



Athabasca University
Students' Union

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Forensic Audit Recommendation Committee Report

For Circulation to AUSU Council

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1.0 Introduction

This ad hoc committee was created to assist council in addressing the members' motion from the 2015 Annual General Meeting, which reads as follows:

BIRT that it is recommended that AUSU engage a third party independent auditing firm, specializing in forensic audits, to perform a forensic audit of AUSU finances for the 2014/2015 fiscal year including;

- a) That the selected firm is not Kingston Ross Pasnak to maintain independence;
 - b) The goal of the forensic audit, but not limited to, is to determine whether AUSU funds have been managed correctly and in accordance with Alberta and Canadian laws and AUSU bylaws and policies;
 - c) The forensic audit report be released by September 15, 2015; if the full report is not complete, an interim report be provided by this date with anticipated completed date;
 - d) The forensic audit report be released publicly to all students via the AUSU website and AUSU mailing list with no modifications;
 - e) That a special meeting be called of the AUSU membership, similar to the AGM within 2 weeks of the final report for discussion;
 - f) That funds to finance this report to be drawn from reserve funds so as not to affect the current AUSU budget.
- Amendment: BIRT that the members recommend the forensic audit be for the past 6 months, instead of for all of 2014/2015.

The role of this committee is to study the issue of a forensic audit as described in the motion and make recommendation(s) to council that will ensure the best interests of AUSU and its members are served, and assist in council's decision regarding the members' motion.

2.0 Review of Issues Members Wanted Addressed

In an effort to understand the scope of a possible forensic audit, the committee invited all those who were in attendance at the May 2015 Annual General Meeting to attend a committee meeting on November 4, 2015, and/or provide a written submission to discuss the reasons behind the members' forensic audit motion. Of the thirteen people who were at the annual general meeting, seven members attended the meeting, and two provided written submissions. There was good dialogue at the meeting and it ended with the acknowledgement that there was helpful information provided and a comprehensive discussion.

The committee identified several issues and agreed the membership should have answers to their questions and concerns. The following is a summary of the reasons for the forensic audit motion in terms of what issues the members wanted to see addressed.

Three specific financial items of concern:

2.1 Jason Nixon collecting executive director salary

- How was the decision made?
- Was the correct process used and did those making the decision have the authority to do so?
- Was it appropriate?
- Why wasn't it communicated clearly?

2.2 Executive compensation increase

- How was the decision made?
- Was the correct process used and did those making the decision have the authority to do so?
- Was it appropriate?
- Why wasn't it communicated clearly?

2.3 General overage in budgeted expenses

- How were the decisions made?
- Was the correct process used and did those making the decision have the authority to do so?
- Were they appropriate?
- Why wasn't it communicated clearly?

General concerns:

- 2.4 Unclear decision-making processes
- 2.5 Lack of documentation regarding decisions and financial information
- 2.6 Lack of communication and transparency to membership regarding decisions and financial information

3.0 Decision Tree for Committee Recommendations to Council

The committee used the following decision tree to frame a process for the committee work. Each question was considered in sequence and the following outlines the results.

The most important consideration is to own mistakes if there were any made, and take corrective actions while protecting member funds.

3.1 Question 1: Does the committee have a reasonable understanding of the issues that the membership wanted addressed when they recommended a forensic audit?

Yes: The discussion from the meeting with those present at the annual general meeting gave the committee a good understanding of the issues. This was the most important source of information being first hand accounts of those involved at the time. The members who moved and seconded the motion were in attendance and were quite forthcoming in their participation, which was appreciated by the committee members. There was also research done by staff into the meeting itself including the agenda, motions, legal opinion sought about the motions, and council correspondence surrounding the meeting.

~~**No:** Do more research, consultation, and discussion and revisit Question 1.~~

Actions: Write a summary of the committee's understanding of the issues, and move forward to Question 2.

3.2 Question 2: Do the issues need to be addressed by AUSU council moving forward?

Yes: The membership should have clear and open answers to their questions, and their concerns should be addressed. This is a key recommendation of the committee.

~~**No:** Prepare a report to council with a recommendation that no further action is required including committee findings. Report to be delivered by committee chair at next council meeting scheduled for January 14, 2016.~~

Actions: Move forward to Question 3.

3.3 Question 3: Is it the committee's opinion that a forensic audit is the appropriate tool to address the issue? (*Need affirmative answers to the following.*)

- Is there a reasonably defined scope for a forensic audit of AUSU?
- Is there a reasonably significant benefit to AUSU to be gained by pursuing a forensic audit?
- Is there a way to quantify that benefit to compare it to the potential cost of a forensic audit?

~~**Yes:** Prepare a report to council with a recommendation for a forensic audit including issue(s) to be addressed, scope, and cost benefit analysis. Report to be delivered by committee chair at next council meeting scheduled for January 14, 2016, and move forward to Question 4.~~

~~**Note:** If council adopts the recommendation to pursue a forensic audit the committee will move forward with the remainder of its mandate.~~

No: The committee invited Dan Wiart and Ken Jacques from Kingston Ross Pasnak (KRP), the AUSU auditors, to meet with the committee to help them understand what a forensic audit is, the differences between a forensic audit and a regular financial audit, the type of instances forensic audits are generally used, and the types of information that can only be found using a forensic audit. It was agreed that a forensic audit just does not seem like the right tool to address members' concerns. All AUSU financial information is available and is being audited, and there is no evidence of actual missing funds, which is a primary reason for a forensic audit.

A forensic audit's scope is usually defined by what the actual concern is, and the members' motion was very broad and does not provide guidance as to the purpose or scope of a forensic audit. The committee also received information about a forensic audit versus a regular audit and it was noted that a forensic audit would focus on items such as:

- Reviewing transactions authorized by a person or group of persons suspected of fraud or mismanagement.
- Only specific transactions if expense reports or salaries were questioned.
- Whether certain types of transactions are in line with by-laws and policies.

With respect to costs, it would be rare for a forensic to be less than \$10K and can be as much as \$100K, and because a forensic audit requires a high level expertise from a consultant, there is a lot of detail, interpretation, and testing of hypothesis.

Forensic audits are generally used if there is an indication of significant fraud, any intention to move forward with criminal or civil action, or, if after weighting the risk/benefit there would be the potential for recovery to justify the cost of the audit.

This expenditure, without a substantial benefit in addressing the members' concerns and questions, would not be responsible use of the members' funds.

Actions: Prepare a report to council with a recommendation not to pursue a forensic audit including reasoning. Report to be delivered by the committee chair at the next council meeting. Move forward to Question 4.

3.4 Question 4: Is it the committee's opinion that there are other appropriate tool(s) to address the issue(s)?

Yes: The following points were made in the discussion:

- There are outstanding issues that should be addressed.
- A legal opinion on specific points could be sought, although executive did consult lawyers at the time of the decisions.
- There were policy gaps and executive were doing the best they could under difficult circumstances, but council should have been asked to fill policy gaps.
- Decisions were made at working meetings and the process was discussed with council at those working meetings, but documentation is scarce.
- Some members may be adamant that outside experts are brought in, however it may not be in the best interests of the membership as a whole to spend money to hire experts when we have the answers internally.
- There are no questions that a lawyer and accountant can answer that we don't have the answers to already.

The appropriate tools are:

1. **Communication:** Get the information out to the membership explaining what happened in order to fill the gaps in communication.
2. **Policy/Process/Governance:** Identify the gaps that executive and council were faced with and build better policies, processes, and governance practices.

Detailed recommendations were discussed and are documented in this report to council.

~~No: No further action required.~~

4.0 Research Findings

Extensive research went into AUSU minutes, reports, emails, and any other available information about the issues.

4.1 Jason Nixon collecting executive director salary

- Executive commissioned a report initially titled "Executive Director Succession Plan" from TPD (The Personnel Department) with council-approved funding in Sept 2014. See 2014-09 Executive Meeting Report and Council motion.

- There was indication that the report would include succession planning, wage review, and executive compensation. See 2014-09 ED Report under heading "Succession Plan".
- There was an in-camera council meeting on October 20, 2014. No record of a motion is included in the motions record. There are no recorded minutes. There is reference to the meeting in the list of meetings contained in the October executive reports attached to the November council meeting minutes. The discussion included Jason Nixon taking on the role of executive director according to policy.
- On or about that time, councillors became aware that Jason would collect the current executive director pay. He did not collect the executive director benefits but continued to collect the president's benefits. There was some apparent confusion about whether he collected both president and executive director pay, but he in fact did not.
- The November 2014 president's report notes that the executive director succession plan and compensation review report is complete.
- The commissioned report from TPD titled "Executive Director Compensation Design Report" shows a recommended salary for the executive director at \$22K less than the current executive director salary. The TPD report is dated November 13, 2014, but council requested revisions and the final report was received in early to mid-January 2015.
- There is no council motion, notice in council minutes, or note in executive meeting report or president's report, confirming Jason Nixon as filling the role of executive director or his change in compensation from the level of president to the level of executive director.
- April 20, 2015 - Jason Nixon, then president, went on unpaid leave of absence (approved by council email motion 4/24/2015, ratified 5/13/2015) and Shawna Wasylyshyn took the role as president as per AUSU bylaws. For a short period of time, this effectively made Shawna also executive director. She received only the president's pay. Jason's leave was originally temporary, but it became permanent in May 2015 when he was elected to the Alberta legislature.
- April 24, 2016 - email motion of council to appoint Karyna Hochachka as successful candidate for executive director (ratified 5/13/2015).
- April 27, 2015 – start date of Karyna Hochachka's contract as executive director.
- May 2015 first payroll of the month – Jason Nixon is no longer on payroll.
- May 27, 2015 - Annual General Meeting.

Primary Concerns:

- There was little documentation of decisions made by executive or by council surrounding the position of executive director between the time when it was noted that Tamra Ross would be leaving AUSU at the end of October 2014 and the hiring of Karyna Hochachka on April 27, 2015.
- There are multiple references to a succession plan being created, and no document on record besides the TPD "2014 Executive Director Compensation Design Report", which was late being delivered.
- Jason Nixon collected a significant executive director salary from Nov 1, 2014 to April 15, 2015, while the commissioned TPD report (dated Nov 14, 2014 but finalized early in January 2015) recommended an executive director salary \$22K lower than what he collected.
- The decision to change Jason Nixon's compensation to that of the executive director was made by executive with no documentation and no reference to council input or policy direction.
- It took from November 1, 2014 to April 27, 2015 (almost 6 months) to get a new executive director in place. Once in place, the new executive director received a salary in line with the TPD report recommendation.
- The executive director salary in November 2010 was at the level recommended by the TPD report in Nov 2014. Between November 2010 and October 2014, there was a 27.8% increase in the executive director salary.

How was the decision made?

It appears that the decision was made by executive with some reporting to council, but reporting on the specific compensation is not clear. The succession plan which would have helped in the decision making process was not

completed on schedule. The research commissioned to TPD was significantly delayed and when it was received was not used.

Was the correct process used and did those making the decision have the authority to do so?

That the president takes on the executive director role is part of policy, but the policy is silent on the compensation. The correct process to fill any gaps in policy is to go to council. Executive does have the authority over staff compensation, however, not for an expenditure above budgeted amounts. It is not clear if the combination of continued executive director salary and the executive director severance package that resulted in an extra expense was approved by council as there are no records of the decision.

It is clear at this time that more formal council consultation and recording of process should have taken place.

Was it appropriate?

The appropriateness of the level of compensation is called into question by three items.

1. That there had been a significant increase in executive director compensation in the previous 4 years (27.8%).
2. That the commissioned TPD report, dated two weeks after the role was taken over by Jason Nixon, recommended a compensation level significantly lower (\$22K).
3. That the length of time Jason Nixon was in the role extended over a significant period of time (almost 6 months).

Why wasn't it communicated clearly?

There were significant concerns over potential breach of confidentiality.

There were gaps in both policy and processes to record minutes, record motions, and manage in-camera sessions of council.

Executive was in uncharted territory without significant governance experience or assistance by experienced staff.

Current Situation

Salary recommendations based on the TPD report have been used and current salaries are aligned with it.

The policy and process gaps have been addressed to a significant degree by the new minuting procedures for regular and interim council meetings and a comprehensive review of policies and bylaws.

Recommendations

It is recommended that policy be created specifically around compensation in the event of the president taking on the role of executive director.

It is recommended that policy be considered to limit the time period that a president can take on the role of executive director.

It is recommended that the executive committee look at a procedure for executive motions in addition to recent changes at council level.

4.2 Executive compensation increase

- March 16, 2015 Council Motion (Email Vote) - BIRT AUSU update effective April 1, 2015, in order to accommodate 12 months of pay, Policy 2.15 Council Governance – Executive Accountability and Compensation point 2.15.14 to "The President shall receive an honorarium of \$49,851.22 per year, paid semi-monthly" and point 2.15.15 to "The Vice-Presidents shall receive an honorarium of \$42,729.81 per year, paid semi-monthly". Carried 5/0 (3 abstaining).
- March 16, 2015 Council Motion (Email Vote) - BIRT AUSU approves a transfer of \$16,912.59 from the surplus in budget account 5210 office wages to budget account 5215 Executive Wages to accommodate adjustments to executive wages for the remainder of the 2014/2015 fiscal year. Carried 5/0 (3 abstaining).

- April 2015 council meeting was cancelled.
- May 5, 2015 - Both email votes were ratified 5/0 (3 abstaining). Executive councillors abstained.
- The executive wage package brought up by a non-executive councillor was discussed only in brief at the September 2014 executive meetings. Discussion was primarily by email thread amongst non-executive councillors and the executive director. No action was taken at the council level until the spring when non-executive councillors requested it be put on the council agenda.
- In 2012, research compiled on a spreadsheet and in a written report was used to put AUSU executive compensation in line with other student unions in Alberta. At the time AUSU executive compensation was significantly below the average. Row 5 of the 2012 data sheet shows that an hourly rate was calculated using a 52-week work year for Mount Royal, University of Calgary, University of Alberta, MacEwan University, and SAIT. Then those figures were averaged to create a suggested rate for AUSU at \$20/hour.
- On that same spreadsheet, rows 13 through 18 show information on council members, while the upper rows show information about executive. This could be where the misunderstanding originated. The “months per year worked” is shown in the lower section and applies to council, not executive. It is true that the other councils generally meet as a council only during the academic year.
- The written report states that the average executive rate that was adopted was based on a 52-week year although the wording is not particularly clear on the actual working year of other executives.
- It has been stated that it was reported by staff that other student union executive officers work a shorter year but that the misinformation was corrected several times. There is no record to show this.
- The end result is that the premise that was discussed by council last spring, that other student union executives only work 8-10 months per year, is incorrect. That means that the 33% increase in executive honoraria that was instituted last spring was not justified in the manner that council believed and stated to the membership.

How was the decision made?

The decision was made by a motion of council.

Was the correct process used and did those making the decision have the authority to do so?

The decision making process in using a council motion was correct and the authority was correct.

The research process failed, most likely as a result of the passage of time and the turnover of individuals, both staff and councillors.

Was it appropriate?

It has been discovered that the information the decision was based on was either incorrect or misinterpreted and the resulting decision was therefore flawed.

Current Situation

When this situation was discovered by current staff and executive officers, council was informed and began the process of reconsidering the executive compensation. A committee is now in place reviewing not only the level of executive compensation but also the process for reviewing it. A council motion has been passed that will roll the executive honorarium back if the committee does not complete its work before the end of the current council term.

Recommendations

It is recommended that council ensure the current ad hoc Executive Compensation Review Committee fulfils its mandate in a timely manner and that council duly consider the committee’s recommendations.

It is further recommended that the Executive Compensation Review Committee or a comprehensive executive compensation review process, be made permanent.

4.3 General overage in budgeted expenses

The 2014-2015 annual audit is complete and the year end variance report is attached to this report. The following is a brief summary of expenditures that were not within budget.

Bank Charges:	Expense \$932	Budget \$500	Over budget by \$432 or 86%.
Total Fees Section:	Expense 12,431	Budget \$16,000	Under budget by \$3,569 or 22%.

Technology Expense:	Expense \$1,299	Budget \$0	Over budget by \$1,299
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There was a non-budgeted amount of \$1,992 shown in the variance report. A consultant was hired to do an audit of the office computers, clean and debug them, update software, and make recommendations for backup and security. This investment in maintaining current hardware should delay the need for new hardware. The budgeted funds for staff hardware was used, but to show the amount separate from hardware purchases, it was put in a separate category on the variance report. Staff hardware is under budget by \$2,969.

Process: The executive director, in consultation with the president and VP finance and administration, hired the consultant. Funds were available in the staff hardware budget and the expense was maintenance of staff hardware. In reporting, the expense was shown in a distinct line for clarity.

Website Expenses:	Expense \$21,698	Budget \$15,000	Over budget by \$5,669 or 37%. (\$6,698 less \$1,029 late correction)
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This is attributable to fees for a consultant to assist in website maintenance prior to the new website being developed, as staff no longer had the capacity to do this work without Tamra Ross on staff. There were also \$425 + \$2310 + \$2047.50 in fees related to the proposal for the new website that were separate from the actual fees for the new website development for which a council motion approved a reserve draw.

Total Tech Section:	Expense \$26,508	Budget \$24,000	Over budget by \$1,479 or 6%. (\$2,508 less \$1,029 late correction)
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Elections	Expense \$6,111; Budget \$2,000; Over budget by \$4,111 or 205%
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Due to the purchase of Simply Voting software for the by-election. This purchase was for a full year subscription so that it could also be used for the 2016 General Election.

Telecom Meetings:	Expense \$2,600; Budget \$2,000; Over budget by \$600 or 30%
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Due to more frequent and longer meetings than anticipated.

Total Admin Section:	Expense \$8,711	Budget \$4,000	Over budget by 4,711 or 117%.
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Telephone/Internet	Expense \$7,799; Budget \$6,000; Over budget by \$1,299 or 20%.		
Total Office Section:	Expense \$69,469	Budget \$78,200;	Under budget by \$8,731 or 11%.

Lawyer:	Expense \$20,620; Budget \$3,000; Over budget by \$17,620 or 587%.
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Legal consultations included executive director severance agreement, the effect of the Annual General Meeting motions under current bylaws and legislation, validity of bylaw sections 7.5 and 10.0, review of by-election and election policy, and advice regarding health care plan contractual obligations.

Staffing Fees	Expense \$13,430	Budget \$0	Over budget by \$13,420
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Fee paid to the hiring firm for the recruitment of the current executive director. It was not budgeted.

Process: It was an executive decision to contract a hiring firm. The fee is based on the salary paid to the new hire. The salary was set according to an independent consultant's report prepared prior to the beginning of the hiring process.

Total Professional: **Expense of \$51,091** **Budget of \$26,000** **Over budget by \$25,091 or 97%.**

Staff Salaries: Expense of \$190,488 Budget of \$175,000 Over budget by \$15,488 or 9%.
 This was due to the severance package paid to the outgoing executive director and a one-week overlap for a transition between the current and previous executive director, offset by having only two staff for part of the fiscal year.

Total Staff Section: **Expense \$212,147** **Budget of \$205,000** **Over budget by \$7,147 or 3.5%.**

Gifts and Donations: Expense \$1,488 Budget \$1,000 Over budget by \$488 or 49%.

Total Promo Section: **Expense \$25,586** **Budget \$81,000** **Under budget by \$55,433 or 68%.**

Website redesign: Expense \$15,325 Budget \$15,000 Over budget by \$325 or 2.2%.

Smart Draw: Expense of \$2,330 Budget \$0 Over budget by \$2,330

Total Member Services: **Expense \$55,371** **Budget \$52,716** **Over budget by \$2,665 or 8%.**

Travel Expense \$6,429 Budget \$5,000 Over budget by \$1,429 or 29%.

Total Representation: **Expense \$26,542** **Budget \$30,969** **Under budget by \$4,427 or 14%.**

Total Expenses exclusive of amortization:

Expense \$687,760 **Budget \$764,919** **Under budget by \$77,160 or 10%.**

Amortization (intangible) Expense \$49,000 Budget of \$0 Over by \$49,000

Due to missing the line item during the budget process.

Total Amortization: Expense \$53,286 Budget of \$8,000 Over budget by \$45,286 or 566%.

How were the decisions made?

There were no specific decisions or motions of council to approve overages in the various budget expenses. The finance committee did meet regularly to review variance reports.

Was the correct process used and did those making the decision have the authority to do so?

According to policy 6.05 section 6.05.05 there should have been council motions for several expenditures. Therefore, those making the expenditures did not have authority to do so once budgeted amounts were exceeded by more than 10%.

Were they appropriate?

In several cases the dollar amounts were quite small despite the percentage value and seem reasonable e.g. gifts and donations and bank fees.

In other cases, the larger budget section was within acceptable limits because a related item was under budget e.g. technology.

There are some larger expenditures that would have benefited from the transparency of a council motion e.g. elections, teleconferences, legal fees, staffing fees.

Why wasn't it communicated clearly?

Challenges with processes, staff and council changeover are the most likely reason for lack of communication.

Current Situation

It has been a challenge with new staff and new VPFA getting up to speed to date but the audit process is complete and went well and focus is now on current year finances and getting the reporting caught up and on time. Council and staff are more aware of policy requirements and have demonstrated this with the motion to approve the Mail Chimp expense.

Recommendations

Continue awareness of, and compliance with, the policy requirement for expenses above budgeted amounts.

Consider amending policy to include a dollar value as well as a percentage value required for council approval.

General concerns:

4.4 Unclear decision-making processes

AUSU has improved in this areas as follows:

- Council and staff getting up to speed on processes and policies.
- Improved meeting processes are in place resulting in more transparency and documentation.
- Thorough policy and bylaw review has been started.
- Improved transparency to the membership through more communication.

Recommendations

It is recommended that the executive director facilitate council education by ensuring thorough orientation and governance training and that councillors continue to take responsibility to ensure they are aware of governance, policy and procedures.

It is recommended that council complete bylaw and policy review by end of 2016.

4.5 Lack of documentation regarding decisions and financial information

AUSU has improved in this area as follows:

- Improved meeting processes for council, executive, and committees.
- Minutes for in-camera council session are being kept.
- Improved documentation overall.

Recommendations

It is recommended that Complete review of all financial management policies by end of current council term.

It is recommended that council continue with meeting processes and documentation and adopt a habit of continual improvement in this area.

4.6 Lack of communication and transparency to membership regarding decisions and financial information

AUSU has improved in this area as follows:

- More awareness and willingness to change culture to a more engaged and transparent one.
- Better documentation.
- Open forums at public meetings.
- Minutes from interim/working meetings.
- Social media posts of motions.

- Thorough review of financial policy.

Recommendations

It is recommended that regular financial reports be posted on the AUSU website similar to meeting minutes.

It is recommended that council and staff continue their efforts at increasing transparency to the membership regarding decision and financial information and adopt a habit of continual improvement in this area.

5.0 Summary of Recommendations

Members' questions and concerns

The membership should have clear and open answers to their questions, and their concerns should be addressed. This is a key recommendation of the committee. It is recommended that this report be formally adopted by council at the March 10th regular meeting, that the report be made readily available to the AUSU membership immediately thereafter, and that each of the committee's recommendations be included on council's action sheet to be tracked.

Jason Nixon collecting executive director salary

It is recommended that policy be created specifically around compensation in the event of the president taking on the role of executive director. This may be considered by the executive compensation review committee as an addition to their current mandate or by council as a whole. This should be completed in the current council's term

It is recommended that policy be considered to limit the time period that a president can take on the role of executive director. This may be considered by the executive or by council as a whole. This should be completed in the current council's term.

It is recommended that the executive committee look at a procedure for executive motions in addition to recent changes at council level. This should be completed by the end of the current executive's term.

Executive compensation increase

It is recommended that council ensure the current ad hoc Executive Compensation Review Committee fulfils its mandate in a timely manner and that council duly consider the committee's recommendations. This should be completed by the March regular council meeting.

It is recommended the Executive Compensation Review Committee or a comprehensive executive compensation review process, be made permanent. This should be completed by the end of this council's term.

General overage in budgeted expenses

It is recommended that the VPFA, executive director, and finance committee continue their awareness of, and compliance with, the policy requirement for expenses above budgeted amounts.

It is recommended that council consider amending policy to include a dollar value as well as a percentage value required for council approval. This should be complete by the end of this council's term.

General concern over unclear decision-making processes

It is recommended that the executive director facilitate council education by ensuring thorough orientation and governance training and that councillors continue to take responsibility to ensure they are aware of governance, policy and procedures.

It is recommended that council complete bylaw and policy review by end of 2016.

General concern over lack of documentation regarding decisions and financial information

It is recommended that Complete review of all financial management policies by end of current council term.

It is recommended that council continue with meeting processes and documentation and adopt a habit of continual improvement in this area.

General concern over lack of communication and transparency to membership regarding decisions and financial information

It is recommended that regular financial reports be posted on the AUSU website similar to meeting minutes.

It is recommended that council and staff continue their efforts at increasing transparency to the membership regarding decision and financial information and adopt a habit of continual improvement in this area.

6.0 Conclusion

The committee determined that a forensic audit is not the right tool to answer the membership's questions. All AUSU financial information is available and is being audited, there is no evidence of actual missing funds, and no outstanding issues that should be addressed.

The issues presented were primarily due to:

- Gaps in both policy and processes,
- Concerns over a potential breach in confidentiality, and
- The executive being in unchartered territory without significant governance experience or assistance.

The issues are all currently being addressed by AUSU to a significant degree as follows:

- Greatly increased transparency with the membership, including:
 - Open forums during public council meetings.
 - Public posting of all motions.
 - Regular reporting on current AUSU initiatives.
 - Greater frequency of newsletter and news updates.
 - Significant increase in social media presence.
- A thorough policy and bylaw review being undertaken by council.
- New minuting procedures for regular and interim council meetings as well as in-camera sessions.
- Current staff salaries are aligned with the commissioned TPD staffing report received January 2015.
- Current executive salaries are being reviewed by an ad-hoc Executive Compensation Review Committee.
- Staff and council are more up to speed on processes, procedures, and policies.
- Financial audit process is complete and went well.
- AUSU is focussing on current year finances and getting the reporting caught up and on time.

There are ways that AUSU can continue to address concerns that are summarized in section 5.0 Summary of Recommendations. Most of these recommendations can be implemented by the end of this council's term and none involve significant, if any, expenditure.