



FÉUO - SFUO
FÉDÉRATION ÉTUDIANTE
de l'Université d'Ottawa
STUDENT FEDERATION
of the University of Ottawa

07 - 85 University Pwt
Ottawa, ON, K1N 8Z4
Tél. | Tel: (613) 562-5966
Télec. | Fax: (613) 562-5969
www.feuo.ca | www.sfuو.ca

PRESS RELEASE

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For immediate release

SFUO Welcomes Audit Findings, Pledges to Implement Auditor's Recommendations for Tightening Financial Oversight

OTTAWA, ON - The Student Federation of the University of Ottawa (SFUO) welcomes the completion of the PricewaterhouseCoopers (PwC) audit of its operations and is pledging to quickly implement the auditors' recommendations to strengthen financial operations and improve accountability.

Responding to PricewaterhouseCoopers' findings, the SFUO will make it a top priority to move forward on the recommendations to tighten controls to eliminate the possibility of conflict-of-interest situations in the federation's operations.

The audit investigated two allegations of fraud by a former member of the SFUO executive. In both cases, PwC concluded the allegations were not borne out by the facts.

Despite the finding that the allegations of fraud were not supported by the facts, the SFUO, in keeping with its ongoing effort to enhance accountability, is committed to overhauling its policies to address the auditors' recommendations, including:

- The SFUO should bring in a formal conflict-of-interest policy with guidelines that apply to all executives and employees.
- A formal procurement policy should be established to ensure efficient purchasing procedures and that the SFUO gets value for its expenditures.
- The SFUO should appoint a full-time Vice-President, Finance, who is an individual with an appropriate accounting background.
- The SFUO should undergo a proactive analysis of its financial vulnerabilities. This so-called fraud risk analysis would help prevent any future problems.

We are working with the SFUO Board of Administration (BOA) to move forward on these recommendations.

SFUO officers, who retained PricewaterhouseCoopers several months ago to conduct an independent forensic audit in light of allegations about the federation's financial controls, appreciate the auditors' work on behalf of the University of Ottawa's student body.



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The audit cleared two allegations. The first allegation was that a catering business owned by a family member of an SFUO staff was paid \$3,030 for catering services at a Leader Action event and the services were not provided.

The audit found that, during SFUO's standard approval process, the \$3,030 cheque was not approved and not issued. The officer who refused to authorize the expense was the same former executive who later launched the allegation of misspending, the auditors indicated. (The food and juice provided at the Leader Action event was purchased from Loblaws by an SFUO employee.)

The second allegation was that payments totalling \$20,414.58 were paid for five events between April 2017 and February 2018 to an allegedly fraudulent business called T.R. Alimentation (TR), a catering business operated by family members of a person who was an executive of SFUO at the time.

After investigating, the auditors found that the cheques had been signed by SFUO executives having authority to do so. Also, the audit said, "There was no evidence obtained suggesting that TR's catering services were not provided during the events nor were there any reported issues concerning the goods/services provided."

We are committed to strengthening our oversight and operational controls in keeping with the procedural improvements recommended by PwC.

The auditors' recommendations add momentum to the executives' commitment to ensuring the stability and integrity of the SFUO to strengthen and secure its role at the University. The student-run body has for nearly 60 years provided an independent, activist voice dedicated to enriching the educational experience. That has included managing health care, transit passes, clubs and other amenities while fighting for justice, equality, freedom from fear, student assistance and other needs.

The SFUO's new Accountability Agenda, which has been approved by the BOA, is meant to guarantee that in future the internal operations of the student union will be conducted with openness, full accountability to the student body and robust financial integrity. Now bolstered by the auditors' recommendations, the agenda will lead to expanded oversight, tighter financial decision-making and revised internal operations based on best practices of other institutions, strict conflict-of-interest guidelines and enforcement of the highest fiduciary standards.

The new Accountability Agenda was built on steps already taken to enhance governance and financial management. In addition to commissioning the PwC audit, the SFUO has brought in new rules for university clubs that provide for stronger oversight by the executive and BOA.

Provisions in the Accountability Agenda include the development of a task force of executives and BOA members by BOA's finance committee to overhaul and improve financial operations;



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the creation by accounting experts of a modern, rigorous system of controls for SFUO finances; and a requirement that all executive officers take basic financial controls training.

Also included are a series of measures to avoid any conflict of interest concerns. No employees of the SFUO will be allowed to sit on the BOA; meetings of the BOA will be chaired only by an independent chairperson, and SFUO executives can no longer participate on the elections committee and the constitutional committee.

Strengthening the engagement of students in the activities of their federation is a high priority of the current SFUO executive. We are here to serve students, and we want to hear from them. Only in that way can we fulfill the goal of providing the best services possible and work to amplify the voice of the student body in the affairs of the university.

Accordingly, the Accountability Agenda also includes new rules meant to bolster open democracy for U of O students. After consultation with the SFUO's membership, an online voting system has been implemented for SFUO elections and was used in the October 2018 by-elections; candidate slates in SFUO votes will be eliminated, and SFUO members will have greater input in decision-making. For example, the BOA will no longer be able to overturn member votes at a General Assembly.

And as part of our commitment to improved transparency, we intend to keep students up to date on the implementation of the new Accountability Agenda with regular progress reports. The executive will also set up a series of consultations with students, staff, stakeholders and service partners to obtain feedback and ideas that could make the Accountability Agenda stronger.

“We believe the recommendations from PricewaterhouseCoopers represent an important contribution to SFUO's ongoing effort to address concerns about its operations and will enable the Federation to achieve its goals of strengthening oversight, tightening financial controls and eliminating any potential for future conflicts-of-interest,” said Paige Booth, SFUO Vice President, External.

The SFUO believes uOttawa students can best be served by an activist, responsive Federation with the experience, institutional knowledge and commitment to independence crucial to ensuring that the interests of students are paramount in daily campus life and are accorded full recognition in the interaction between the student body and the university.

The SFUO is committed to implementing the recommendations of the auditors and working with students and other stakeholders to strengthen its operations, achieve full accountability and enhance democracy in student elections and administration.

We also hope the findings of the audit, along with the SFUO's pro-active commitment to tighter financial controls, will be a positive factor in the federation's efforts to move forward with constructive discussions with the university. We are doing everything possible to cooperate



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with the administration with the aim of re-establishing the SFUO's funding agreement with the university, which administration officials announced before the PwC audit was complete that the university would be terminating.

As an effort toward this commitment, on Sunday, November 4, 2018, the SFUO board passed two new resolutions:

- The SFUO will consult with the Federated Body Presidents Round Table (PRT) before signing any agreements with the University of Ottawa. The executives met with the PRT Monday, November 5, 2018, and they voted in favour of a new agreement to recognize the SFUO as the sole union representing undergraduate students with over a 2/3 majority vote.
- An ethics committee will be formed in collaboration with the University of Ottawa as of May 1, 2019. If the university chooses not to participate in the ethics committee, it will still exist within the scope of the BOA within the SFUO.

With the audit complete and the SFUO working to implement its recommendations, we believe the way is now open for the SFUO and the University to work together to find common ground and allow the University to renew the funding agreement that has served uOttawa students very well for many years.