Management***

An updated Risk Register will be presented at the November Board meeting.

### **5. *Other***

- 5.1** Charlene raised two areas of development that may impact NVIT in the future. The first was the potential change to revenue recognition for consistency between PSAB treatment and NFPO's revenue treatment. This potential change would impact Financial Statement Presentation. The second change was in relation to potential changes around when to write down impaired assets.

### **6. *In-Camera Meeting***

- 6.1** No in-camera meeting was necessary.

### **7. *Adjournment***

- 7.1** The ARM Committee meeting adjourned at 8:50am.

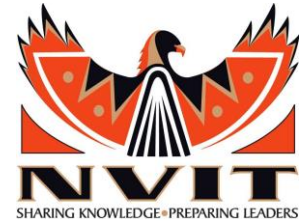
**NEXT ARM MEETING: November 3, 2016 [teleconference]**

## Briefing Note for the Audit & Risk Management Committee

Subject: 2016/17 Q2 Forecast

Query by ARM Chairperson

By email: September 19, 2016



The following provides answers to the questions submitted by Charlene on behalf of the ARM Committee in relation to the 2016/17 Q2 Forecast.

1. **Page 9** – Revenue: Capital contributions are assumed per Certificate of Approval issued by AVED in 2017 and assumed per direction letters by AVED in 2018-2020. Please confirm that this does not agree to the Five Year Capital Plan or if it does, only after AVED has approved it.

*We have only included contributions for amounts that are guaranteed (via a Certificate of Approval - COA) or for which we have received notional funding via a formal letter from AVED. The notional funding we have been made aware of is Major Routine Capital (\$50k per year for 2016/17, \$57k 17/18, \$64k 18/19) and Carbon Neutral Capital Program (\$11,729 per year for 2016/17 through 2018/19).*

*Nothing from the Five Year Year Capital Plan is included in this forecast, nor will be until funding is guaranteed through a COA or formalized in a funding letter.*

2. **Page 9** – Revenue: One-time Funding – Please confirm what is meant for “inferred agreements” in 2018-2020.

*Inferred agreements refers to agreements that we currently have with AVED that include provisions for annual renewals. Currently this only includes the ITA agreement.*

3. **Page 9** – Expenditures: Salaries and Benefits – Please confirm what the “Removal of one-time funding labour expenses” are. In addition, please confirm whether or not executive compensation increases now that the freeze is removed is included in this forecast.

*We have removed any labour costs associated for one-time funding revenue contracts in the appropriate years as the funding is no longer received and the expenses no longer incurred.*

*Executive compensation increases are not specifically included in this forecast.*

4. **Page 10** – Statement of Operations: 2017/18 – Please confirm why that year is projected to be a small deficit (38) – we are required to have a balanced forecast – was this a mistake?

*Page 10 is a worksheet to show the A/RM Committee what has changed from the prior quarter’s forecast (which was based on the Board approved budget for 2016/17) and is not part of the official Q2 Forecast. The (38) is not a deficit, but rather the difference in the Q2 forecasted total revenue/expenditures for 2017/18 (\$12,957k) as compared to what we had forecasted for 2017/18 in the Q1 Forecast (\$12,995k).*

*The Statement of Operations forecast on page 12 of the agenda (with the header Statement of Contributions & Deferred Revenue – should read Statement of Operations) shows a balanced forecast for each year.*

*Please note that the headers for the forecast did not print correctly. The following pages should have these headers/titles:*

*Page 12: Statement of Operations*

*Page13: Statement of Financial Position*

*Page 14: Statement of Change in Financial Position*

*Page 15: Supplemental Information*

*Page 16: Forecast Assumptions and Variances*