



## MEMORANDUM

Date: **November 28, 2014**

Date Last Updated: **November 22, 2013**

**To:** Chair and Board of Governors  
**From:** President  
**Subject:** MONITORING REPORT – EL-1 Global Executive Constraint

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I hereby present the monitoring report on our Executive Limitations policy “Global Executive Constraint” according to the schedule set out. I certify that the information contained in this report is true and represents compliance with all aspects of the policy unless specifically stated otherwise for 2013-2014.

This Global Executive Constraint is an over-arching EL to all subsequent EL policies. This report only addresses evidence not necessarily captured elsewhere. It is not intended to be redundant to the EL2 Monitoring Reports.

Enterprise Risk Management assessment is also built into existing EL2 Monitoring as directed by the Audit Committee.

**The President shall not:**

**Cause or allow any organizational practice, activity, decision or circumstance which is:**

- unlawful,
- imprudent, or
- in violation of commonly accepted business and professional ethics.

I believe that the Board has comprehensively interpreted “imprudent” and “in violation of commonly accepted business and professional ethics” in the EL policies # 2(a) through 2(i). Those monitoring reports adequately deal with these issues.

I do not believe that the Board has fully interpreted “unlawful” since I interpret “unlawful” to mean contrary to any municipal, provincial or federal law and/or regulation that applies to the College.

Compliance will be demonstrated when:

- a) External auditors do not question the prudence, ethics or lawfulness of financial practices
- b) There are not substantiated claims of human rights abuses, unethical actions or activities, or refusal to comply with orders issued by regulatory agencies (eg: Ministry of Labour, Electrical Safety Authority, Transport Canada).
- c) There have been no fines or successful lawsuits for illegal activities as evidenced by our legal counsel.

**Evidence:**

- a) The external financial auditor provided an unqualified report on the College financial statements for the past year, with no material questions related to any business practices or unrecorded liabilities. The Audit Committee and the Board of Governors approved this report on May 28, 2014 and June 5, 2014 respectively. Included in their review of College files, the auditors had asked the College’s lawyers to identify any significant or potential liabilities and to estimate the related liability with the result noted above. In addition, the following special audits were conducted of:
  - Verify President compensation and benefits to approved employment contract;
  - Examine all payroll deductions and remittances to ensure they were fully paid on time;
  - Examine other payments made to the President to ensure that the amounts are in accordance with the perquisites policy of the College;
  - Examine payroll to determine if employees fall outside of established pay grids;
  - Examine Special contracted employees re: contract end dates;
  - Samples of salary/hourly wage to ensure agreement with contracts/union agreements/for timesheet submissions;
  - Examine Perquisites and review of general purchases and payroll expenses to ensure accordance with perquisites policy;
  - Examine General Ledger detail for the miscellaneous and advertising and promotion expense for occurrences of perquisite payments;
  - Examine vendor detail listings for perquisite related to vendors and ensure any transactions were business related and not perquisites.

No evidence of fraud was found in any of the above audits.

- b) There have been no substantiated complaints of unethical actions or activities, or of human rights violations. There have been no submissions from staff or others under the College's Whistle Blower policy. The College is in compliance with any orders issued by various regulatory agencies.
  
- c) The College has not been successfully sued nor fined for any illegal activities in the past year. There is one outstanding lawsuits against the organization (see Appendices A, B & C). The letter from Hicks Morley has had the employee name parsed for privacy.

There is only one insurance claim outstanding with no evidence of fault by the college. A part time employee was involved in a vehicular accident on January 3, 2011. The employee was travelling in a car rented under the college's name. Various legal claims and cross claims occurred. The college insurance covers the College interest and lawyers appointed by the insurer are dealing with the matter.

I therefore report compliance.

Respectfully submitted,

D. Jim Madder,  
President