

NICOLA VALLEY INSTITUTE of TECHNOLOGY

Board of Governors

MINUTES

Audit & Risk Management Meeting – January 25, 2024

Zoom Meeting

CHAIR:

Sharon Bond

ARM COMMITTEE MEMBERS:

Dale Calder

Jonathon Nolie

Kathleen Smith

EX-OFFICIO:

Ken Tourand, President & CEO

SENIOR MANAGEMENT TEAM:

Paul Grewal, Chief Financial Officer

REGRETS:

Joe Bevan

Recorder:

Pat Brown, Executive Assistant, President & Board and Elders Coordinator

1. Call to Order

1.1 Call to Order

Board ARM Chair Sharon Bond called the meeting to order at 4:01pm.

KPMG guests Brent Ashby, David Bond & Debbie MacKinnon were welcomed to the meeting followed by roundtable introductions.

1.2 Adoption of Agenda

It was moved and seconded that

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

1.3 Review and Adoption of Minutes

It was moved and seconded that

the December 7 2023 minutes be approved as presented. **Motion Carried.**

2. Financial Reporting and Statutory Items

2.1 2021/22 KPMG Audit Plan

David Bond reviewed the Audit Plan.

Discussion:

- Brent Ashby introduced David Bond who is the new Lead Engagement Partner. Mr. Bond is based in Kelowna and is familiar with NVIT's financial statements.
- There are no significant changes and the audit is similar to the prior year.
- ARM members are encouraged to go into the links under Appendix F in the Audit Planning Report for more information.
- *Question:* Will there be additional IT testing & controls next year?

Answer: Yes, the IT Penetration Testing will take place next year. KPMG's IT department will go through the processes with NVIT's IT department this year.

- *Question:* What accounting standards does NVIT follow? PSAB?

Answer: NVIT follows the Public Standard Sector Accounting Standards & the Budget Transparency & Accounting Act.

- *Question:* Does NVIT use Fintrac?

Answer: No, Educational Institutions are not subject to Fintrac.

4:25pm There were no additional questions for Mr. Bond, Mr. Ashby and Ms. MacKinnon and they left the meeting.

2.2 Financial & FTE Report [MD&A]

It was moved and seconded that

the Financial & FTE Report [MD&A] be accepted and recommended to the Board for approval. ***Motion Carried.***

Discussion:

- FTE is 14% higher than the prior year. NVIT has achieved 91% of the AEST FTE target.
- FTE has increased 23% in CE compared to the prior year.
- Revenue increased 6% due mainly to increases in government grants, miscellaneous income and tuition.
- Expenses increased 13% due mainly to increases in employee costs and supplies & services.

- Quarter 3 has a surplus of \$22,096, a decrease of 97% than the prior year.
- It is anticipated that the budget will be balanced or a small surplus at March 31st.
- *Question:* Does all funding go year to year?

Answer: A large portion of the funding is year to year including the Ministry's Base Operating grant & tuition. Community Education and Capital Assets funding are multi-year funding.

- *Question:* Does program funding go up to 5-year funding or is it year to year?

Answer: Most are year to year. HCAP and LPN are multiple year funding.

- *Question:* In terms of revenue in Ancillary, why are they not making money?

Answer: The bookstore staff are paid out of the bookstore revenue and there is no markup on any merchandise. The housing rent is low for the students. The resident manager and Campus Living Centre [CLC] are paid out of the revenue.

- *Question:* Is there an opportunity to increase the revenue in Ancillary?

Answer: Students are complaining now that the prices in the cafeteria are too high. Less students use the cafeteria because many are taking hybrid courses & not on campus. The housing rent is kept low to stay within the funding allocated to students from their bands.

2.3 Annual Investment Report

It was moved and seconded that

the Annual Investment Report be accepted and recommended to the Board for approval. ***Motion Carried.***

All investments have low risk and earn an investment rate of 5-7%.

2.4 Tuition Memo

It was moved and seconded that

the proposed revised tuition rates be accepted and recommended to the Board for approval. ***Motion Carried.***

Discussion:

- The Board student reps & Student Society were given an opportunity to share this information with students and no feedback was received to-date.

2.5 2024/25 Budget Update

Ken reported that the financial situation is tight but he is optimistic the budget will be balanced or have a small surplus. Next year will be a challenge if year-end funding is not received. NVIT is currently in a hiring freeze and travel & conferences are curtailed.

- *Question:* How are programs assessed to ensure they are of interest to students and how do we know when to cut a program?

Answer: Student enrolment dictates the decision to cut a program. This is not an easy decision because it involves laying off faculty. The enrolment will be monitored over the next few months and decisions made as early as June. Cancelling programs is a last resort.

- *Question:* How do you assess and bring in programs?

Answer: Often communities reach out to us. Bringing a program on-campus is a 2-year planning process and requires operating money. The process involves developing curriculum which is then vetted through Education Council and the Board.

3. Other Reports

- 3.1 No additional reports.

4. Governance

- 4.1 No discussion.

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 It was moved and seconded that

the ARM Committee meeting be adjourned at 5:01pm. ***Motion Carried.***

**NEXT ARM MEETING: ARM/Board Teleconference Meeting
Thursday April 4, 2024**