

## **MASU Students' Administrative Council Meeting Minutes**

The Students' Administrative Council met on March 1<sup>st</sup>, 2023 in AVDX 111

### **Call to Order (6:10 PM):**

- Chairperson Nowlan called the meeting to order.

### **Land Acknowledgement:**

- The land acknowledgement was done by Chairperson Nowlan.

### **Approval of the Agenda:**

**BE IT RESOLVED** (moved by Councillor RAP Minocha-McKenney seconded by Councillor Kreuger) that the March 1<sup>st</sup>, 2023 agenda of the Students' Administrative Council be approved.

Councillor RAP Minocha-McKenney: Can we move Bylaw amendments to Business Arising from the Minutes?

Councillor Blakney: My attendance is not coming up accurately.

### **APPROVED BY MAJORITY**

### **Approval of the Minutes:**

**BE IT RESOLVED** (Moved by Councillor RAP Minocha McKenney and seconded by Councillor Rajan Minocha-McKenney) that the minutes of the February 13<sup>th</sup>, 2023 Students' Administrative Council are approved.

### **APPROVED BY MAJORITY**

Myles Baker – *Baker and Tilly* Auditor

Auditor will provide a general, high level overview of potential changes to auditing process.  
Audit document presented.

- Qualified opinion is conditional opinion, unqualified is unconditional in regards to first page of document.

- Statement 1: Shows assets and liabilities in a specific point of time. Going through major changes: Cash is a major asset of the SU, we separate it into unrestricted and internally restricted cash.
- Internally restricted cash is divided into Operational reserve, Green investment fund, Bike Co-op fund.
- There is less cash in the bank for 2022 than in 2021.
- The discrepancy is covered under assets in funds.
- Prepaid expenses is lower than last year. Prepaid health and dental fee did not apply in 2022.

- Mount Allison was holding significant amount of cash in 2022.
- Deferred health and dental dues: This is the health and dental fees which is collected upfront by the MASU, but is paid on a monthly basis. This is May – August of dental fees that are held and released in the subsequent year.
- Pg 5: Statement of Operations; Revenues and expenditures for the entire Union. We had significant surplus in 2022 compared to 2021. What is this surplus?
- Items that make up the surplus: Last two to three pages, page 12 onwards, details revenues. Revenues are consistent, including student fees, and other budgeted items. There are unpredictable items like ticket sales and Shinerama.
- Shinerama activity was lower than budgeted for due to COVID. MASU should not be making money on this item anyway for obvious reasons.
- Health and Dental can result in profits. Specifically, Health and Dental surplus adjustment goes up or down based on how much is invested into other expenses.

Councillor Kreuger: What does per diem mean?

Auditor: I believe that is food expenses!

- Bike Co Op marginally in deficit.
- Health and Dental surplus was around 38,000 dollars. Balance goes to unrestricted fund.
- Rest of the statements from pages 7, 8 and 9 are your accounting policies which are pretty consistent.

RAP Minocha-McKenney: Why are our accounting policies more consistent? BEcause we are an NGO?

Auditor: In the for profit world, you get two choices, while in the NP world, you get two other options, and you have the funding method. So you get choices but they'll tell you what your choices are if you want to be in line with nonprofit standards.

Councillor Clark-Black: What is listed under the Miscellaneous expenditures?  
Auditor: Looks like it's a nimbus payment!

Councillor RAP Minocha Mckenney: Two questions! What are the tests that you do during the audit? Also, for the MASU, what would a material difference look like? How much would that actually be?  
Auditor: We test in many areas. You will see payroll testing to make sure their individual contracts are matching what they should be paid. A cut-off test verifies that your payments make sense and verify that nothing was not paid for that should have been accrued for earlier. Revenue testing: Take the confirmed number of enrollments at Mount A and calculate what the student fees should be and what was deposited in the MASU account. Simple calculation. We do expense testing: looking at expense and verify that it was paid appropriately, the right amount of HST, whether the HST was calculated properly and whether the person who paid it had the authority to pay the expense. Regarding materiality: In your case, I based it on revenue. For non-profits, its awkward to use profitability since there is not much at all. Materiality is based on revenue and assets. We determine on a scale how risky these things are and where you should fall on that scale.

Lesser: There is an excess amount of x amount on page 4. Does this mean we have 151,000 dollars of expendable revenue? Which is now available in 2023 year as unrestricted cash?  
Auditor: Revenue is not the same thing as cash. It does not mean you have that amount to spend. You have free cash flow of 374,000 dollars is a way to look at it.

RAP: Could you explain the difference between a review engagement vs. Audit engagement?  
Auditor: Audit gives you reasonable assurance that finances are accurate. In a review, you get limited scope. There is no testing of pay roll and such as previously mentioned. We ask questions about how money is being verified. There are still procedures being followed, its just a lot less cost and time than an audit. Reviews are extremely popular in business nowadays. Banks rarely requests audits nowadays. Disclosures are consistent. The audit report will look slightly different, but financial statements should look the same!  
RAP Minocha-McKenney: If you have any questions about these two processes, please ask now as we are looking at the bylaw amendments later!

**Reports:**

- a. **Councillor Blakney:** No additions to report.

**Business Arising from the Minutes:**

**- Bylaw Amendment:**

RAP: Big change is that we want to switch from an audit engagement to a review engagement. The main reasons are cost. Audits are getting more expensive day by day. Right now we budget 7700 dollars, but for next year its been quoted at around 15,000 dollars which will double our audit cost. The audit was implemented for the MASU at a different time. During the summer, the MASU used to only be run by the GM and President. We also had cash activities like the bar and we sold more tickets. There were more spaces for things to go wrong, so we needed more financial controls. It is different now. We have an external accountant who works with us fairly frequently in our taxes, accounting questions, Joy herself is also on top of the books. The policies we have in place are good controls in my opinion, I think moving to a review with the controls we have is a good step considering how much it will save in costs. In saying that, if Council thinks its better for us to do an audit, that's Council's decision completely. Only major change from last time is that the second motion adds in that it is now the year following's budget that will be used. This leaves room an AGM to be called and still be presented.

Councillor Kreuger: Can you give me a broad strokes understanding of the difference between an Audit and Review?

RAP: Audit is a longer process. They give reasonable assurance that our financial statements are accurate. Review doesn't go as deep into the testing like testing payroll and revenue which will not happen. They would instead ask us questions about what practices management have to ensure proper financial functioning. Management would be GM, President and VPFG. This would be the big difference. The opinion given during a review engagement would be a less certain opinion.

Councillor Kreuger: For the sake of the minutes, is there any legal standards that a non-profit has to do that we'd be missing by not doing one?

RAP: Short answers, no. We arent required to do an audit legally. Same with the review. We don't even have to do most of the things we do, but we do do a lot of things which are good practice for proper functioning. This is about to what level does the SAC want assurance about our finances.

Councillor Hiebert: Why is this better than the alternative?

RAP: Lower costs. Time is different now in the MASU, we now have more controls and less risky activity.

Lesser: Do we still need to produce the budget to the students at large?

RAP: I would need to check the Bylaws, but I do think we do. We don't have a requirement to present the budget at the AGM.

**BE IT RESOLVED that the Students' Administrative Council, on the recommendation of the Executive Board, approve the first reading of the amendments to the bylaws. (moved by RAP Minocha-McKenney, scnded by Councillor Lesser)**

**Motion**

**Carries**

**BE IT RESOLVED that approve the Students' Administrative Council accept the 2022 FYE audited Financial Statements and Auditors Report. (moved by Councillor Lesser, Seconded by Councillor RAP Minocha-McKenney)**

**Motion**

**Carries**

**New Business:**

Human Resources Manager: It will be hard to hire the SAC Chairperson this year due to complications. According to section 6 of the OP, there are specific requirements for the hiring of the Chairperson. I would propose simplification of the process.

**BE IT RESOLVED that the SAC approve a special hiring process for the Chairperson of the SAC as presented (moved by Councillor Warr, seconded by Councillor Kreuger)**

RAP: Wasn't the outgoing President a member of this hiring panel in the past.

Lesser: Yes, but the HRM and I decided not to.

**Passed by MAJORITY**

**Lesser:** Last year, anybody can nominate anybody. If anybody is applying for Chairperson please leave the room. Councillors can nominate themselves or each other.

Councillor Warr nominated Councillor Kreuger for Chairperson of SAC hiring Panel.  
Councillor Mittal seconded this nomination.

Councillor Kruger accepted the nomination.

Councillor Lesser nominated Councillor Amsdr for Chairperson of SAC hiring panel.

Councillor Amsdr accepted the nomination.

**BE IT RESOLVED THAT the Students' Administrative Council appoint A. Kruger and I. Amsdr to sit on the hiring panel for the Chairperson of the SAC. (Moved by Councillor Lesser, Seconded by Councillor Warr).**

Motion Carries

Club Constitutions:

BE IT RESOLVED that the SAC approve Club Neurodivergents as a Club.

**Motion passed by Majority.**

**Councillor**

**Lesser**

**abstains.**

**Open Forum:**

Warr: The Clubs and Societies fair has been confirmed for March 12<sup>th</sup>. Remember to fill out the form if you want a table!

Clubs and Societies are a MASU service. Sometimes, University requests C&S be involved in things without mentioning to appropriate contacts. If you've been contacted about open house from a club context, I strongly encourage you to come talk to me.

Lesser: Gotten pretty far with using Teams and coordinating Mailboxes. This is big for Talla who hires and has resumes and personal information in her personal mailbox. How do we feel about Councillor's in their position getting shared mailboxes? You're not necessarily staff, but students may interact more with these emails. Do you think it would just be another thing students wouldn't use?

Kreuger: Would this be a separate mailbox?

Lesser: Yes

Kreuger: I would be against this. It is not exactly a shared mailbox, its halfway between an alias and a full mailbox.

Mittal: Don't think this is a great idea. It would give more points of contact that are not required.  
Jollimore: Ive been getting used to it so I don't mind!

Lesser: Microsoft has a product called Bookings. We can buy Bookings licenses. They can use it to book appointments with the MASU shared mailboxes. Councillors and Exec can use this system to book meetings.

Lesser: Two questions for the Chairperson: Any development on the AGM?

Nowlan: I believe that would be the last meeting of the SAC.

RAP: Actually we can speak amongst ourselves to organize that.

Lesser: Point of information, it is in the Chairperson's mandate not the Presidents I believe. We have to have a separate meeting since it would then not meet the bylaw requirement for one Council meeting per month.

Lesser: An aspect of the Chairperson's description is that they are supposed to put out evaluations on Executive. Will this be pursued next year?

Councillor Amsdr: Defining accessibility portfolio is out! Slight mistake with the link, but will be updated on Instagram soon.

BE IT RESOLVED that the SAC motioned to move in-camera.

Approved by Majority.

BE IT RESOLVED that the SAC motioned to move out of camera.

Approved by Majority.

BE IT RESOLVED that the SAC motioned to move in-camera. Again.

Approved by Majority.

**Reminders:**

**Adjournment:**

- The Chairperson adjourned the meeting upon the completion of the agenda.

Respectfully Submitted,

Suchet Mittal

Secretary (Vice-President of Communications and Marketing, 2022-2023)