

1. CALL TO ORDER

Call to Order – 10:03 AM

2. TERRITORIAL ACKNOWLEDGMENT

We respectfully acknowledge that the SFSS is located on the traditional, unceded territories of the Coast Salish peoples, including the xʷməθkʷəy̓əm (Musqueam),

Skwxwú7mesh Úxwumixw (Squamish), Sel̓íl̓wítulh (Tsleil-Waututh), kwikwə́x̣əm (Kwikwetlem) and q̓ícəy̓ (Katzie) Nations. Unceded means that these territories have never been handed over, sold, or given up by these nations, and we are currently situated on occupied territories.

3. ROLL CALL OF ATTENDANCE

3.1 Committee Composition

VP Finance (Chair)	Corbett Gildersleve
VP Student Life	Jennifer Chou
Applied Sciences Representative	Harry Preet Singh
Business Representative	Mehtaab Gill
At-Large Representative	Phum Luckkid
Student At Large	Vacant
Student At Large	Vacant

3.2 Society Staff

Executive Director	Sylvia Ceacero
Finance Manager	Rowena de la Torre
Executive Assistant	Shaneika Blake
Administrative Assistant	Kristin Kokkov

4. ADOPTION OF THE AGENDA

4.1 MOTION FAC 2020-06-05:01

Phum/Jennifer

Be it resolved to adopt the agenda as presented.

CARRIED UNANIMOUSLY

5. MATTERS ARISING FROM THE MINUTES

5.1 MOTION FAC 2020-06-05:02

Jennifer/Phum

Be it resolved to receive and file the following minutes:

- FAC 2020-04-17

CARRIED UNANIMOUSLY

6. REPORTS

6.1 Review of 2019-2020 Committee Work

6.1.1. Finished Projects

- Include the following projects: AGM, Investment Policies, Fall Kick-Off, 2020/2019 Budget, Policy for Coordinators to Process Expenditures, Insurance Renewal, SUB

(Construction Loan with switch to Mortgage in September of 2019), Leases for Commercial Tenants of the SUB, Agreement with FIC.

6.1.2. Continuing Projects

- Looking into Risk Register for Society that will cover financial and non-financial items, passed in February/March 2019, but no consensus on enterprise-wide management vs. fiscal and strategic plan.
- Call with Investment Manager to Implement Investment Policies, currently renewing transactions.
- Requirement of a Standing Operation Procedure refresh for Finance, last refresh in 2018.
- Looking into lease changes between SFU and SFSS.
- Claim by contractor for SUB.
- Projects surrounding SUB funding, construction and operations – building management.
- Collective Agreement and Bargaining Sessions with possible impact on budget and operating costs of the SFSS.

6.2 Annual Audit Progress

- Conducted by a Tompkins Wozney LLP starting on Monday June 8th. Audit will be remote, all files requested will be sent off. Assessment will be materiality which is based on an organizations risk (SFSS has an allowance of \$80 000). A review of financial records will take place. Findings will be discussed with FAC in July.

6.3 Investment Policy Implementation

- VanCity Investment Management
- Definition needed for what Fossil Fuel Free means for the SFSS.
- Risk tolerance and Equity Discussion plan needed.
- Plan needed for investing the money into students.
- Executive Director stated that the signing authority cannot EVER be two Staff members or two Board members. The signing authority must be one Staff member and one Board member.
- Questions raised about amounts to be held in accounts.

6.4 Board Reimbursement Guidelines

- Finance Manager discussed previously set amounts: 50\$ a month for phone (not taxed) requiring a receipt from the phone company, and up-to 600\$ for transportation. For conference attendance 59cents per km providing mileage is tracked and date and map is provided. If a Board member rents a car, they will be reimbursed for gas.
- Guidelines suggested for meal and other cost reimbursements.
- A stipend for work-from-home costs was suggested.

Mehtaab Gill left the meeting a 11:00 AM

7. DISCUSSION ITEMS

7.1 Develop a Committee Annual Plan (Possible Items)

- VP Finance suggested the creation of a timeline to distinguish short-term vs long-term projects as well as creating more detailed briefing notes for each of the items.

7.1.1. Implement the Investment Policy

- Clarification on investment threshold regarding fossil fuels, amounts in each account, and signing authority needed.

7.1.2. Discuss an Enterprise Risk Management Review

- Continued from previous year, Risk Registry, which is like a heat map, listing all risk stating which are bigger than others and is not tied to a budget, strategy, or business plans
- Most comprehensive, tied to strategy not only budget.
- Creation of a heat map with events like COVID – considered a black swan every 100 years – irrelevant but costly events, etc. Important for risk and opportunity.
- COVID-2019 pandemic allows the SFSS to learn more about what needs to be put in place for this organization to be sustainable in the creation of a Risk Management Plan.
- Executive Director and Finance Manager have previous experience creating Risk Registries.

7.1.3. Research Participatory Budgeting

- Intended to democratize areas of the budget to allow Board to gain a better understanding of student needs. Inspired by the improve outcomes for marginalized groups in a similar policy in a city in Brazil.
- Finance Manager suggested starting pilot project this year.

7.1.4. Research Large-Event Guidelines and Fund Exploration

- Fall Kick-Off
- Executive Director suggested creation of policies instead of guidelines.

7.1.5. Review Club and Student Union Funding Model

- Discussed with Coordinators.
- Research needed as to why some are more successful and definition of what it means to be a successful Student Union or club.
- Goal of review is to increase student involvement in Student Life groups.

Sylvia Ceacero and Shaneika Blake left the 11:15 AM

7.1.6. Discuss a Fiscal Plan Development

- Relevance to risk management. Will be revisited.

7.1.7. Review SFSS Fee Options During COVID

- Due to push to decrease tuition, there has been increased frustration from students about SFSS Fees.
- President suggested that decreasing fees could result in long-term funding issues as well as logistical issues due to Fee changes only being able to occur during a referendum. Suggested a campaign to explain how fees are being used.

7.1.8. Review the Reimbursement Process

- Finance Manager suggested researching reimbursing people electronically.

Rowen de la Torre left the meeting at 11:21 AM

7.2 Reporting

7.2.1. Expectations and content

- Financial reporting to the Board, what is the default reporting structure and frequency to be determined.

7.3 FIC General State of Affairs

- Contract expires in December; negotiation will be started in the Fall.
- Possibility raised for modification of membership or creation of associate members.

8. ATTACHMENTS

- Audit Planning Letter April 30 2020.pdf
- Independence Letter April 30 2020.pdf
- SFSS Board Reimbursement Guidelines 2020-2021 year.pdf
- SFSS Investment Policy.pdf

9. ADJOURNMENT

9.1 9.1 MOTION FAC 2020-06-05:03

Jennifer/Phum

Be it resolved to adjourn the meeting at 11:35AM

CARRIED UNANIMOUSLY



April 30, 2020

PRIVATE & CONFIDENTIAL

Simon Fraser Students' Society
Simon Fraser University, Maggie Benston Centre
Room 2250, 8888 University Drive
Burnaby, BC
V5A 1S6

Attention: Finance/Audit Committee (or equivalent)

Dear Board Members:

Re: Audit Planning Letter

We have been engaged to audit the financial statements of Simon Fraser Students' Society (the "Society") for its April 30, 2020 fiscal year. The purpose of this letter is to ensure effective two-way communication between us in our role as auditors and yourselves with the role of overseeing the financial reporting process. In this letter we will address our responsibilities as independent auditors and provide information on our planned scope and timing of the audit.

Management is responsible for establishing and maintaining an adequate internal control structure and procedures for financial reporting. This includes designing and maintaining accounting records, recording transactions, selecting and applying accounting policies, safeguarding assets, and preventing and detecting fraud and error.

The audited financial statements are the responsibility of the Society. Their preparation is the responsibility of management under the oversight of the board of directors. Although we as auditors may provide assistance in the preparation of the financial statements, the statements remain the responsibility of management and the board. The audit of the financial statements cannot relieve management or the board of their responsibilities.

Our Responsibility as Auditor

Our annual audit engagement letter, dated on April 30, 2020, describes our responsibility as auditor of the Society to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Society in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

An audit is performed to obtain reasonable but not absolute assurance as to whether the financial statements are free of material misstatement. Due to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the financial statements will not be detected (particularly intentional misstatements concealed through collusion) even though the audit is properly planned and performed.



Our audit includes:

- Assessing the risk that the financial statements may contain misstatements that, individually or in the aggregate, are material to the financial statements taken as a whole; and
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

As part of our audit, we will obtain a sufficient understanding of the business and the internal control structure of the Society to plan the audit. This will include management's assessment of:

- The risk that the financial statements may be materially misstated as a result of fraud and error; and
- The internal controls put in place by management to address such risks.

Finance Committee Members' Responsibilities

The finance committee's role is to act in an objective, independent capacity as a liaison between the auditor, management and the board of directors to ensure the auditor has a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

Effective two-way communication between the board and the auditor is a crucial requirement for an effective audit.

The finance committee's responsibilities include:

- Being available to assist and provide direction in the audit planning process when and where appropriate;
- Meeting with the auditor as necessary and prior to release and approval of financial statements to review audit, disclosure and compliance issues;
- Where necessary, reviewing matters raised by the auditor with appropriate levels of management and reporting their findings back to the auditor;
- Making known to the auditor any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements that are known to them, where such matters may impact the financial statements or auditor's report;
- Providing guidance and direction to the auditor on any additional work they feel should be undertaken in response to issues raised or concerns expressed;
- Inquiring as appropriate into the findings of the auditor with respect to corporate governance, management conduct, cooperation, information flow and systems of internal controls;
- Reviewing the draft financial statements prepared by management, including the presentation, disclosures and supporting notes and schedules, for accuracy, completeness and appropriateness;
- Assessing the ability to continue as a going concern for the next twelve months; and
- Identifying related party transactions.



Audit Approach

Outlined below are certain aspects of our audit approach which are intended to help you in discharging your oversight responsibilities. Our general approach to the audit of the Society is to assess the risks of material misstatement in the financial statements and then respond by designing appropriate audit procedures.

Illegal Acts, Fraud, Intentional Misstatements and Errors

Our auditing procedures, including tests of your accounting records, are limited to those considered necessary in the circumstances and would not necessarily disclose all illegal acts, fraud, intentional misstatements or errors should any exist. We will conduct the audit under Canadian generally accepted auditing standards (GAAS), which include procedures to consider (based on the control environment, governance structure and circumstances encountered during the audit) the potential likelihood of fraud and illegal acts occurring.

These procedures are not designed to test for fraudulent or illegal acts, nor would they necessarily detect such acts or recognize them as such, even if the effect of their consequences on the financial statements is material. However, should we become aware that an illegal or possible illegal act or an act of fraud may have occurred, other than one considered clearly inconsequential, we will communicate this information directly to the finance committee.

It is management's responsibility to detect and prevent illegal actions. If such acts are discovered or finance committee members become aware of circumstances under which the Society may have been involved in fraudulent, illegal or regulatory non-compliance situations, such circumstances must be disclosed to us.

Related Party Transactions

During our audit, we conduct various tests and procedures to identify transactions considered to involve related parties. Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management, directors and their immediate family members and companies with which these individuals have an economic interest.

We will ensure that all related party transactions that were identified during the audit have been represented by management by being disclosed in the notes to the financial statements, recorded in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and reviewed with you. All gains and losses occurring as a result of transactions with related parties are to be recorded in accordance with the recommendations of Section 4460 of the *CPA Canada Handbook - Accounting*. The finance committee is required to advise us if they are aware of or suspect any other related party transactions to have occurred, which have not been disclosed in the financial statements.

Any related party transaction found during the audit and not previously identified (non-disclosure) will be reported by us to the board of directors.



Risk-Based

Our risk-based approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the financial statements to an appropriately low level. This means that we focus our audit work on higher risk areas that have a higher risk of being materially misstated.

Based on our knowledge of the nature of the Society's operations, we intend to concentrate our auditing work on:

- Cash and investments
- Capital assets, including Build SFU
- Activity fees and its unearned portion
- Salaries and benefits and other operating expenses
- Trust accounts held by the Society

Materiality

Materiality in an audit is used to:

- Guide planning decisions on the nature and extent of our audit procedures;
- Assess the sufficiency of the audit evidence gathered; and
- Evaluate any misstatements found during our audit.

Materiality is the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision. Materiality is a matter of professional judgment in the particular circumstances.

We plan to use a materiality between 1% and 2% of the Society's expenses for the year. Our planning materiality is preliminarily set at \$80,000 or approximately 1% of the Society's estimated expenses.

Where we identify uncorrected misstatements during the audit, we will communicate them to management and request they all be corrected. If not corrected, we will also communicate the effect that these uncorrected misstatements may have individually, or in aggregate, on our audit opinion.

Audit Procedures

In responding to our risk assessment, we will use a combination of tests of details and substantive analytical procedures. We will also conduct limited test of controls to understand and evaluate whether certain controls operated effectively, but we will not rely on these controls. The objective of the tests of details is to detect material misstatements in the account balances and transaction streams. Substantive analytical procedures are used to identify differences between recorded amounts and predictable expectations in larger volumes of transactions over time.

Please advise us if you have any concerns or recommendations with our planned audit approach.



Non-Profit Information Return

We are able to assist in the preparation and filing of this return, if required (Due no later than 6 months from the year-end date).

Timing of the Audit

We have tentatively planned to commence the audit on June 9, 2020 and complete the audit in approximately 4 weeks.

We will conclude our engagement with an independent auditor's report opinion on the Society's financial statements. We will also provide a letter describing our audit findings (management letter) and making any recommendations arising from the audit.

This communication is prepared solely for the information of the finance committee and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours truly,

TOMPKINS WOZNY LLP

Gary Wozny
Partner
/bgh



April 30, 2020

PRIVATE & CONFIDENTIAL

Simon Fraser Students' Society
Simon Fraser University, Maggie Benston Centre
Room 2250, 8888 University Drive
Burnaby, BC
V5A 1S6

Attention: The Board of Directors

Dear Board Members:

Re: Independence Letter

We have been engaged to audit the financial statements of Simon Fraser Students' Society (the "Society") for the year ending April 30, 2020.

It is our policy that we communicate at least annually with you regarding all relationships between the Society and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants - BC and applicable legislation, covering such matters as:

- a) holding a financial interest, either directly or indirectly, in a client;
- b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- d) economic dependence on a client; and
- e) provision of services in addition to the audit engagement.

During the course of our audit engagement, we may draft adjustments to your accounting records based on information that comes to our attention. Certain of these adjustments may have a material impact on your financial statements, and some may be considered immaterial. As making changes to your accounting records constitutes a threat to our independence, we will



discuss these proposed amendments with your accountant, or other knowledgeable staff member, and obtain your authorization to make each adjustment.

Except for the above, we are not aware of any relationships between the Society and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred in the last fiscal year.

We hereby confirm that we are independent with respect to the Society within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants - BC as of April 30, 2020.

This report is intended solely for the use of the board of directors, management, and others within the Society and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter.

Yours very truly,

TOMPKINS WOZNY LLP

Gary Wozny
Partner
/bgh

SFSS Board Reimbursement Guidelines

For the year May 1, 2020 – April 30, 2021

These guidelines describe the processes for Board reimbursement under different categories. They may be revised due to operational requirements or other relevant circumstances. Please note these amounts have been historically set by the VP Finance

All reimbursements must be accompanied by cheque reqs, which are approved by the President or VP Finance. These are submitted to finance and processed.

1. Personal cell phone reimbursement – Up to \$50 per month during board term. A copy of the phone bill must be submitted with the cheque req. Reimbursement will be via cheque.
2. Transportation to SFSS offices for SFSS business –U-Pass fees and parking passes - Up to \$600 per year, copies of invoices and proof of payment required with a cheque req. Please note these are taxable benefits and considered as income. Reimbursement will be added to stipend payment.
3. Travel for off campus SFSS meetings, conferences and events - Board members have been reimbursed for flights, meals and mileage for attendance at conferences and meetings. For flights, the booking and payment information must be provided. For meals, the attendees should be noted as well as a detailed listing of the meal so that reasonableness may be considered. The Board may not “double dip” for meals that are provided by a hotel, conference or third party. For km reimbursement, the rate is \$.59 per km, which is the automobile allowance rate provided by the CRA. The 2021 rate has not yet been published. Km amounts should be verified via Google Maps or similar app, and should be included in the cheque req package. The km reimbursement for travel is not included towards the \$600 per year for transportation. Reimbursement will be via cheque.
4. Other amounts – these are reimbursed upon approval by the VP finance and/or a motion of the board. Included are supplies for SFSS events, Board supplies and incidentals required by the SFSS. Original detailed receipts listing items are required. A Visa or debit receipt with a company name and a total does not qualify as a detailed receipt. Reimbursement will be via cheque.

The following Investment Policy
establishes the Society's investment
principles and guidelines for the Fund

SFSS Investment Policy

Simon Fraser Student Society

simon fraser
student society

PURPOSE OF THESE POLICIES

The purpose of this Policy is to establish investment principles and guidelines appropriate for the purposes for which the Fund is maintained.

POLICY REVIEW AND APPROVAL PROCESS

This Policy shall be reviewed by the Finance and Audit Committee at least annually, or whenever a major change is necessary. Such a review may be caused by:

- A fundamental change in the expected net cash flow of the Fund.
- Significant revisions to the expected long-term trade-off between risk and reward on key assets classes normally dependent upon basic economic, political and social factors.
- A significant shift in the financial risk tolerance of the Society.
- Shortcomings of the Policy Statement that emerge in its practical application or substantive modifications recommended to the Executive Director by a Manager.
- Applicable changes in legislation.

The policy shall be presented to the Board of Directors at least annually or more frequently at the request of the Chair of the Finance and Audit Committee and/or the Executive Director.



IPS-1: INVESTMENT POLICY STATEMENT

<i>POLICY TYPE: INVESTMENT POLICY</i> <i>POLICY TITLE:</i> <i>POLICY REFERENCE NUMBER:</i>		
Adopted: April 1, 2020 Next Scheduled Revision: August 2021 Previous Revisions		
Position	Signature	Date
Executive Director		

This statement of investment policy (the "Policy Statement") applies to the assets (the "Fund") accumulated by the Simon Fraser Student Society (the "Society") for the purpose of maintaining and preserving its ongoing business operations and financial contingencies.

Standards

Any external investment manager (the "Manager") or other agent or advisor providing investment services for the Fund shall accept and adhere to this Policy.

Process

ADMINISTRATIVE

1. The Board has delegated responsibility for the Fund management to the Finance and Audit Committee that is supported by the Executive Director or delegate. The Finance and Audit Committee has the following responsibilities:
 - a. developing investment policy and amendments,
 - b. establishing investment management structure and selecting investment programs or managers, and
 - c. monitoring investment results.
2. The activities of the Finance and Audit Committee will be reported to the Board by the Chair of the Finance and Audit Committee assisted by the Executive Director or delegate.
3. All investment decisions must consider all legal and tax ramifications.

INVESTMENT OBJECTIVES

4. To ensure that funds will be invested in a prudent manner to preserve capital.

5. To ensure that Society cash flow requirements can be met as they arise.
6. To earn a minimum annual rate of return greater than the rate of return on the Society's bank accounts.

PERMITTED ASSET CLASS INVESTMENTS

7. All investments shall be Fossil Fuel Free, which includes oil, gas and coal producers, pipeline companies, natural gas distribution utilities, and liquefied natural gas operations. All of the investments should be rated BBB or above. The Funds may be invested in the following:
 - a. Cash and Cash Equivalents – the Society may invest in the following Cash and Cash Equivalents:
 - i. Money market mutual funds
 - ii. Guaranteed Investment issued by a Schedule 1 Bank
 - iii. Savings account
 - iv. Banker Acceptance
 - v. Treasury Bills
 - vi. Bank Term Deposits and Short-Term Investment Certificates
 - b. Fixed Income – fixed income investments may be Provincial, Federal, or Corporate and must be rated BBB or above.
 - i. The Society may invest in Pooled Fund units recommended by the Manager where the investment policy of the fund is classified as a fixed income fund by the Investment Manager.
 - c. Equities:
 - i. The Society may invest in Securities listed on any Canadian or a major foreign stock exchange, provided that it shall not directly or indirectly hold more than five percent (5%) of the aggregate of the equities and debt of the entity in which the investment is made
 - ii. The Society may invest in Pooled Fund units recommended by the Manager where the investment policy of the fund is classified as an equity fund by the Investment Manager
 - iii. The Society may invest in Mutual Fund units where the simplified prospectus or investment policy of the fund is classified as an equity fund.

ASSET ALLOCATION

8. The Executive Director or delegate and the Fund manager shall monitor the allocation of assets comprising the Fund and maintain the following structure:

Asset Class	Percentage of Total Investment Portfolio That May be Invested in Asset Class
Cash and Cash Equivalents and Fixed Income	Min: 65% to Max 100%
Equities	Min: 0% to Max: 35%

LOANS AND BORROWING

9. No part of the Fund shall be loaned to any individual.
10. The Executive Director shall not borrow on behalf of the Fund without the express consent of the Board of Directors upon recommendation from the Finance and Audit Committee.

RESPONSIBILITIES OF THE INVESTMENT MANAGER

11. The Manager shall invest the funds of the Society within these specific written guidelines and in accordance with the Investment Objectives. In carrying out their duties and responsibilities, the Manager shall exercise such competence and skill as may be expected of a prudent, diligent Manager in similar circumstances.
12. The Manager shall prepare Reports, which shall contain, as a minimum:
 - a. Monthly
 - i. list of portfolio holdings and their cost vs. current market values
 - ii. list of transactions for the month
 - iii. portfolio listing by security showing cost vs. market value
 - b. Quarterly
 - i. income for the quarter and annualized asset mix
 - ii. quarterly and past 12-month total return calculations by asset class
 - iii. economic and market commentary with forecasts for the next 12-month or other relevant period
13. The Manager should have at least one formal meeting a year with the Finance and Audit Committee to review the portfolio performance and discuss strategy for the ensuing period and make at least one presentation per year to the Board of Directors. Manager will refer, on a timely basis, any contentious issue so that guidance may be sought from the Finance and Audit Committee.
14. The Manager is delegated the responsibility of exercising all voting rights with the intent of fulfilling the objectives and goals of the Society. The Manager shall maintain a record of how voting rights of securities in the portfolio were exercised.
15. The portfolio allocations should be reviewed at least quarterly by the Investment Manager, and rebalancing should occur when the asset class allocations fall outside of the ranges established in Asset Allocation of this Policy.

MONITORING

16. The Finance and Audit Committee shall meet at least four times per year to:
 - a. Monitor the Manager's compliance with the Policy Statement.
 - b. Review the current asset mix and take any action necessary to ensure compliance with this Policy Statement.
 - c. Evaluate statistics on the investment performance of the Fund and the Manager.

- d. Review the assets and net cash flow of the Fund. A major change in investment is defined as a major change in the amount invested or a significant decrease in returns.
- 17. An overall analysis of Fund performance shall be prepared at least annually by the Executive Director including:
 - a. The rate of return of the Fund.
 - b. The total assets invested in the Fund and their allocation between asset classes.