



MEMORANDUM

Date: **November 27, 2015**

Date Last Updated: **November 28, 2014**

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

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 as of October 13, 2015.

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 (e.g.: 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 29, 2015 and June 4, 2015 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 source deductions and remittances to ensure they were fully paid on time;
 - Examine expenditures reimbursed to the President via credit card or expense report to ensure that the amounts are in accordance with the perquisites policy of the College;
 - Examine the credit card activity of the 20 largest dollar volume users and for an additional 10 users selected randomly to ensure that the “(VISA) Purchasing Card Policy” has been followed in all instances and to ensure that travel expenses paid for by credit card are in accordance with the “Travel, Meals and Hospitality Policy.”

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. There is one Bullying and Harassment Complaint which is scheduled for

a hearing in January 2016. The College has not been successfully sued nor fined for any illegal activities in the past year.

- c) There is one outstanding lawsuit against the organization and there are six possible financial claims. Five of the six possible financial claims are related to registered liens for the construction of the new residences of which CDC is responsible as per the Lease agreement between the College and CDC. As of November 11, all liens have been discharged.

I therefore report compliance.

MOTION:

THAT we accept Report EL1 - Global Executive Constraint to the Board, showing full compliance with a reasonable interpretation of the policy.

Respectfully submitted,

D. Jim Madder,
President