

*NICOLA VALLEY INSTITUTE of TECHNOLOGY*

*Board of Governors*

**MINUTES**

Audit & Risk Management Meeting #2017/01 – May 15, 2017

Teleconference Call, 3:30pm

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

**ATTENDANCE:** Charlene Taylor [A/RM Chair]  
Paul Donald  
Terena Hunt  
Sashia Leung  
Yvonne Mensies

**BOARD MEMBERS:** Jamie Sterritt [Board Chair]  
Shane Coutlee [Vice Board Chair]  
Faye Ahdemar  
Sandra Tiessen  
Crystal Howard

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

**GUESTS:** Brent Ashby, Lead Audit Engagement Partner, KPMG  
Debbie MacKinnon, KPMG  
  
Laurie Selwood, Senior Manager, Office of the Auditor General of BC  
Carol Bellringer, Auditor General

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

**1. Call to Order**

**1.1 Call to Order**

Charlene called the meeting to order at 3:33 pm.

**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 February 6, 2017 A/RM Committee meeting minutes be amended as follows and adopted as amended:

Section 2.4 Annual Investment Report

Discussion:

Question: Is the Building Legacy Fund actually being used?

Answer: \$300,000 of the fund will be used for the new Centre of Excellence in Sustainability as per prior board approval. The remainder of the fund is reserved for a new Vancouver campus.

Revision: \$250,000 of the fund will be used for the new Centre of Excellence in Sustainability as per prior board approval. [The fund balance was approximately \$452,042]. The amount reserved for a new Vancouver campus is a separate fund.

***Motion Carried.***

## 2. *Financial Reporting and Statutory Items*

### 2.1 2016/17 Audited Financial Statements

Mr Ashby introduced Debbie MacKinnon, Audit Senior Manager, reviewed the Audit Plan and presented the 2016/17 Audited Financial Statements and Audit findings. It was reported that the financial statements are in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Discussion:

- Audit Findings – Two matters were identified, both of which have been corrected:
  - a) 16/17 - \$113k – recording of ASP revenue (corrected in 16/17)
  - b) 15/16 - \$34k – tuition JE posted backwards of \$49k (overstatement of revenue) combined with ASP revenue \$83k (understatement of revenue), for a net of \$34k
  - c) 14/15 -\$158k – ASP revenueThe issues were determined to be not material to reissue 2014/2015, 2015/2016 financial statements.  
(Diane noted that ASP entries were related to timing of revenue recognition between fiscal years).
- Manual journal entries posted by Manager of Budgets & Financial Reporting are not reviewed. KPMG recommends review of journal entries by Director of Finance & Administration and that the review is documented. Internal procedures have been amended.
- Comment (Charlene) – “Believes this is the first time we’ve had audit misstatements in many years...”

#### It was moved and seconded that

the ARM committee recommends approval of the 2016/17 Audited Financial Statements. ***Motion Carried***

## **2.2 2016 / 17 Appointee Remuneration Committee [ARC] Board Remuneration**

The 2016 / 17 Appointee Remuneration Committee [ARC] Board Remuneration was presented for review. The 2016/17 [ARC] Board Remuneration will be brought to the June 2017 Board meeting. No motion was required.

## **2.3 2016 / 17 Final FTE Report**

NVIT achieved 94% (509) of its 538 FTE for 2016/17.

## **2.4 2017 17 Interim Operating Grant & Student FTE Report**

Notional Funding letter was received (7.5 million). NVIT has budgeted for this amount.

5-year capital plan template will be circulated in June for submission in July.

Discussion:

- Ken noted that due to the election there would be a transitional period of 4-6 months. We can expect the final budget letter and Board Appointments for vacancies in September.

## **7. *Adjournment***

**7.1** The ARM Committee meeting adjourned at 4:10 pm.

**NEXT MEETING: To Be Determined.**