



University of Alberta Students' Union

## FINANCE COMMITTEE

**February 2, 2021**  
**6:00pm**  
**Google Hangout**

### **ATTENDANCE**

NAME	PROXY	PRESENT
Alana Krahn		Y
Katie Kidd		Y
Lucas Marques		Y
Samar Barazesh		Y
Tyler Saretzky		Y
Kristofer Akkerman	Amlan Bose	Y
Emily Motoska	Nicole DeGrano	Y
Emma Jones, Gateway		Y
Adam Lachacz, Gateway		Y
Amlan Bose		Y
Mohamad Burhani		Y
Marc Dumouchel, GM		Y

### **MINUTES (FC 2020-18)**

**2020-18/1**

**INTRODUCTION**

**2020-18/1a**

**Call to Order**

KRAHN: Called the meeting to order at 6:02pm.

**2020-18/1b**

**Approval of Agenda**

**2020-18/1c**

**Approval of Minutes**

**2020-18/1d**

**Chair's Business**

2020-18/2

**QUESTION/DISCUSSION PERIOD**

2020-18/3

**COMMITTEE BUSINESS**

2020-18/3a

**Gateway DFU Audit Financial Control Deficiencies**

LACHACZ: Clarified that the Gateway is appearing before the Committee to go beyond bylaw and audit accountability processes and, in good faith, identify the financial control deficiencies identified in Audit 2019-2020 as well as describe how they are remedying them. Identified that the Audit found deficiencies in that (1) documentation related to staff payroll increases was unrecorded and missing, (2) the Student Journalism Society Board did not meet and review financial reporting regularly, (3) internal logs of cash and cheque deposits were not recorded, and (4) business expense reports were not used to log employee reimbursements. Noted that remedies for deficiency (1) include improving processes for filing contracts, updating personnel folders, and having the Board vote to approve pay increases. Noted that remedies for deficiency (2) include creating a Board finance committee and improving document sharing with the Board. Noted that remedies for deficiency (3) include keeping transactional receipts, photocopying incoming and outgoing cheques, and limiting the number of financial controllers. Noted that the remedy for deficiency (4) is creating a new and strengthened standard protocol and form for requesting reimbursement.

KIDD: Inquired as to what measures the Gateway has implemented outside bylaw to ensure its financial controls are sufficient. Proposed that the Gateway audit its Board's skills to identify if the Board needs lawyers or auditors who are able to protect against financial control deficiencies.

LACHACZ: Responded that the Board is receiving better training, the Alberta Publishers Association is providing advice, and onboarding for individuals hired as Chief Editor as will be increased by one month.

BOSE: Inquired as to whether Council should be notified of the Gateway's financial control deficiencies.

LACHACZ: Noted that the Gateway will release all relevant information concerning the situation to students via its website.

KRAHN: Considered that Council could be informed of the issue as part of the Committee report or as a formal item.

KIDD: Noted that a verbal update would be standard. Expressed concern that the negative findings of Audit 2019-2020 will adversely impact the Gateway's plebiscite campaign.

LACHACZ: Clarified that the financial control deficiencies were only an issue identified by external auditors in the last year according to records from the past five years.

KIDD: Inquired as to whether Lachacz means to say that at no time outside 2019-2020 was there an issue surrounding financial controls.

LACHACZ: Responded in the affirmative.

KIDD: Inquired as to why the controls failed within a one-year period.

LACHACZ: Responded that the Editor in Chief and Board have the duties for being financial comptrollers and, in the last year, they failed to perform these duties sufficiently.

KIDD: Inquired as to why the Board failed to realise that the financial reporting supplied to it was insufficient.

LACHACZ: Responded that the Board received reporting showing gross total results and not line-items.

KIDD: Expressed concern that there is a lack of knowledge on the Board and this needs to be corrected.

LACHACZ: Noted that the SU Vice-President Operations and Finance sat on the Board and acted as treasurer in 2019-2020.

KIDD: Inquired as to how they will ensure that the Chief Editor and Board Chair are aligned on financial matters.

LACHACZ: Responded that this relationship will be established inside the new expectations and orientation that Board members will receive.

JONES: Noted that there are ongoing discussions about how the Board can diversify itself and have a broader range skillsets.

LACHACZ: Noted that the Gateway has contracted an accountant who will review their finances.

DUMOUCHEL: Commended the Committee and the Gateway for valuing financial controls and accountability. Clarified that the 2019-2020 Audit found no instances of fraud, only financial controls deficiencies. Discouraged the Committee from politicising the negative findings. Noted that the Gateway performed on its DFU mandate in the last year. Disagreed with Lachacz that the control deficiencies were only present in the 2019-2020 year. Expressed concern that DFU financial issues arise often and the SU

needs to reevaluate how it oversees DFU. Suggested that the remedies Gateway implemented are sufficient.

KIDD: Clarified that the financial control deficiencies are unrelated to the Gateway plebiscite. Noted that the SU and the Committee need to be better at supporting DFUs.

DUMOUCHEL: Agreed that there should be improved ongoing oversight for DFUs.

BARAZESH: Inquired as to whether there is someone at the Gateway that can provide context to the Board from year to year.

LACHACZ: Responded that the Gateway is looking to hire an Executive Director to stay on from year to year and that the Chief Editor will have a spot on the Board for a year after they vacate the role.

KIDD: Expressed concern that the Gateway's efforts fall short of remedying the patterns that enable the financial control differences to emerge.

LACHACZ: Noted that the Board is implementing new attendance requirements to ensure its members actively participate in the administration of the organisation and is changing its culture. Noted that Robyn Paches, former SU VPA, also currently serves on the Board.

DUMOUCHEL: Emphasised that the SU needs to have improved financial oversight processes. Noted that there will be opposition from DFUs that perceive the SU to be overstepping.

LACHACZ: Clarified that the Gateway is willing to sign a memorandum of understanding with the SU.

KIDD: Proposed determining if Council needs to be informed of the Gateway's situation at the next meeting of the Committee.

BOSE: Suggested that Council should be made aware.

BARAZESH: Agreed with Bose.

KRAHN: Agreed with Bose. Considered that Council could be made aware after the SU elections.

DUMOUCHEL: Expressed concern that Council enables bad financial oversight as it is unwilling to deprive a DFU of funds for political reasons.

KIDD: Inquired as to what financial oversight measures the SU could implement for DFUs.

DUMOUCHEL: Responded that the SU could implement tailored agreements with DFUs that have automatic penalties that Council does not need to enforce. Suggested that the SU should be able to send auditors of its choosing to review DFU finances.

BARAZESH: Proposed that the Committee discuss these issues in greater detail at its next meeting.

MARQUES: Inquired as to whether Krahn has information on The Landing's finances.

KRAHN: Responded in the negative.

**2020-18/4**

**INFORMATION ITEMS**

**2020-18/5**

**ADJOURNMENT**

KRAHN: Adjourned the meeting at 7:27pm.