



Office of the Auditor General

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Winnipeg, Manitoba R3C 0C4

July 2005

The Honourable George Hickes

Speaker of the House
Room 244, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Sir:

I have the honour to transmit herewith my report on the *Follow-up of Recommendations Made in Our August 2003 Report, An Examination of Le Collège de Saint-Boniface*, to be laid before Members of the Legislative Assembly in accordance with the provisions of Section 28 of The Auditor General Act.

Respectfully submitted,

Jon W. Singleton, CA•CISA
Auditor General

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In our August 2003 report, *An Examination of Le Collège de Saint-Boniface*, I commented that our report identified a number of opportunities to improve transparency and accountability processes at the College.

I am pleased to report that over the last year, both transparency and accountability processes have significantly improved at the College. While it is not reasonable to expect that, in only a year, all of the 38 recommendations in our report could have been fully implemented, the College, the Department of Advanced Education and Training, and the Council on Post-Secondary Education have implemented or taken significant action to resolve 25 recommendations. Most notably:

- the College has developed a number of key policies to strengthen the management control environment and has begun public reporting of its operations; and
- legislative changes have now been made to officially change the name of the College to “le Collège universitaire de Saint-Boniface”, to include the College under The Freedom of Information and Protection of Privacy Act, and to allow for the appointment of up to three Board members by the Lieutenant Governor in Council.

The College has also laid the groundwork for strengthening its governance practices and has committed to a rigorous strategic planning process to provide a framework for the continued success and growth of the College.

I commend the College for their efforts to promote openness and transparency, to strengthen the overall control environment at the College, and for adopting a positive attitude towards change.

I encourage the College to continue with the implementation of our recommendations.



Jon W. Singleton, CA•CISA



Follow-Up Review Comments

At the request of the Deputy Minister of Advanced Education and Training, our Office conducted a follow-up review of Le Collège de Saint-Boniface's (College) progress to address the recommendations made in our August 2003 report, *An Examination of Le Collège de Saint-Boniface*. The report contained 38 recommendations.

We reviewed the representations made by the College, the Department of Advanced Education and Training (Department), and the Council on Post-Secondary Education (COPSE) on the implementation status of the recommendations as at September 30, 2004. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, review, and discussion of the information supplied by the College, the Department, and COPSE.

A review does not constitute an audit and consequently we do not express an opinion on this matter.

Based on our review, nothing has come to our attention to cause us to believe that the representations in the progress report do not present fairly, in all significant respects, the progress made in implementing the recommendations contained in our August 2003 report.

We are pleased to report that significant improvements have been made, and over the last year, action has been taken to fully implement or at least begin to implement all of the recommendations in our August 2003 report.

The implementation status of the recommendations is summarized as follows:

Status as at September 30, 2004 of Recommendations Issued in August 2003					
	Implemented	No Longer Relevant	Significant Progress	Some Progress	Total
Collège de Saint-Boniface	13	1	6	13	33
Department of Advanced Education and Training	2	-	-	-	2
Council on Post-Secondary Education	3	-	-	-	3
Total Number of Recommendations	18	1	6	13	38

About the College

Founded in 1818, the College is one of Canada’s oldest French-language educational institutions west of Quebec. It provides Manitoba students with the opportunity to pursue their post-secondary education in French at the university or community college level without leaving the province, and provides ready access to a homegrown pool of bilingual graduates. In addition, the College’s Continuing Education Division serves both the business community and the general public and provides an important link to the community.

The College has enjoyed substantial growth in its academic programs and student enrolments, accompanied by improvements to its physical and technological infrastructure.

August 2003 Examination Purpose and Summary Conclusion

Our original examination had two objectives:

- to review specific allegations regarding human resources and expenditure actions of the College; and
- to determine whether appropriate internal controls and management practices were in place for the financial, human resources, and information technology processes.

In order to assess the allegations and the College’s controls and general management of its operations, we had focused the scope of our original examination on the following seven areas:

- Authority and Accountability Reporting,
- Management Control Environment,
- Human Resources Management,
- Board Governance,
- Foreign Student Recruitment,
- Multimedia Centre Operations, and
- Information Technology Management and Security.

In summary, our original examination found a number of opportunities to improve the management control practices at the College, including the need for documented policies clarifying purchasing processes, travel and other expense claims, and conflict of interest guidelines. Strengthening of management control practices in these areas would alleviate the future perception of preferential treatment, improve human resources management and enhance the management control environment.

The August 2003 examination report included 38 recommendations. The following status report highlights the Actions Taken and Actions Planned as at September 30, 2004 to implement our recommendations.

Status of Recommendations – Le Collège de Saint-Boniface

AUTHORITY AND ACCOUNTABILITY REPORTING

R1 We recommended that the College use its legal name (Le Collège de Saint-Boniface) for all legal documents, including contracts, agreements, bylaws, etc., unless the College formally changes its legal status and name.

Implemented

Actions Taken

The College has been using “Le Collège de Saint-Boniface” for all legal documents since September 2003. The College’s by-laws were amended by the Board in December 2003 to reflect the College’s legal name.

The College uses its legal name on College policies, audited financial statements, and on all contracts. The College will continue to use its legal name for all legal documents until such time as its name is formally changed.

R2 We recommended that the Affiliation Agreement with the University of Manitoba be reviewed and updated to reflect the College’s current needs and operating environment, given that it dates back to 1972, and that the review process ensure appropriate representation of all key stakeholders (Board, faculty, staff and students, University of Manitoba, community, and province).

Some Progress

Actions Taken

In December 2003, the College had an initial meeting with the University of Manitoba and COPSE to discuss the process for addressing this recommendation.

During its September 2004 meeting, the Board of Governors voted not to proceed with revisions to the Affiliation Agreement until such time as the College’s Act is amended by the government of Manitoba.

Actions Planned

The College intends to establish a review process and will appoint a committee to review the Affiliation Agreement. The committee will be charged with proposing recommendations for the Board’s consideration. The College is hopeful that an updated Affiliation Agreement can be negotiated by 2006.

R3 We recommended that, until such time as the Affiliation Agreement is amended, the College comply with the provisions of the Agreement and obtain formal permission from the University of Manitoba prior to entering into any agreement with other universities. In order to facilitate its continued relationship with the University of Ottawa, the College should obtain formal approval from the University of Manitoba.

Implemented

Actions Taken

The College will comply with all provisions of the Affiliation Agreement and, until such time as the Agreement may be amended, will obtain authorization from the University of Manitoba prior to entering into any agreements with other universities for the delivery of degree programs to university sector students.

The College has obtained a letter from the University of Manitoba acknowledging the College's agreement with the University of Ottawa for the delivery of nursing courses leading to a degree is between the University of Ottawa and the community college sector (ETP) of the College. The letter states that the University of Manitoba has not been concerned to date with the diploma or certificate programs offered by the ETP.

In anticipation of the expiry of the College's agreement with the University of Ottawa in 2006, the College has held a preliminary meeting with the University of Manitoba's Faculty of Nursing to explore possible collaboration.

Significant Progress

R4 We recommended that the College strengthen its business planning processes to better reflect best practices. The annual Business Plan should include resource needs, trends and risks, strategies and goals, and performance measures.

Actions Taken

The College is committed to strengthen its planning processes and has established a Strategic Planning Working Group consisting of two representatives from the Board, two senior managers, an academic dean, and an academic director to identify best practices and help guide the process.

The College has also conducted detailed reviews of foreign student recruitment and information technology at the College. The results of these reviews will be taken into consideration when developing future plans.

To facilitate comparison of actual results to budget projections and plans, the College now prepares budgets included in business plans on a consolidated basis that reflect the entire financial operations of the College.

In January 2004 the Board of Governors approved a Development Plan for 2003 – 2008 that set out the following:

- the rationale behind the seven development areas the institution wishes to pursue;
- the objectives to be achieved between now and 2008;
- the action plans for achieving objectives;
- the budget associated with each objective; and
- the performance indicators that will be used to measure the extent to which objectives have been achieved.

Actions Planned

A strategic planning session has been scheduled for early 2005 to review the College's planning processes.

R5 We recommended that the College review their financial statement presentation and disclosure requirements to ensure that the financial statements incorporate fuller presentation and disclosure, and are prepared in accordance with GAAP.

Implemented

Actions Taken

For the audit of the College's March 31, 2003 financial statements, the College instructed their external auditors to ensure that financial statements were presented on a consolidated basis to fully disclose the entire financial operations of the College and that the audited statements be prepared in accordance with GAAP. All future audited financial statements will be presented on this basis.

The College has also established an Audit Committee of the Board to review the College's financial statements to ensure that the statements continue to be appropriately prepared.

R6 We recommended that the College provide COPSE with complete financial reporting for all of the College's operations, including the audited consolidated financial statement.

Implemented

Actions Taken

The College has provided COPSE with audited consolidated financial statements that reflect complete financial reporting for all of the College's operations.

The March 31, 2003 audited consolidated statements were provided to COPSE in September 2003 and the March 31, 2004 statements were provided in June 2004.

R7 We recommended that COPSE ensure that they receive and review all relevant financial reporting information of the College to better facilitate review and assessment of the College's entire operations.

Implemented

Actions Taken

COPSE has received and reviewed all required financial reporting information from the College including audited consolidated financial statements, annual budget information, and statistical reports. All reports were received within required timeframes.

COPSE acknowledges that the College's annual financial reporting has improved, but further improvements are still required to the College's annual estimates submission plan to ensure that it meets COPSE's information needs. COPSE intends to work with the College to facilitate the required improvements in time for the 2006/07 budget cycle.

Implemented

R8 We recommended that the College comply with all provisions of joint federal/provincial funding agreements, including provisions relating to the tendering for goods and services.

Actions Taken

The College has taken action to ensure that it complies with all provisions of the joint federal/provincial funding agreement, including provisions relating to the tendering for goods and services. Specific actions include:

- In January 2004, the College hired a Senior Accountant whose responsibilities include ensuring that the College complies with all provisions of joint federal/provincial funding agreements, including tendering provisions.
- In April 2004, the Board approved formal purchasing policies and procedures that require competitive quotes, including tenders, before purchases can be made. The new policy also complies with the provisions of the Agreement on Internal Trade.

Implemented

R9 We recommended that the College improve public reporting by making accountability documents such as an annual report, audited financial statements, and strategic and other plans available to key stakeholders and the public.

Actions Taken

The College has provided its audited consolidated financial statements to COPSE for tabling in the Legislative Assembly and has provided copies of its statements to the Legislative Library.

To make accountability information more available to the public and other key stakeholders, the College has posted its audited consolidated financial statements and annual reports for the ETP and Continuing Education on the College's website. The College website also contains all of its newly developed policies and postings of all employment opportunities at the College.

The College has submitted quarterly progress reports on the implementation of the Auditor General's recommendations to the Minister of Advanced Education and Training, to COPSE, and to the Auditor General to help ensure that they have been kept fully informed of the College's progress in addressing the recommendations in the Auditor General's report.

In addition, to promote openness and transparency within the College, all Board minutes, Conseil de Directions des Études (CDÉ) minutes, and Management Committee minutes are now posted on the College's Intranet site.

The College is completing a detailed annual report covering the entire operations of the College and will post the report to its website once the report is finalized.

The College will continue to use its website to improve public reporting and will post other accountability documents such as strategic plans as they are developed.

R10 We recommended that COPSE ensure that the College comply with the reporting requirements under Section 24 of the COPSE Act.

Implemented

Actions Taken

COPSE has ensured that the College has complied with the reporting requirements under Section 24 of the COPSE Act. The COPSE Act requires that the College submit audited financial statements to the Council after the end of the College's fiscal year.

The College has met this reporting requirement and has submitted audited consolidated financial statements to COPSE within the time requirements set out in the COPSE Act.

R11 We recommended that COPSE ensure that the Minister of Advanced Education receives a copy of the College's annual report for tabling in the Legislative Assembly.

Implemented

Actions Taken

COPSE has ensured that the Minister of Advanced Education and Training has received a copy of the College's audited consolidated financial statements as required under Section 24 of the COPSE Act.

R12 We recommended that the Province reviews the application of FIPPA to the College and determine if amendments are required to specifically name the College.

Implemented

Actions Taken

The Department has reviewed the application of the Freedom of Information and Protection of Privacy Act (FIPPA) to the College and has determined that the College should be included in FIPPA. The Department has requested that the Department of Culture, Heritage and Tourism take the necessary steps to amend FIPPA to specially name the College in the Act. The required changes will likely be made during the next session of the Legislature.

MANAGEMENT CONTROL ENVIRONMENT

R13 We recommended that the College strengthen its management control environment and controllership function to ensure appropriate stewardship of resources.

Significant Progress

Actions Taken

The College has taken action to strengthen its management control environment and controllership function including:

- The creation of an Audit Committee to assist the Board in fulfilling its supervisory responsibilities regarding the stewardship of College resources. The Audit Committee will monitor the performance of the College's external auditor, review the completeness of the financial statements, and evaluate the effectiveness of internal controls.

- In January 2004, the College hired a Senior Accountant whose duties include reviewing the College's internal control mechanisms and drafting financial policies and procedures. As a result, a number of financial policies, including purchasing policies, travel expense and cash advance policies, credit card use policies, and petty cash policies have been drafted, approved by the Board, and are now in place at the College.

The Senior Accountant also performs an Internal Audit function to help ensure compliance to policies, to provide ongoing review on internal controls, and to provide support to the College's Audit Committee.

Actions Planned

The Senior Accountant is reviewing the College's revenue and cash handling systems and controls to ensure that all revenues are appropriately recorded and safeguarded against loss. Procedures will be documented for inclusion in the College's Policies and Procedures Manual.

The College anticipates that a Financial Policies and Procedures Manual will be completed by the end of 2005.

Implemented

R14 We recommended that the College develop formal policies and procedures in support of the management control environment, including the following specific areas where policy and procedures are required:

- **Conflict of interest policy and related procedures that applies to College employees and clear guidelines to identifying and declare potential areas of conflict.**
- **Purchasing policies and procedures to help ensure that the College obtains the best value for the goods and services purchased through a documented, competitive bidding process.**
- **Credit card use policies and procedures that address the assignment of staff credit cards, the appropriate use of the card, and the supporting documentation required to substantiate charges made.**
- **Cash advances policies and procedures that provide for the central tracking and monitoring of all cash advances to facilitate the process for accounting for all cash advances on a timely basis.**
- **Travel and other expense claims policies and procedures that provide guidelines describing "allowable expenses" such as acceptable rates for meals, alcohol and other entertainment expenses, incidental items when in travel status, and the procedures for approving expense claims.**

Actions Taken

As part of the College's efforts to strengthen the management control environment, the College has developed and implemented the following policies:

- *Conflict of Interest Policy and Procedures (Approved by the Board in October 2003)*

This Policy applies to the Board, administrators, faculty, and staff members. It defines conflict of interest and sets out the disclosure obligations for those that may be in a conflict situation.

The Policy also covers confidentiality and use of information. The Board, administrators, faculty, and staff must not use confidential or restricted information for their own benefit or the benefit of others.

The policy includes procedures and forms for the declaration of a conflict of interest.

- *Purchasing Policy and Procedures (Approved by the Board in April 2004)*

The College has developed two policies related to purchasing – one for goods and services and the other for professional service contracts. These policies help ensure that the College receives the best value for the goods and services it purchases.

Both of these policies require the use of tenders or competitive quotes depending on the value of the purchase. Related procedures and standard contract templates and tender forms have also been developed to help ensure compliance.

- *Credit Card Use Policy and Procedures (Approved by the Board in April 2004)*

The College now uses only one credit card supplier. Credit cards are issued to staff who travel frequently or have other justifiable need of a card. All issuance of credit cards is closely controlled and must be approved by the Director of Finance. In addition, cash advances on credit cards are now prohibited without prior approval of the Director of Finance.

Only charges related to College activities are allowed and all charges must be supported by original receipts. In addition, if the card is used to purchase goods, the purchase must comply with all provisions of the College's purchasing policies.

- *Travel and Other Expense Claims Policies and Procedures (Approved by the Board in April 2004)*

This policy sets out guidelines for travel, cash advances, and entertainment expenses.

All travel must be approved in advance and a travel request form has been developed that includes the reason for the trip and an estimate of the costs. The policy also sets out approved per diem rates, guidelines for selecting modes of travel and accommodations, and the process for claiming reimbursement of expenses. An expense claim form has been developed for the reimbursement of travel expenses.

Generally, cash advances will not be made, but the College recognizes that there might be special circumstances where an advance is required. In these instances, a written request must be made and the request approved by the responsible senior manager before an advance will be issued. The advance can only be used for expenses detailed in the travel request, and must be accounted for within 14 days of returning. All expenditures made must be supported by original receipts.

A request for reimbursement of entertainment expenses must include the reason for the expenditure, the number and names of the people in attendance, and original supporting documentation for expenses claimed.

- *Petty Cash Policies and Procedures (Approved by the Board on April 2004)*

This policy limits the size of petty cash funds to a maximum of \$1,000. All petty cash funds must be justified in writing and approved by the Director of Finance. The requestor must also indicate what measures will be taken to ensure that the funds are properly protected.

Petty Cash funds can be used to pay for small purchases such as stamps, office supplies, and parking expenses, but must not be used for travel expenses. All disbursements must be supported by original receipts. Forms have also been developed to document the creation of a petty cash fund and for reporting expenditures before the fund will be replenished.

HUMAN RESOURCES MANAGEMENT

Significant Progress

R15 We recommend that the College develop a human resources policy and procedures manual to operationalize the provisions of the collective agreements, to ensure fair access to College employment opportunities for students, and to assist College management in carrying out human resources activities.

Actions Taken

In January 2004, the College hired a Senior Human Resources Advisor whose duties include the development of human resources policies and procedures. In September 2004, the Board approved the following policies:

- *Hiring of Support Staff*

This policy sets out the procedures to be followed for hiring full or part-time support staff. Procedures cover preparing job ads, receiving applications, establishing interview panels, assessing applicants, performing reference checks, and making an employment offer to successful applicants.

- *Hiring of Students*

This policy sets out the procedures for hiring students, the maximum number of hours that can be worked, and the rate of pay for various duties. The policy also includes forms for posting a student position, hiring students, payroll reporting, fixed sum payments, and notice of termination.

To help ensure fair access to College employment opportunities for students, the Senior Human Resource Advisor posts all student positions on a student employment website. The Senior Human Resources Advisors also sends out an email to all College students informing them of student employment opportunities, and sends College councillors copies of all job ads.

- *Support Staff Annual Evaluations*

This policy set out the procedures for conducting support staff annual performance reviews. All performance reviews must be completed before June 30 of each year and are conducted by an employee's immediate supervisor. The policy includes a standard evaluation form.

- *Support Staff Probationary Evaluations*

This policy sets out the procedures for performing a probationary performance review of new support staff before they are granted permanent employee status. The policy includes a standard evaluation form.

Actions Planned

The Senior Human Resources Advisor is developing a Human Resources Policy and Procedures Manual that will include those policies and procedures that are common to all College staff. The College anticipates that this manual will be completed by the end of 2005.

R16 We recommended that the College employ a dedicated human resources professional to more fully support human resources functions.

Implemented

Actions Taken

In January 2004, the College hired a full time Senior Human Resources Advisor to more fully support human resource functions. Duties include:

- developing HR policies and procedures;
- providing support for recruitment and hiring;
- orientation of new staff;
- employment equity;
- workplace safety and health;
- performance evaluations; and
- providing support to senior management regarding human resource management and labour relations.

R17 We recommended that the College review its harassment policy in order to ensure that all complaints, whether formal or informal, are appropriately handled and that documentation of the final resolution or disposition of any complaints is filed in a secure location.

Implemented

Actions Taken

In the Fall of 2003, the College undertook a review of its Harassment Policy and appointed a Sexual Harassment Counsellor to manage all aspects of the Harassment Policy including

providing advice and assistance to staff, students, and coordinating the investigation of complains.

In September 2004, the Board approved a revised Sexual Harassment Policy. The revised policy sets out the documentation requirements for complaints and the maintenance of complaint files. Care has been taken to ensure that privacy and confidentiality rights have been respected.

The policy also establishes the procedures to be followed when a complaint is made and provides a number of options for resolution including mediation.

The Counsellor is required to prepare an annual statistical report regarding complaints received and their disposition. The report does not include any personal identifying information and must be presented to the President within 30 days following the year end.

The College's Sexual Harassment Policy is available to all staff and students on the College's website.

BOARD GOVERNANCE

Implemented

R18 We recommended that the College's Board review its composition to ensure it is inclusive and reflective of its primary funders and stakeholders. Provincial representation would ensure it is consistent with most other post-secondary institutions in Manitoba.

Actions Taken

In addition to internal discussions, the College consulted with their external stakeholders, the Société Franco-Manitobain and the Archdiocese, to discuss this issue and other possible changes to the College's governing legislation.

The College has had several meetings with COPSE and the Department to discuss provincial representation on its Board and other proposed amendments to the College's Act. The College also provided the Minister with the board member selection criteria used by the College to assist the Government with selecting suitable appointees to the Board. The College understands that the Minister will likely amend the College's Act to allow the Government to appoint representatives to the College's Board.

The College is awaiting the amendments to its Act and intends to work with the Government to facilitate the selection of provincial appointments to the College's Board.

Implemented

R19 We recommended that the Province review “Le Collège de Saint-Boniface Incorporation Act” of 1871 and assess whether the composition of the College's Board should be made compatible with other post-secondary institutions.

Actions Taken

The Department has reviewed Le Collège de Saint-Boniface Incorporation Act and has had several meeting with the College regarding the Act and the related recommendations of the Auditor General. To address the Auditor General's recommendations, the Department has drafted amendments to the Act that will legally change the name of the College to

Collège universitaire de Saint-Boniface and that will allow the Government to appoint provincial representatives to the College's Board, consistent with other post-secondary institutions in Manitoba.

The Government intends to table amendments to the College's Act during the current session of the Legislature.

R20 We recommended that the College's Board develop a formal strategic plan which articulates the long term strategic direction of the College. The Board, in conjunction with senior management and with input from key stakeholders, would be responsible for articulating the plan and ensuring management is held accountable for achieving the goals/objectives set.

Some Progress

Actions Taken

The College's Board supports the need for a sound strategic plan to provide direction for the College's continued success. In June 2004, the Board established a Strategic Planning Working group consisting of two representatives from the Board, two senior managers, an academic dean, and an academic director. The Working Group was charged with organizing a Board and management strategic planning retreat as a first step in developing a new strategic plan for the College.

Actions Planned

The Working Group intends to schedule a strategic planning retreat in early 2005 and has identified a facilitator to lead the session. As part of the session, participants will review the College's mission and institutional values, as well as establish an ongoing process for strategic planning. The Secretary General will manage the overall strategic planning process. The Board may also consider establishing a standing committee to help guide the strategic planning process.

R21 We recommended that the College's Board review its current Committee structure, to ensure it best reflects the information needs and oversight responsibilities of the Board. Committees can be an important vehicle for providing information and analysis that can assist a board in decision-making. The establishment of an Audit Committee could assist the Board in ensuring appropriate and independent oversight of financial information and internal controls, as well as in monitoring conflict of interest issues.

Implemented

Actions Taken

The Board has reviewed its committee structure and has amended mandates or created new committees as required to better support the information needs and oversight responsibilities of the Board. Board committees now meet more frequently and play a more active role. Specific changes include the following:

- In March 2004, the Board approved the establishment of an Audit Committee to assist the Board in carrying out its supervisory responsibilities with respect to ensuring the completeness of the financial statements, the effectiveness of the internal control mechanisms and the performance of the external auditors. The Audit Committee will oversee the work of both the external auditor and the

College's Internal Auditor. The Audit Committee is made up of 3 external members.

The College's Senior Accountant, in his role as Internal Auditor, will be reporting directly to the Audit Committee. The first meeting of the Audit Committee is scheduled for November 2004.

- In May 2004, the Board approved amendments to the mandates of the Finance Committee and the Executive Committee. The Executive Committee is now chaired by a Board member, rather than by the President.
- In May 2004, the Board approved the establishment of an Advisory Committee on Fund Development.

The College's by-laws have been updated to reflect the new Committees and their terms of references.

Significant Progress

R22 We recommended that the College's Board conduct the President's performance evaluation on an annual basis. Such annual evaluations are an opportunity for the Board to assess senior management's performance against plans and ensure that annual objectives are achieved.

Actions Taken

An annual evaluation process to assess the President's performance has been discussed by the Board's Personnel Committee and was brought to Board for consideration and discussion.

Actions Planned

The Board's Executive Committee will be meeting with the President in October 2004 to review her 2003/04 Activities Report and to discuss and set her performance objectives for next year. On a going forward basis, the President will be evaluated annual based on achievement of the performance objectives established at the beginning of each year.

The process for conducting the President's annual performance review will be documented in Board procedures.

Implemented

R23 We recommended that the College's Board approve the expenses of the President. This may be done, on the Board's behalf, by the Board Chair or the Finance Committee.

Actions Taken

The Board Chair now reviews and approves all of the President's expenses. As required by the College's new policies, all expense claims are supported by original receipts. In addition, the President's travel expenses related to travel outside Canada must have received specific advance approval by the Board Chair or his designate.

R24 We recommended that the College’s Board conduct annual board evaluations as a way to highlight strengths and address opportunities for improvement in governance practices.

Some Progress

Actions Taken

The Board recognizes the importance of conducting annual Board evaluations and has asked the Secretary General to identify an appropriate assessment tool.

Actions Planned

In January 2005 the Board will meet with an external consultant in order to discuss its effectiveness. The consultant will use a board evaluation model developed by the Institute on Governance.

R25 We recommended that the College’s Board establish regular training and development opportunities for its Board members in areas that enhance effective corporate governance, such as financial literacy, risk management and performance measurement.

Some Progress

Actions Taken

Orientation sessions are held for all new Board members and new members are provided with an information kit. An evaluation of the orientation session is completed by all participants to help the Board and the College assess the usefulness of the orientation session and the information kit provided. These evaluations will help the College improve future orientation sessions and the quality of the information kits.

Literature on effective board governance has been distributed to Board members.

Actions Planned

A workshop on risk management and the financial responsibility of a board of directors will be held in December 2004. Other opportunities for board training will be explored as they arise.

FOREIGN STUDENT RECRUITMENT

R26 We recommended that the College develop an integrated plan for recruitment of foreign students to ensure that enrolment targets are met with due regard for economy and efficiency.

Some Progress

Actions Taken

In December 2003, the College commissioned a consultant to prepare a report on international recruiting. The report was completed in April 2004. The report highlighted the need for a multifaceted integrated approach to recruitment and contained nine recommendations for consideration by the College in developing a foreign student recruitment strategy.

In June 2004, the College developed an interim action plan for recruitment of foreign students for 2003 – 2006. The action plan was reviewed by the Board in the Fall of 2004.

Actions Planned

The College is committed to the recruitment of foreign students. The consultant's recommendations will be taken into consideration in developing an integrated plan for the recruitment of foreign students. This will be addressed as part of the College's strategic planning process.

Implemented

R27 We recommended that the College reassess its recruiting strategy in France to determine whether a more cost effective recruiting alternative can be found, and that until such time, the College strengthen its due diligence review and payment approval process regarding transactions with the existing recruiting agent in France. Specifically we recommend that the College:

- **Obtain a signed contract that clearly sets out all aspects of the understanding between the College and the agent, including remuneration rates and performance expectations.**
- **Renegotiate the compensation arrangement to better reflect standard recruitment remuneration practices (i.e., a commission basis for students successfully recruited). Consultation with other institutions that use recruiting agents would help the College determine what would constitute “reasonable” rates.**
- **Discontinue the practice of advance payments to the recruiting agent in France and require invoices be submitted on a timely basis and be adequately supported by detailed time sheets and original receipts to substantiate any out-of-pocket expense claims.**
- **Adjust subsequent payments and/or obtain repayment for overpayments resulting from miscalculation of French VAT and other taxes, recruitment bonuses, and clerical errors.**

Actions Taken

In January 2003, the College negotiated a fixed fee contract for recruitment in France that clearly set out remuneration rates. The fees negotiated were lower than in the previous year and the College discontinued the practise of advance payments.

A similar contract was negotiated for 2004. The fees were again lowered and the contract was amended to include performance expectations, the submission of time reports, and the submission of supporting documentation for any out-of-pocket expenses.

In the College's response to the Auditor General's 2003 Report, the College acknowledged that “the past difficulties experienced with the administration of the foreign recruitment effort in France was the responsibility of the College, and not the recruiting agent”. As such, the College has determined that they cannot take any actions to claim a recovery of prior payments.

MULTIMEDIA CENTRE OPERATIONS

R28 We recommended that the College develop a strategic plan for the Multimedia Centre that sets out clear objectives, production goals and measurable performance targets. This would allow the College to assess whether new projects pursued by the Centre are in keeping with the documented strategic objectives.

Some Progress

Actions Taken

In December 2003, a subcommittee of the CDÉ's Communication and Information Technology Committee (CTIC) was established to review and assess all of the College's IT activities including the Multimedia Centre, IT Department, and Internet Communication Department in order to propose an integrated structure for IT services that would better meet the College's needs.

The subcommittee retained the services of a consulting firm to meet with College staff in small groups and provide a report to assist the subcommittee in developing a strategic vision, operating structure, and procedures for the College's IT operations. In March 2004, over 100 people participated in meetings with the consultant.

In May 2004, the consultant submitted his report to the subcommittee and the subcommittee completed its report in June 2004. The subcommittees report contained four recommendations:

- to consolidate all IT services including the Multimedia Centre into a single department;
- to recruit a Director of Information Technology to head the department and provide overall strategy leadership for information technology and coordination of services;
- to create a new committee with the Director of IT as chair that would provide a communication link to senior management; and
- develop a strategic vision and plan for information technology.

The CTIC subcommittee report and recommendations were presented to the Board at its meeting in September 2004.

Actions Planned

The College will consider the consultant's report and the recommendations of the subcommittee as part of the College's strategic planning process. As an interim measure, until an IT Strategic Plan is developed, the College has curtailed all external production activity of the Multimedia Centre and the Centre now provides services to only College staff and students.

R29 We recommended that the College develop comprehensive policies and procedures for the Centre to provide guidance regarding acceptable operational and project management practices.

No longer relevant

Actions Taken

The Multimedia Centre is no longer providing services on a fee for service basis. As a result, project costing policies and procedures are no longer required and the College's

established policies and procedures will be sufficient to ensure appropriate management of the Centre.

Comprehensive policies and procedures for the Multimedia Centre regarding acceptable operational and project management practices will be developed, if required, pending the future direction the Centre may take, as determined by the College's strategic planning process.

INFORMATION TECHNOLOGY MANAGEMENT AND SECURITY

Some Progress

R30 We recommended that the College develop a documented strategic plan for the IT Department.

Actions Taken

In addition to the CITC subcommittee report noted in Recommendation 28, the College also engaged the services of a consultant to conduct a detailed review of IT security. The consultant completed his report in August 2004 and presented his findings to management in September 2004.

Actions Planned

The College will consider both the CITC subcommittee report and the IT security report as part of the College's strategic planning process. An IT Strategic Plan covering all the information systems at the College will be developed in conjunction with the overall Strategic Plan for the College.

In October 2004, the Board will be considering a motion to hire a Senior Information Officer who will play a key role in strategic planning.

Significant Progress

R31 We recommended that the College develop policies and procedures regarding a number of computer security issues, such as incident reporting, email privacy, disposal of electronic data media, the use of modems, etc.

Actions Taken

Communication and Information Technology Committee (CITC) conducted research regarding IT policies and procedures in place at other universities. In February 2004 a call for tenders was submitted by the CITC for the services of a consultant to assist the Committee with resolving computer security issues.

A consultant was subsequently retained in March 2004 to conduct a review of computer security at the College and to help the College address the recommendations made in the Auditor General's report.

The consultant completed his review in August 2004, and has drafted an IT Security Management Program Manual. In addition, the College has drafted policies and procedures regarding computer security for Board approval.

Actions Planned

The Board will review the IT Security Management Program Manual and adopt computer security policies by March 2005. The policies will be implemented if Board approval is received.

R32 **We recommended that the College initiate a formal risk assessment process to identify and document potential computer security risks and implement security controls to reduce risk to a level acceptable to management.**

Some Progress

Actions Taken

As noted previously, the College contracted with a consultant to assist the Communication and Information Technology Committee with resolving computer security issues. The consultant included a suggested approach to conducting a formal risk assessment as part of his report.

Actions Planned

The Board will review the approach suggested by the consultant, and if considered appropriate, will authorize resources to conduct the risk assessment. The College will review any recommendations resulting from the risk assessment.

R33 **We recommended that the College initiate computer security awareness training and education efforts, such as making orientation sessions mandatory and having an ongoing program to remind users of safe computing practices.**

Some Progress

Actions Taken

As noted previously, the College contracted with a consultant to assist the Communication and Information Technology Committee with resolving computer security issues. The consultant included a plan for security awareness training education as part of his report.

Actions Planned

The Board will review the plan for security awareness training and education suggested by the consultant, and if considered appropriate, will authorize resources to implement the plan.

R34 **We recommended that the College follow a formal process for assigning staff members with access permissions to computer systems and have all users, including students and the public, periodically acknowledge that they adhere to the College’s computer-related policies and procedures.**

Significant Progress

Actions Taken

The College has developed a formal process for assigning access permissions to users as summarized below:

- *Students*

An automated system for assigning access permission to students is in place. When a student enrolls, an account is created and the appropriate access is given. The account remains active until the student’s last course is completed.

- *Staff*

A manual assignation system is in place and a roadmap explaining the access process for all new employees has been drafted. This information

is included in an information kit given to new employees. Supervisors authorize the creation of a computer account for a new employee either in writing or by e-mail. All verbal (oral) requests for setting up user accounts for employees are denied.

In addition, all academic staff are provided with descriptions of the standard computer services available to them.

For administrative staff, current access lists to administrative data systems as well as current authorizations (read-only, amend, etc.) were distributed to section heads. The section heads confirmed the authorizations or indicated any necessary changes.

- *Student Periodic Acknowledgment*

An automated message is displayed on the screen of a computer used by students each time they sign on. The message indicates that the student agrees to comply with the overall information policy of the College.

Actions Planned

The descriptions of authorizations by user group for each administration system are to be approved by section heads who manage each administrative system.

The College is considering implementing an Enterprise Resource Planning (ERP) type administrative system that will have user authorizations managed by system profiles based on user roles. Such a system would also provide for the integration of all administrative systems.

Some Progress

R35 We recommended that the College develop and communicate an Internet-use policy, and obtain computer user consent forms from all Internet users, including the public.

Actions Taken

Currently, staff members sign an acceptance form to document their acceptance of the College's overall information policy. Students living in College residence and using their own computers sign an Internet Service Agreement indicating that they agree to comply with the user responsibilities set out in the Agreement.

Research was conducted on other universities to assess the adequacy of the College's existing policies on Internet use and, as a result, a draft Internet Use Policy has been developed for CTIC and CDÉ review prior to submission to the Board for approval.

Actions Planned

Once the draft Internet Use Policy has been reviewed by the CTIC and CDÉ, the draft policy will be submitted to the Board for their approval. If the draft policy is approved, the on-screen automatic reminder/acceptance flag regarding Internet use for students will be amended to include a reference to the Internet Use Policy.

In addition, procedures for an on-screen automatic reminder/acceptance for staff, and procedures for obtaining the commitment of all students regarding acceptance of the Internet Use Policy will need to be developed.

To help ensure that the policy meets the needs of all users, the College has established a subcommittee to review the proposed policies and to solicit input from academic staff in order to resolve any concerns.

R36 We recommended that the College develop a disaster recovery plan for the IT Department.

Some Progress

Actions Taken

As noted previously, the College contracted with a consultant to assist the Communication and Information Technology Committee with resolving computer security issues. The consultant included an outline for a disaster recovery plan as part of his report.

Actions Planned

The Board will review the outline for the disaster recovery plan suggested by the consultant, and if considered appropriate, will authorize resources to complete the development of a disaster recovery plan.

R37 We recommended that the College implement a program for the periodic audit of computer security.

Some Progress

Actions Taken

As noted previously, a consultant was retained in March 2004 to conduct a detailed review of computer security at the College and to help the College address the recommendations made by the Auditor General of Manitoba. The consultants report included a number of recommendations to strengthen the College's security.

Actions Planned

The Board will review the consultant's report and recommendations, and an action plan will be developed for implanting those recommendations that at considered appropriate. A program for the periodic audit of computer security will be considered as part of the development of the action plan.

R38 We recommended that the College maintain and review audit logs on the computer operating systems, on the network operating system, and on network devices, such as routers and firewalls, in accordance with benchmark practices available from computer security organizations.

Some Progress

Actions Taken

As noted previously, the College contracted with a consultant to assist the Communication and Information Technology Committee with resolving computer security issues. As part of his review of computer security, the consultant reviewed the College's practices

regarding the maintenance and monitoring of audit logs on the computer operating systems, on the network operating systems and on network devices.

Actions Planned

The Board will review the consultant’s recommendations regarding maintenance and monitoring of audit logs and, if considered appropriate, will authorize resources to implement the recommendations.