ATTENDANCE

The following members were present:

- Wu, Richard
- MacMillan, Kurt
- Richardson, Savannah
- Gerrits, Matthew
- Tran, Tomson
- Beauchemin, Michael
- Sesink, Hannah
- Velling, Seneca
- Plante, Connor
- Patricia, Duong*
- Burdett, Suzanne

* remote

The following members were absent:

- Siemons, Jacob

* regrets

The following members were present in the gallery:

- Easton, Benjamin
- Hunte, John
- Town, Megan
- Parmar, Simran

PRELIMINARIES

CALL TO ORDER

A quorum being present, Chairperson Velling called the meeting to order at 2:37 PM.
REGULAR

TERRITORIAL ACKNOWLEDGEMENT

Pursuant to Federation Policy 50, Indigenous Engagement and Inclusivity, the Federation’s Board of Directors acknowledges:

"The University of Waterloo is on the traditional territory of the Neutral, Anishnaabeg, and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, land promised to the Six Nations, which includes six miles on each side of the Grand River."

ORAL CONFLICT OF INTEREST DECLARATION

In accordance with Procedure 2 §II(6), the Chair posed the following question:

“In relation to any of the items of business on the agenda for this meeting, does any Director have an actual, perceived, or potential conflict of interest?”

Chairperson Velling declared himself, Director Beauchemin and Vice President, Gerrits, as incoming Executives, in conflict for the first general order titled, Adjustment of Executive Salaries for Inflation.

Chairperson Velling then asked the Board if they think Director Beauchemin should be declaring a conflict of interest for the motion under Special Orders, titled Societies Audits, because of his current position as VP-Finance for The Engineering Society. The Board felt that Director Beauchemin was in conflict respecting the item and the conflict of interest was declared.

EXECUTIVE & COMMITTEE REPORTS

PRESIDENT (WU)

President Wu attended the University’s most recent meeting of the Board of Governors and reported that their budget passed for the upcoming fiscal year. President Wu also reported working extensively on elections and general meeting items recently. Director Plante then asked when the approved Feds fee increases would get approval by the Board of Governors. President Wu replied that this would occur in June.

VICE PRESIDENT OPERATIONS & FINANCE (MACMILLAN)

No updates were presented.

VICE PRESIDENT EDUCATION (GERRITS)

No updates were presented.
Vice President Student Life (Richardson)

No updates were presented.

Director Plante asked about the Societies agreement and if there were any updates. Vice President, Richardson stated that she had informal information that indicated it was unlikely that the Society Presidents would be signing it before the term ended. The Vice President further explained that she had reached out to our Corporate Legal Counsel, and received confirmation that the MoU does not expire and will continue. Chairperson Velling suggested that a new review begin in the Spring term would with the incoming Vice President, Student Life (Fitzpatrick), and President (Beauchemin) along with the Society Presidents’.

Executive Committee

Directors inquired about a minor shift in the budget for conferences that had been approved by the Executive Committee. Vice President, MacMillan stated that it was for a useful conference to help with the Vice President, Operations and Finance role.

Transition

Vice President, Richardson asked for an update on the Transition Report that the Committee was supposed to produce. Secretary Tran told the Board that a meeting recently occurred where the committee tasked members with writing the report and it should be coming soon.

Giving that the governing year was quickly coming to an end, Directors felt it was appropriate to extend the mandate of the Committee, and the following motion was proposed:

Be it resolved that the Board extended the ad hoc Transition Committee’s governing year.
Vice President, Richardson and Chairperson Velling.

Motion carries unanimously

Recess

Be it resolved that the Board enter a Recess at 2:55 PM
Chairperson Velling and Director Plante.

Motion carries

Board reconvened at 2:59 PM
SPECIAL ORDERS

2018-2019 SOCIETIES AUDITS

Be it resolved that the Board approves the Science Society and the Engineering Society to be subject to an in-depth audit for Fiscal Year 2018-2019.

Note: In response to a request by the Engineering Society to speak to this item when it was presented with the Agenda, in accordance with Procedure §2.II(5), the Chair has invited a representative of the Engineering Society as well as the Accounting Manager to speak to the item.

The Board was waiting for the Engineering Society representative Katie Arnold (Engineering Society B President) to arrive so decided to carry on with the rest of the agenda until such time.

Be it resolved that Board tables 2018-2019 Societies Audits motion until 3:30 PM.

Vice President, Richardson and Director Plante.

Motion carries

Secretary’s Note: the Board meeting resumed and the Board carried on with a few items until 3:30 PM.

2018-2019 SOCIETIES AUDITS

Secretary’s Note: Feds’ Accounting Manager, Cheryl Pflug, arrives at 3:27 PM, and Engineering Society B President, Arnold enters the Boardroom at 3:28 PM.

Accounting Manager, Pflug began by explaining how the annual audit cycle works and how the Student Societies are part of the general Feds audit. The Board was informed that with respect to the Engineering Society, an in depth audit has to be conducted every year because, unlike all other Societies, Feds does not perform their day to day accounting. One issue that Accounting Manager, Pflug witnesses with the Engineering Society is that the auditor consistently flags some of the same problems that are in need of correction year over year. Accounting Manager, Pflug would like if Feds staff got to look at the Engineering Society books with regular check-ins as this could eliminate the need for an annual in-depth Audit. In the past Accounting Manager, Pflug has reached out to Engineering Society to help them with this process, but the answer has historically been "no thank you".

Chairperson Velling asked a question to clarify whether the audit package and management letters given to the Society were made public by the Society or not? Accounting Manager, Pflug said that they forward that information to the Engineering Society, and Engineering Society B President, Arnold said that Engineering Society makes the audit package and management letter public to all of their members.

Engineering Society B President, Arnold indicated that she has been working with Engineering Society as Vice President Finance for 16 months and President for another 16 months and this is the first time being invited to a Feds’ Board of Directors meeting to
speak to this topic and the President thanked the Chair for the invitation. Overall of this
time, Engineering Society B President, Arnold noted she works closely with Mary Bland,
the Engineering Society Business Manager, who does the accounting for the Society.
There was an inquire of whether the Engineering Society Business Manager is a Feds
employee to which General Manager Burdett replied that they were not, and more than
likely fell directly under the University.

Engineering Society B President, Arnold then explained the process the Engineering
Society goes through after receiving the results of the audit and the Management Letter
each year. Many of the issues that the auditors flag are addressed and corrected, but
some can not be due to the nature and time-lines of the Society. Engineering Society B
President, Arnold then asked how can Engineering Society prevent the Federation from
having to conduct annual in-depth audits.

Accounting Manager, Pflug brought up how the Engineering Society needs to be
following the recommendations that the auditors give, but beyond that, it was difficult
to give an answer to this question since Feds is not privy to what the Engineering Society
is doing in regards to their accounting practises.

Engineering Society B President, Arnold stating that since some of these issues are
easily fixed, and Feds know how to fix them, has the Federation offered to help the
Engineering Society. Accounting Manager, Pflug then explained that yes, Feds had at-
ttempted to help in the past with these fixes by reaching out to the Society but would
be denied. Accounting Manager, Pflug has attempted over the years but failed to reach
out to members. Chairperson Velling asked Engineering Society B President, Arnold if
the Engineering Society’s Board of Directors would permit the Feds Accounting Manager
or a representative from the Accounting Department, to conduct monthly meetings with
the Society to review their books, as it had been indicated this would prevent the need
for a deep-dive audit.

Engineering Society B President, Arnold replied by saying that her term as President
was ending on April 30th so she was not at liberty to make such a decision, but it
could definitely be a conversation that the Society’s Board could have. However, the
President explained that there might be some reluctance to open their books to the
Federation, as historically there has not always been a good working relationship between
the Engineering Society and Feds. Having Feds come to inspect the Society’s books is
likely a large ask and might make some people in the Society uneasy.

Accounting Manager, Pflug assured Engineering Society B President, Arnold that
big changes are not the goal of looking at the Society’s books and Feds just wants to
make sure that the accounting is being done properly. Simply having regular check-ins
on a monthly basis would mean that an in-depth audit wouldn’t have to be conducted
annually, but rather just on the rotating in-depth audits of the other Societies which
happen in regular sequence.

Accounting Manager, Pflug said that the auditors are already scheduled to arrive
on April 30th for this year’s audit so at this point in time, we should be looking at
a more agreeable way to move forward with the Engineering Society in future years.
Currently (for this year) there would still need to be an in-depth audit as the Society
had not done monthly reviews with the Federation’s Accounting Department but that
going forward, Accounting Manager, Pflug was hopeful that working with the Engineering
Society would solve some of Engineering Society B President, Arnold’s concerns and also reduce the number of flags raised in the auditor’s report. Accounting Manager, Pflug goal is wanting to work together and prevent these issues from occurring.

Vice President, Gerrits then asked with whether the other Societies who do meet with Feds regularly have these types of issues come up in their audits. Accounting Manager, Pflug replied that with the other Societies there have only been very minor issues flagged by the auditors which are then promptly corrected. Director Plante then asked what additional benefit the deep dive provides, since every Society gets audited each year anyways. Accounting Manager, Pflug stated that with the deep dive there is substantially more testing and ensuring the classifications of items in the accounting records is being done correctly. Director Plante then asked how much it costs to do one of these deep-dive audits. Accounting Manager, Pflug replied that these deep dive audits cost around CAD $15,000.

Engineering Society B President, Arnold asked if having these meeting at least once a month would not trigger a deep dive audit anymore. Accounting Manager, Pflug stated that the in-depth audits would not occur in that case, but the annual regular audits, which all societies and the Federation must go through to comply with the Ontario Corporations Act, R.S.O. 1990, would still occur). The difference would be the auditors would be asking for considerably less information and records. Currently, for the Engineering Society the auditors pull around forty to fifty invoices while for other Societies they only check around 10. Engineering Society B President, Arnold then asked the auditors are often finding their issues within these extra checks. Accounting Manager, Pflug confirmed this is often the case as for repeated year-over-year problems the auditors know where to look and preferentially test these issues in addition to others. Chairperson Velling then states that the monthly check-in would lessen the level of the auditors investigation and also help ensure the Engineering Society was meeting GAAP and CRA standards.

Engineering Society B President, Arnold then stated that Engineering Society sends a budget package at the beginning of the term, but Feds gives little to no feedback on that budget. Accounting Manager, Pflug replied that the budget packages have little relation to the audit because the audit is an official financial examination where the organization is inspected, the budget packages are forward looking documents that outline a Society’s spending plan.

Engineering Society B President, Arnold then asked why the Engineering Society is sending their budget package to the Federation every term. Accounting Manager, Pflug stated that the budget still helps with oversight and making sure the budgeted figures are in line with the actuals.

Chairperson Velling then offered for Engineering Society to meet with Feds to have regular meetings like other Societies. Accounting Manager, Pflug spoke that she would be in favour of having those meetings herself if need be and would be happy to discuss this more with the Society to ensure it is on agreeable terms.

Engineering Society B President, Arnold again thanked Chairperson Velling for the invitation to the Feds Board of Directors meeting. Engineering Society B President, Arnold noted in the past she had just been told the deep-dive had to continue happening, but now she has an understanding of why Feds must conduct the audit and why it is a deep-dive.
Chairperson Velling then asked if the Engineering Society Board would like a letter outlining the reasoning and explaining the purpose of the in-depth audit, particularly since much of this is legal compliance related. Engineering Society B President, Arnold agreed that it would be nice to have.

Chairperson Velling then asked if there are any more questions. With no further questions, the presentation was concluded. The Chairperson thanked Accounting Manager, Pflug and Engineering Society B President, Arnold for attending and providing insight and perspective to the Board.

Secretary’s Note: Engineering Society B President, Arnold and Accounting Manager, Pflug both left the Boardroom at 4:05 PM.

Discussion Pertaining to the In-Depth Audit:

Motion to Call the Question was moved by Vice President, Richardson

Chairperson Velling stated that a motion to call the question would not be recognized as the Board had not even begun to debate or discuss the item of business on the table. Secretary’s Note: without a seconder to the motion to call the question, the motion died on the table.

President Wu asked a question regarding why the Federation oversees all other Societies’ finances but not the Engineering Society’s. General Manager Burdett stated that the Engineering Society was one the only Society able to independently support themselves when the Societies Accountant role was created. Chairperson Velling noted that the Societies Accountant role was created after a CRA Audit of the Federation which found risk to the tax-exemption status.

Vice President, Richardson noted that the Engineering Society enjoys their own autonomy but there are still some rules they have to follow from the Federation. Again, this audit is ensuring that everything aligns properly. Vice President, Richardson noted there is a cost to autonomy, that being more in-depth review.

Chairperson Velling stated he wants to ensure the Board honour the request to search for better ways to accommodate our Societies, particularly the Engineering Society. The Chair proposed the following amendment:

Be it further resolved that Board task the Vice President, Operations and Finance, to work with the Engineering Society to determine alternative courses of action with respect to the annual in-depth audit with the Engineering Society.

Chairperson Velling and Director Plante.

Director Beauchemin then brought up amendments to the motion asking to have other Executives listed in the motion:

Be it further resolved that Board task the Vice President, Operations and Finance, President and the Accounting Manager to work with the Engineering Society to determine alternative courses of action with respect to the annual in-depth audit with the Engineering Society.

Director Beauchemin.

Chairperson Velling stated that this role of which Executive will be responsible for overseeing the Societies is very much up in the air until the suggested MoU language gets...
approved and therefore is was best to leave it to the Executive responsible for the audit, the Vice President, Operations and Finance.

**Withdrawn from consideration by the movers**

After further discussions, the Board thought it would be wise to add the Accounting Department into the motion to ensure Accounting Manager, Pflug remained part of the conversation and the amendment was amended to read:

**Be it further resolved that**  Board task Vice President, Operations and Finance to work with the Accounting Department, Auditors, and the Engineering Society to determine alternative courses of action with respect to the annual in-depth audit with the Society.

**Motion carries** unanimously

*Secretary’s Note:* Board moves back the the main motion, as amended.

**Be it resolved that**  the Board approves the Science Society and the Engineering Society to be subject to an in-depth audit for Fiscal Year 2018-2019.

**Be it further resolved that**  Board task Vice President, Operations and Finance to work with the Accounting Department, Auditors, and the Engineering Society to determine alternative courses of action with respect to the annual in-depth audit with the Society.

**Motion carries**

**GENERAL ORDERS**

**ADJUSTMENT OF EXECUTIVE SALARIES FOR INFLATION**

**Be it resolved that**  the Board approves an increase to Executive salaries by the 2018 Consumer Price Index for Canada (2.3%) to cover inflationary adjustments, pursuant to Procedure 12.

*Vice President, MacMillan and Vice President, Richardson.*

*Secretary’s Note:* Vice President, Gerrits, Chairperson Velling and Director Beauchemin left the room.

Director Plante noted that as per Board Procedure 12, the Board can increase Executive salaries up to CPI, and then asked why Vice President, MacMillan had elected to present the maximum option right away. Vice President, MacMillan responded that our service levels are moving up by CPI. Director Plante clarified that his concern revolved around our organization’s ability to pay for this increase. Vice President, MacMillan responded that the Feds fee had been increased at the General Meeting by CPI, so he believed we could afford this salary increase.

Secretary Tran repeated Director Plante’s concern on why we’re defaulting to the maximum just because that is what has been done historically. In the future, Feds should be doing more work into figuring out what level of increase is actually most appropriate.

**Motion carries**


Secretary’s Note: Chairperson Velling, Vice President, Gerrits, and Director Beaucheminarrived back in the room.

**DIRECTOR’S CODE OF CONDUCT: AMENDMENTS**

**Be it resolved that** the Board adopts amendments to Procedure 3: Director’s Code of Conduct.

*Director Plante and Director Sesink.*

Chairperson Velling stated that the when the existing Procedure 3 was written, the Chair and President role had not yet been split, so these proposed changes would update that more appropriately. The Chair also outlined changes to the disciplinary process of Directors.

Some Directors expressed a desire to have more time to consider the proposed changes.

**Be it resolved that** the Board table the motion for the Chair to collect feedback to the next regular meeting.

*Vice President, Richardson and Vice President, MacMillan.*

**Motion carries** unanimously

**DIRECTOR’S CODE OF CONDUCT: PARTICIPATION AND BEHAVIOUR**

**Be it resolved that** the Board adopts amendments to Procedure 3: Director’s Code of Conduct: Participation and Behavior.

Vice President, Richardson introduced her proposed changes saying she felt there was a gap in the existing code of conduct.

Many Directors expressed serious concerns with the proposal and felt more time was needed to refine it.

**Be it resolved that** the Board table the motion for the Chair to collect feedback to the next regular meeting.

*Director Plante and Secretary Tran.*

**Motion carries** with noted member Chairperson Velling in abstention.

**OTHER BUSINESS**

No Directors brought up other business.
Confidential Session

Be it resolved that Board moves into Confidential Session at 4:15PM Chairperson Velling and Vice President, Richardson.

Motion carries

ADJOURNMENT

Vice President, Richardson called orders of the day. The current time being 5:46 PM, and the scheduled adjournment time being 5:30 PM, the Chair adjourned the meeting.