



MEMORANDUM

Date: June 26, 2015

Date Last Updated: May 23, 2014

To: Chair and Board of Governors
From: President
Subject: **MONITORING REPORT – EL-2c Compensation and Benefits**

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the President shall not cause or allow jeopardy to fiscal integrity or public image.

I believe that this statement is fully interpreted below.

The President shall not:

1. Change the President's own compensation and benefits.

Compliance will be demonstrated when a review of payroll and benefits records show that no changes have been made to the President's compensation and benefits unless consistent with a letter from the Chair of the Board of Directors.

EVIDENCE:

A review of the above-noted records by our external auditors show that the President's compensation and benefits are unchanged since the most recent letter from the Board of Directors, signed by the Chair of the Board, dated June 28, 2013.

I therefore report compliance.

2. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

Compliance will be demonstrated when an audit of our payroll records, by an external auditor, show that staff are compensated per the appropriate collective agreement or Council recommendations for administrative compensation. Compliance will also require that compensation conform to the *Public Sector Compensation Restraint to Protect Public Sectors Act, 2010*, which froze the salaries and benefits of designated positions of the college as of March 31, 2012.

Compliance will also be demonstrated when unionized salaries are consistent with the Collective Agreements.

EVIDENCE:

During the annual financial audit, our auditors randomly compare a sample of the salaried and hourly rates to signed contracts/union agreements/approved timesheets and investigate any differences. The auditors would report any deviations to the Audit Committee in their management letter or their exhibit of unadjusted errors. No deviations have been reported by the auditors as a result of their 2014-2015 audit.

The administrative employees' salary schedule is posted on the College's intranet site; this enables administrative employees to verify their salary against the salary schedule. The Administrative Terms and Conditions for administrative employees is also on the intranet site so that administrative employees can check their benefits against the agreed to terms and conditions.

Unionized employees' salary schedules and benefit coverage descriptions are contained in their respective collective agreements. Consequently, employees can verify their wages and benefits against their collective agreements; which are available on the College's intranet site.

Further, the auditors verified in April 2015 that the administrative salary schedule produced in Human Resources is consistent with the President's direction and the College's salary administration operating practice. The audit also verified that the administration of the unionized salaries is consistent with the collective agreements (See Accountant's Draft Report, Appendix A – Exhibit 1).

I therefore report compliance.

3. Create obligations over a longer term than revenue can be reasonably projected.

I interpret this to mean that no one is hired for a period longer than the available funding. Therefore compliance will be demonstrated when an audit shows that there were no projects that were over budget; that financial obligations for “separately funded work” do not exceed revenues.

EVIDENCE:

A review of personnel records conducted by our external auditors indicates that all contract employees have hire letters, signed by both the employee and the Human Resources department head, and that each letter includes the end date, which coincides with the end of the funding package. Additionally, our auditors examined payroll records to ensure no employee falls outside the established pay grids of the College. (See Accountant’s Draft Report, Appendix A – Exhibits 1 and 2).

Collective agreements typically extend for two to three years in the college environment. The current faculty collective agreement is a three-year and one-month term commencing September 1, 2014 and ending September 30, 2017. The current support-staff union agreement is a three-year agreement commencing September 1, 2014 and ending August 31, 2018. Provincial negotiations will begin in June 2017 for the faculty collective agreement and June 2018 for the support collective agreement.

The College’s process for replacing staff includes approvals by the supervisor, the Vice President, College Services and the Executive Director, Strategic Planning and Organizational Development. The process for increasing the complement requires the authorization of the President.

Our capital projects, predominantly funded from MTCU infrastructure funding, contractually require audits. Steering Committees were established for the major infrastructure projects to plan and monitor progress, currently the Research Centre project is in progress.

MTCU special projects funding also require audits. The audits have disclosed no significant over-spending. Recently we have seen the Ministry enforce the return of any funds under-spent on special projects where previously the Ministry had allowed the college to carry-forward funding to the next year’s initiatives.

I therefore report compliance.

Respectfully submitted,

D. Jim Madder
President

APPENDIX A

EXHIBIT 1

Accountants' Report on Applying Specified Auditing Procedures

To the Members of the Audit Committee of
The Confederation College of Applied Arts and Technology ("Audit Committee"):

As specifically agreed, we have performed the procedures enumerated in Appendix A to assist the Audit Committee assess compliance with the "Executive Limitations for Policy Governance" of The Confederation College of Applied Arts and Technology.

The engagement to perform specified procedures was performed in accordance with standards established by the Chartered Professional Accounts Canada. The sufficiency of these procedures is solely the responsibility of the Audit Committee. Consequently, we make no representation regarding the sufficiency of these procedures either for the purpose for which this report has been requested or for any other purpose.

The results of our procedures are documented in Appendix A.

These procedures do not constitute an audit of the "Executive Limitations for Policy Governance" of The Confederation College of Applied Arts and Technology and therefore we express no opinion on compliance with the "Executive Limitations for Policy Governance."

This report is solely for the submission to the Audit Committee of The Confederation College of Applied Arts and Technology and is not intended to be and should not be used by anyone else or for any other purpose.

Thunder Bay, Canada
Date

Chartered Accountants
Licensed Public Accountants

Dated: May 29, 2015

APPENDIX A

EXHIBIT 2

Appendix A

Specified Procedures	Result of Specified Procedures
1. Obtain details of the salary and benefits paid to/on behalf of the President for fiscal 2015. Verify that the President's compensation and benefits are consistent with the Board approved employment contract.	The salary paid to the President agrees to the employment contract as augmented by the most recent compensation change letter approved by the Board. The performance bonus paid to the President agreed to the compensation change letter approved by the Board. The benefit premiums paid by the employer were in accordance with the available benefits listed in the employment contract.
2. Obtain the general ledger detail for the payroll source deduction remittance account. Examine all payroll source deduction remittance confirmations to ensure they were fully paid on time.	Each remittance was agreed to electronic payment confirmations and the related payment was made in full on or before the deadline.
3. Examine the expenditures reimbursed to the President via credit card or expense report and ensure the amounts are in accordance with the perquisites policy of the College.	We did not identify any occurrences of perquisite payments.

Dated: May 29, 2015