



Regular Meeting Agenda

Board of Governors

Date: May 22, 2019

Time: 4:00 pm – 5:10 pm

Location: Surrey Campus
Cedar Boardroom 2110

Attending: Samuel Baroi, Doug Beaton, Sandra Case, Farhad Dastur, Alan Davis, Amos Kambere, Marc Kampschuur, Mohammed Mahabub, Michael McAdam, Amandeep Singh

*M = Motion to Approve
D = Discussion
I = Information
E = Education*

Excused: Akash Bhullar, Shelly Hill, Hanne Madsen, George Melville, Kim Rose

Presenters and Administrative Resources: Laurie Clancy, Jennifer Duprey, Jane Fee, Salvador Ferreras, Marlyn Graziano, Jon Harding, Ranminder Kaur, Lori McElroy, Joe Sass, Sandy Vanderburgh, Keri van Gerven

4:00 pm Regular Board Meeting
Closed Board Meeting to follow
In camera Debriefing Session to follow

<i>Agenda Item</i>	<i>Resource</i>	<i>Action</i>	<i>Time</i>	<i>Page</i>
1. Call to Order & Introductory Remarks	Sandra Case		4:00	
2. Approval of Agenda	Sandra Case	M	4:00-4:01	
3. Consent Agenda	Sandra Case	M	4:01-4:03	5
3.1. Minutes of the March 27, 2019 Regular Board of Governors Meeting				6
3.2. 2019-20 and 2020-21 Academic Year Schedules		I		7
4. Audit Committee Report				
4.1. Committee Chair Report	Doug Beaton	I	4:03-4:06	
4.2. Draft Financial Statements for Year Ending March 31, 2019	Jon Harding	M	4:06-4:11	15
4.3. Reappointment of the External Auditor	Doug Beaton	M	4:11-4:14	43
5. Finance Committee Report				
5.1. Committee Chair Report	Doug Beaton	I	4:14-4:17	
5.2. Budget Development Timeline for 2020/21	Jon Harding	D	4:17-4:20	45



Regular Meeting Agenda

Board of Governors

Date: May 22, 2019

Time: 4:00 pm – 5:10 pm

Location: Surrey Campus
Cedar Boardroom 2110

6. Governance Committee Report				
6.1. Committee Chair Report	Amos Kambere	I	4:20-4:22	
6.2. AC3 Program Review Policy and Procedure	Lori McElroy	M	4:22-4:27	49
6.3. VP Students Search	Alan Davis	I	4:27-4:32	
7. Human Resources Committee Report				
7.1. Committee Chair Report	Sandra Case	I	4:32-4:35	
8. President's Report				
8.1. Report to the Board	Alan Davis	I	4:35-4:39	
9. Provost's Report				
9.1. Report to the Board	Salvador Ferreras	I	4:39-4:43	
10. Vice President, External Affairs				
10.1. Report to the Board	Marlyn Graziano	I	4:43-4:47	
11. Vice President, Finance & Administration's Report				
11.1. Report to the Board	Jon Harding	I	4:47-4:52	
12. Senate Reports:	Alan Davis	I	4:52-4:55	63
12.1. Senate meeting - March 25, 2019				
12.2. Senate meeting - April 29, 2019				
13. Next Meeting Agenda Contribution	Sandra Case	D	4:55-4:57	
14. For the Good of the Order	All	D	4:57-5:00	
15. Feedback on the Meeting	All	D	5:00-5:03	
16. Appendix:				
16.1. Report to the Board of Governors	Alan Davis	I	5:03-5:08	



Regular Meeting Agenda

Board of Governors

Date: May 22, 2019

Time: 4:00 pm – 5:10 pm

Location: Surrey Campus
Cedar Boardroom 2110

17. Next Meeting

**Regular Board Meeting
Wednesday, June 26, 2019
Richmond Campus,
Wilson Room 4900
4:00 – 7:00 pm**

Sandra Case

I

5:08-5:10

18. Adjournment

Sandra Case

5:10



Board of Governors
Agenda Item:
Meeting Date:
Presenter(s):

Regular Meeting
#3
May 22, 2019
Sandra Case

Agenda Item: **Consent Agenda**

Action Requested:	<input checked="checked" type="checkbox"/> Motion to Approve <input type="checkbox"/> Discussion <input type="checkbox"/> Information <input type="checkbox"/> Education
--------------------------	---

Recommended Resolution:	THAT the Board of Governors approve the following items on the Consent Agenda: 3.1 Minutes of the March 27, 2019 Regular Board of Governors Meeting AND THAT the Board of Governors receive the following item on the Consent Agenda: 3.2 2018-19 and 2019-20 Academic Year Schedules
--------------------------------	--

Attachments: 1. Minutes of the March 27, 2017 Regular Board of Governors Meeting.
 2. 2018-19 and 2019-20 Academic Year Schedules

Submitted by: Ranminder Kaur

Date submitted: May 13, 2019



REGULAR MINUTES
Board of Governors
March 27, 2019
Surrey Campus
Arbutus Building, Library

Present: Board

Douglas Beaton
 Samuel Baroi
 Sandra Case / Chair
 Farhad Dastur
 Alan Davis / President & Vice Chancellor
 Amos Kambere
 Michael McAdam
 Hanne Madsen
 Marc Kampschuur
 Mohammed Mahabub
 Kim Rose

University Vice Presidents

Salvador Ferreras / Provost & VP Academic
 Marlyn Graziano / VP, External Affairs
 Jon Harding / VP, Finance & Administration

Presenters and University Resources

Jennifer Duprey / General Counsel
 Laurie Clancy / Interim AVP, Human Resources
 Ranminder Kaur / Confidential Assistant to the Board of Governors
 Joe Sass / Executive Director, Financial Services
 Keri van Gerven / University Secretary & Confidential Assistant to the President & Vice Chancellor

Regrets:

Akash Bhullar
 Shelly Hill
 Amandeep Singh
 George Melville / Chancellor

1. Call to Order and Introductory Remarks

The Chair called the meeting to order at 4:05 pm.

The Chair made opening remarks to the audience present and it was noted that the public will be given a chance to speak regarding the draft 2019/20 budget presented to the Board for discussion and approval.

2. Approval of Agenda

Motion #16-18/19

MOVED, SECONDED AND CARRIED THAT the Board of Governors approve the Agenda for March 27, 2019.

3. Consent Agenda

Motion #17-18/19

MOVED, SECONDED AND CARRIED THAT the Board of Governors approve the following item on the Consent Agenda:

**3.1 Minutes of the January 30, 2019, Regular Board of Governors Meeting
 AND**

receive the following item on the Consent Agenda for information:

3.2. Revised KSA Annual Fee Change Letter - 2019-2020 Academic Year.

4. Finance Committee Report

4.1 Committee Chair Report

Committee Chair, Doug Beaton advised that the Finance Committee met on March 12th, 2019 and received the draft budget 2019/20 and commented that it was the most constructive budget he had seen and it is the first of a five-year fiscal plan focused on bringing long-term financial sustainability to the university.

He also thanked Jon Harding and all the staff in the Finance Department for their hard work in the development of the draft budget 2019/20.

It was noted that an update on Real Estate/property and the Investment Policy was also received during the meeting.

4.2 Senate Endorsement of the Draft 2019/20 University Budget

Dr. Davis highlighted the memo which outlined Senate's endorsement of the draft 2019/20 University Budget, its observations, recommendations and priorities. As in the past, a response from the Board will be drafted and presented by the Board Finance Committee Chair at an upcoming Senate meeting.

4.3 Draft 2019/20 University Budget and Revisions to Bylaw No. 4, Fees

Dr. Davis introduced the draft 2019/20 University Budget and Bylaw 4, Fees and noted that Bylaw 4, Fees is revised on an annual basis to reflect annual increases and changes to tuition and student fees.

Dr. Davis presented highlights from the draft 2019/20 University Budget which included:

- Current Status
- Setting Priorities
- FY19/20 Budget Highlights
- Key Elements to Achieve Financial Sustainability
- FY20/21 Budget

Dr. Davis presented that given the static government operating grant and limited opportunity to increase tuition fee (capped at 2% increase) meant recalibrating the size of KPU as costs are projected to grow faster than revenues. It was noted that if it continued, expenses will exceed revenues by fiscal year 2020. Therefore, the draft budget presented to the Board was a balanced budget for fiscal 2019/2020, and includes a contingency fund for issues/opportunities that may arise during the year and a modest surplus of approximately \$400,000.

Dr. Davis presented that a number of methodological improvements were made in the development of the draft 2019/20 University Budget, including:

- Enhanced revenue forecasting based on metrics and the integration of financial and non-financial data.
- The use of algorithms to allocate funding in a fair and transparent manner.
- The development of both Operating and Capital budgets.

Dr. Davis advised that the proposed budget included assumptions around the control of capital investments, growth to average number of students per class, increased revenue diversification through long-term asset

leveraging, business development opportunities and investment policy revision.

The Chair opened the floor to the audience for comments on the proposed budget. Four members from the audience addressed the Board and asked the Board to reconsider the proposed budget and send it back to the administration team to make amendments to the proposed budget by cancelling the following:

- Cancellation of first year intake for Music Diploma/Degree due to low enrolment.
- Cancellation of one intake of Foundations of Design
- Cancellation of one intake of Fashion Design

Management reiterated that the faculties had been asked to look into redesigning the program with a sustainable approach of delivery.

The Chair thanked the audience for their engagement and reiterated the Board's commitment to ensuring the university is financially sustainable while continuing to serve its students and communities.

Motion #18-18/19

MOVED, SECONDED AND CARRIED THAT the Board of Governors approve the 2019/20 University Budget and revisions to Bylaw No. 4, Fees as recommended by the Board Finance Committee.

4.4 Financial Forecast 2018/19

Joe Sass presented the Financial Forecast for the year ending March 31, 2019 based on Public Sector Accounting Standards. He noted that the forecast is subject to change as new information becomes available on two significant areas but also noted that is projected to be a healthy surplus.

5. Audit Committee Report

5.1 Committee Chair Report

Committee Chair, Doug Beaton advised that the Audit Committee met on March 12, 2019 and received updates from the Internal Auditor.

6. Governance Committee Report

6.1 Committee Chair Report

Committee Chair, Hanne Madsen advised that the Governance Committee scheduled for March 6 was cancelled as there was no substantial agenda items to be considered at the meeting.

7. Human Resources Committee Report

7.1 Committee Chair Report

Committee Chair, Sandra Case, advised that the Human Resources Committee scheduled for February 28 was cancelled as there was no significant agenda items to be considered at the meeting.

8. President's Report

8.1 Report to the Board

Dr. Davis stated that the President's Report was included in the Report to the Board of Governors.

Dr. Davis highlighted a number of events and activities including Faculty of Trades and Technology Scholarships and Awards dinner at KPU Tech, and Dr. Gillian Siddall's installation as new president of Emily Carr University of Art and Design.

Dr. Davis advised that he attended an event at Coast Capital Savings head office and he was presented with a major gift of \$500,000 to KPU. He also attended an event to celebrate our partnership with the Surrey Firefighters Charitable Society which has now provided \$100,000 to KPU for student scholarships.

Dr. Davis reported that there was a semi-surprise visit from The Honourable Kristy Duncan, Minister of Science and Sport which took place earlier in the day on March 27, 2019 for a meeting with the executives at the university and also a visit to the lifespan cognition lab.

9. Provost's Report

9.1 Report to the Board

Dr. Salvador Ferreras advised that the Provost and VP, Academic Report was included in the Report to the Board of Governors. It was noted that 7 members from various faculties were granted education leave to pursue academic achievements, publications, creative projects and curriculum innovations.

Dr. Ferreras also expressed thank you to:

- Former Dean of the School of Business, Wayne Tebb for his successful tenure as Special Advisor assisting with the opening of KPU Civic Plaza.
- Former AVP Business Development and Innovation Olen Vanderleeden for his input into the success of Cannabis programs at KPU and development of the Strategic infrastructure Grant proposal for the new Spruce Building.

10. Vice President, Finance & Administration's Report

10.1 Report to the Board

Jon Harding advised that the Vice President, Finance and Administration Report was included in the Report to the Board of Governors.

11. Senate Report: February 25, 2019

Dr. Davis advised that the Senate Report for February 25, 2019 was prepared by David Burns, Senate Vice-Chair and was included in the meeting package. Further, the Senate also met on March 25, 2019 and members noted that discussions were around the budget for 2019/20 and detailed analysis of the next 5 year fiscal budget.

12. Next Meeting Agenda Contribution

Board members were asked to send contributions for the next meeting agenda to Keri van Gerven at least two weeks in advance of the meeting.

- 13. For the Good of the Order** Keri van Gerven advised the members that Board has received a 'Thank You' card from a student who had received a scholarship award and recently graduated from the university.
- 14. Feedback on the Meeting** There was no additional feedback on the meeting.
- 15. Appendix:** **15.1 *Report to the Board of Governors***
- The March 2019 Report to the Board of Governors was received and hard copies of the report were distributed to the Board.
- 16. Next Meeting** Wednesday, May 22, 2019 at the Surrey Campus, Cedar Boardroom 2110 at 4:00 pm.
- 17. Adjournment** The meeting adjourned at 5:30 pm.

Board Chair

2019-20 Academic Year Schedule

KPU HOLIDAYS/CLOSURES

Labour Day	Mon, Sep 02, 2019	Good Friday	Fri, Apr 10, 2020
Thanksgiving	Mon, Oct 14, 2019	Easter Monday	Mon, Apr 13, 2020
Remembrance Day	Mon, Nov 11, 2019	Victoria Day	Mon, May 18, 2020
Potential KPU closure (TBA)	Dec 24, 2019 – Jan 1, 2020	Canada Day	Wed, Jul 01, 2020
Family Day	Mon, Feb 17, 2020	BC Day	Mon, Aug 03, 2020

SUMMARY

Term Duration <i>(first day of classes until final grade submission deadline)</i>	
Fall 2019	Sep 03 – Dec 18
Spring 2020	Jan 03 – Apr 30
Summer 2020	May 11 – Aug 26

FULL TERM DATES

Term	Fall	Spring	Summer
Instructional Period			
First day of classes	Tue, Sep 03	Fri, Jan 03	Mon, May 11
Reading break		Mon Feb 17-Feb 23	
Last day to withdraw	Fri, Nov 01	Tues, Mar 10	Fri, July 10
Last day of classes	Mon, Dec 02	Thurs, Apr 09	Mon, Aug 10
Exam Period			
Final exams start	Wed, Dec 04	Wed, Apr 15	Wed, Aug 12
Final exams end	Thurs, Dec 12	Thurs, Apr 23	Thurs, Aug 20
Grade Submission Deadline	Wed, Dec 18	Thurs, Apr 30	Wed, Aug 26

Days of instruction (holidays /closures removed):

Term	Fall	Spring	Summer
Mondays	11	13	12
Tuesdays	13	13	13
Wednesdays	13	13	12
Thursdays	13	13	13
Fridays	13	13	13
Saturdays	13	13	13
TOTAL	76	78	76
Exam days	8	8	8

INTERSESSION DATES

Session One	Fall	Spring	Summer
Instructional Period			
First day of classes	Tue, Sep 03	Fri, Jan 03	Mon, May 11
Last day to withdraw	Mon, Sep 30	Thurs, Jan 30	Mon, Jun 08
Last day of classes	Tue, Oct 15	Thurs, Feb 13	Mon, Jun 22
Exam Period			
Final exams start	Thurs, Oct 17	Mon, Feb 24	Wed, Jun 24
Final exams end	Sat, Oct 19	Wed, Feb 26	Fri, Jun 26

Session Two	Fall	Spring	Summer
Instructional Days			
First day of classes	Mon, Oct 28	Mon, Mar 09	Mon, Jul 06
Last day to withdraw	Mon, Nov 25	Sat, Apr 04	Sat, Aug 01
Last day of classes	Mon, Dec 09	Mon, Apr 20	Mon, Aug 17
Exam Period			
Final exams start	Wed, Dec 11	Wed, Apr 22	Wed, Aug 19
Final exams end	Fri, Dec 13	Fri, Apr 24	Fri, Aug 21

Days of instruction:

Term	Fall		Spring		Summer	
Session	One	Two	One	Two	One	Two
Mondays	6	6	6	6	6	5
Tuesday	6	6	6	6	6	6
Wednesdays	6	6	6	6	6	6
Thursdays	6	6	6	6	6	6
Fridays	6	6	6	6	6	6
Saturdays	6	6	6	6	6	6
TOTAL	36	36	36	36	36	36
Exam Days	3	3	3	3	3	3

2020-21 Academic Year Schedule

KPU HOLIDAYS/CLOSURES

Labour Day	Mon, Sep 07, 2020	Good Friday	Fri, Apr 02, 2021
Thanksgiving	Mon, Oct 12, 2020	Easter Monday	Mon, Apr 05, 2021
Remembrance Day	Wed, Nov 11, 2020	Victoria Day	Mon, May 24, 2021
Potential KPU closure (TBA)	Dec 24, 2020 – Jan 1, 2021	Canada Day	Thu, Jul 01, 2021
Family Day	Mon, Feb 15, 2021	BC Day	Mon, Aug 02, 2021

SUMMARY

Term Duration <i>(first day of classes until final grade submission deadline)</i>	
Fall 2020	Sep 08 – Dec 22
Spring 2021	Jan 05 – Apr 28
Summer 2021	May 10 – Aug 25

FULL TERM DATES

Term	Fall	Spring	Summer
Instructional Period			
First day of classes	Tue, Sep 08	Tue, Jan 05	Mon, May 10
Reading break		Mon Feb 15-Sat Feb 20	
Last day to withdraw	Fri, Nov 06	Thurs, Mar 11	Fri, July 09
Last day of classes	Mon, Dec 07	Mon, Apr 12	Mon, Aug 09
Exam Period			
Final exams start	Wed, Dec 09	Wed, Apr 14	Wed, Aug 11
Final exams end	Thurs, Dec 17	Thurs, Apr 22	Thurs, Aug 19
Grade Submission Deadline	Wed, Dec 22	Wed, Apr 28	Wed, Aug 25

Days of instruction (holidays /closures removed):

Term	Fall	Spring	Summer
Mondays	12	12	12
Tuesdays	13	13	13
Wednesdays	12	13	13
Thursdays	13	13	12
Fridays	13	12	13
Saturdays	13	13	13
TOTAL	76	76	76
Exam days	8	8	8

INTERSESSION DATES

Session One	Fall	Spring	Summer
Instructional Period			
First day of classes	Tue, Sep 08	Tue, Jan 05	Mon, May 10
Last day to withdraw	Mon, Oct 05	Mon, Feb 01	Mon, June 07
Last day of classes	Mon, Oct 19	Mon, Feb 22	Mon, Jun 21
Exam Period			
Final exams start	Wed, Oct 21	Wed, Feb 24	Wed, Jun 23
Final exams end	Fri, Oct 23	Fri, Feb 26	Fri, Jun 25

Session Two	Fall	Spring	Summer
Instructional Days			
First day of classes	Mon, Nov 02	Mon, Mar 08	Mon, Jul 05
Last day to withdraw	Mon, Nov 30	Tue, Apr 06	Fri, Jul 31
Last day of classes	Sat, Dec 12	Mon, Apr 19	Mon, Aug 16
Exam Period			
Final exams start	Tue, Dec 15	Wed, Apr 21	Wed, Aug 18
Final exams end	Thurs, Dec 17	Fri, Apr 23	Fri, Aug 20

Days of instruction:

Term	Fall		Spring		Summer	
Session	One	Two	One	Two	One	Two
Mondays	5	6	6	6	6	6
Tuesday	6	6	6	6	6	6
Wednesdays	6	5	6	6	6	6
Thursdays	6	6	6	6	6	6
Fridays	6	6	6	5	6	6
Saturdays	6	6	6	6	6	6
TOTAL	35	35	36	35	36	36
Exam Days	3	3	3	3	3	3



Board of Governors

Agenda Item:

Meeting Date:

Presenter(s):

Regular Meeting

#4.2

May 22, 2019

Jon Harding

Agenda Item: Draft Financial Statements for Year Ending March 31, 2019

Action Requested:	<input checked="" type="checkbox"/> Motion to Approve <input type="checkbox"/> Discussion <input type="checkbox"/> Information <input type="checkbox"/> Education
--------------------------	--

Recommended Resolution:	THAT the Board of Governors approve the Draft Financial Statements for the Year Ending March 31, 2019 as recommended by the Board Audit Committee.
--------------------------------	---

Board Committee Report: At its meeting held on May 14 2019, the Board Audit Committee approved the Draft Financial Statements for the Year Ending March 31, 2019 for recommendation to the Board of Governors.

Context & Background: The annual draft financial statements are subject to external audit and must be approved by the Board of Governors before inclusion in the Province's annual financial statements. The draft financial statements are prepared by KPU management in accordance with Public Sector Accounting Standards.

Key Messages:
[maximum of three]

1. KPU saw a \$22 million surplus in fiscal 2019, driven primarily by increases in international enrolment and revenues, and underspend in administrative salaries. Expenditures were in line with the Board approved KPU fiscal budget.
2. KPMG, the current external auditor, will provide a summary of their audit of the Draft Financial Statements for the year ending March 31, 2019.
3. Financial Services has prepared a Management Discussion and Analysis (MD&A) for the 2019 fiscal year to help the KPU community better understand our organization's financial health. An MD&A is considered industry standard, and the inclusion of this analysis in our Annual Financial Report will bring KPU's accountability documentation up to this standard.

Attachments:

1. Draft Financial Statements for the year ending March 31, 2019
2. Management Discussion and Analysis (MD&A)

Submitted by: Jon Harding / Vice President, Finance & Administration

Date submitted: May 15, 2019

Financial Statements of

KWANTLEN POLYTECHNIC UNIVERSITY

Year ended March 31, 2019



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Kwantlen Polytechnic University, and
To the Minister of Advanced Education, Skills & Training, Province of
British Columbia

Opinion

We have audited the financial statements of Kwantlen Polytechnic University (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2019 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- Information, other than the financial statements and the auditors' report thereon, included in the Management Discussion & Analysis document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Management Discussion & Analysis document as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants

Vancouver, Canada

, 2019

MANAGEMENT'S STATEMENT OF RESPONSIBILITY

To the Board of Governors of Kwantlen Polytechnic University

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in compliance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Board of Governors (the "Board") and the Finance and Audit Committee (the "Committee") are composed primarily of those who are neither management nor employees of the University. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the financial statements. The Committee has the responsibility of meeting with management and external auditors to discuss the financial reporting process, auditing matters, financial reporting issues, and recommends approval of the financial statements to the Board. The Committee is also responsible for recommending the appointment of the University's external auditor.

KPMG LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the financial statements and report directly to them through the Committee. The external auditor has full and free access to, and meets periodically and separately with, both the Committee and management to discuss their audit findings.

On behalf of Kwantlen Polytechnic University

Dr. Alan Davis
President and Vice-Chancellor

Jon Harding, CPA, CA
Vice-President, Finance and Administration

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Financial Position

(in thousands of dollars)

As at March 31, 2019, with comparative information for 2018

		2019	2018
Financial assets			
Cash and cash equivalents	(Note 3)	\$ 26,258	\$ 36,423
Accounts receivable	(Note 4)	6,517	8,227
Inventories for resale		600	620
Investments	(Note 5)	28,880	38,040
		62,255	83,310
Liabilities			
Accounts payable and accrued liabilities	(Note 6)	27,398	37,676
Deferred revenue		13,495	20,177
Deferred contributions	(Note 8)	3,859	3,799
Deferred capital contributions	(Note 9)	159,328	159,104
Obligations under capital lease	(Note 10)	247	433
		204,327	221,189
Net debt		(142,072)	(137,879)
Non-financial assets			
Tangible capital assets	(Note 11)	255,381	225,933
Endowment investments	(Note 5)	2,817	2,817
Prepaid expenses and deposits		1,989	4,358
		260,187	233,108
Accumulated surplus		\$ 118,115	\$ 95,229
Accumulated surplus is comprised of:			
Accumulated surplus		\$ 117,864	\$ 95,804
Accumulated remeasurement gains (losses)		251	(575)
		\$ 118,115	\$ 95,229

Employee future benefits (Note 7)
 Contractual obligations (Note 13)
 Commitments and contingent liabilities (Note 14)
 Related party transactions (Note 15)
 Contingent assets (Note 16)
 Contractual rights (Note 17)
 See accompanying notes to financial statements.

Approved on behalf of the Board:

Sandra Case
 Chair

Jon Harding, CPA, CA
 Vice-President, Finance and Administration

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Operations and Accumulated Surplus

(in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

		Budget	2019	2018
		(Note 2(k))		
Revenue:				
Province of British Columbia grants		\$ 73,260	\$ 71,531	\$ 69,782
Revenue recognized from deferred contribution	(Note 8)	5,212	6,050	7,401
Tuition and student fees		105,032	118,451	92,996
Ancillary services		6,585	6,472	7,028
Other revenue		4,050	4,615	4,817
Revenue recognized from deferred capital contributions	(Note 9)	8,626	7,612	6,229
		202,765	214,731	188,253
Expenses:	(Note 18)			
Instruction, research and support		196,924	186,927	169,052
Ancillary operations		5,825	5,744	5,917
		202,749	192,671	174,969
Annual surplus		16	22,060	13,284
Accumulated surplus, beginning of year		95,804	95,804	82,520
Accumulated surplus, end of year		\$ 95,820	\$ 117,864	\$ 95,804

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Changes in Net Debt

(in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

	Budget	2019	2018
	(Note 2(k))		
Annual surplus	\$ 16	\$ 22,060	\$ 13,284
Acquisition of tangible capital assets	-	(46,109)	(50,791)
Amortization of tangible capital assets	16,653	16,661	13,126
	16,653	(29,448)	(37,665)
Net of use of prepaid expenses and deposits	-	2,369	744
Net remeasurement gain (losses)	-	826	(769)
Change in net debt	16,669	(4,193)	(24,406)
Net debt, beginning of year	(137,879)	(137,879)	(113,473)
Net debt, end of year	\$ (121,210)	\$ (142,072)	\$ (137,879)

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Cash Flows

(in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 22,060	\$ 13,284
Items not involving cash:		
Amortization of tangible capital assets	16,661	13,126
Revenue recognized from deferred capital contributions	(7,612)	(6,229)
Change in non-cash operating working capital:		
Accounts receivable	1,710	(2,813)
Prepaid expenses and deposits	2,369	744
Inventories for resale	20	(181)
Accounts payable and accrued liabilities	(10,278)	14,028
Deferred revenue	(6,682)	7,967
Deferred contributions	60	65
Net change from operating activities	18,308	39,991
Capital activities:		
Cash used to acquire tangible capital assets	(45,998)	(50,718)
Net change from capital activities	(45,998)	(50,718)
Financing activities:		
Contributions received for tangible capital assets	7,836	25,439
Principal payments on capital lease obligations	(297)	(347)
Net change from financing activities	7,539	25,092
Investing activities:		
Decrease in investments	9,160	58
Net remeasurement gains (losses)	826	(769)
Net change from investing activities	9,986	(711)
Net change in cash and cash equivalents	(10,165)	13,654
Cash and cash equivalents, beginning of year	36,423	22,769
Cash and cash equivalents, end of year	\$ 26,258	\$ 36,423
Non-cash transaction:		
Tangible capital assets acquired and financed by capital leases	\$ 111	\$ 73

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Remeasurement Gains and Losses

(in thousands of dollars)

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Accumulated remeasurement gains (losses), beginning of year	\$ (575)	\$ 194
Unrealized gains (losses) generated during the year from:		
Fixed income investments	270	(1,072)
Mortgage-backed securities and mutual funds	15	(37)
Foreign currency translation	(6)	37
Remeasurement (gains) losses realized and reclassified to the Statement of Operations from:		
Fixed income investments	497	340
Mortgage-backed securities and mutual funds	15	-
Foreign currency translation	35	(37)
Net remeasurement gains (losses) for the year	826	(769)
Accumulated remeasurement gains (losses), end of year	\$ 251	\$ (575)

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements
(in thousands of dollars)

Year ended March 31, 2019

1. Authority and purpose

Kwantlen Polytechnic University ("the University") operates under the authority of the University Act of British Columbia. The University is a not-for-profit entity governed by a Board of Governors, the majority of which are appointed by the provincial government of British Columbia. The University is exempt from income taxes under section 149 of the Income Tax Act.

The University offers career, vocational, developmental and academic programs from its Richmond, Langley and three Surrey campuses located in southwestern British Columbia. The academic governance of the University is vested in the Senate.

2. Summary of significant accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that are comprised of generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that are comprised of generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Government Organization Accounting Standards Regulation 257/2010 requires all taxpayer supported organizations in the schools, universities, colleges and hospitals sectors to adopt the Canadian Public Sector Accounting Standards ("PSAS") without any public sector ("PS") 4200 elections, effective their first fiscal year commencing after January 1, 2012.

Government Organization Accounting Standards Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

Regulation 198/2011 also requires that the contributions restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the period when the stipulation or restriction on the contributions have been met.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of PSAS which requires government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with PS 3410. Externally restricted contributions are recognized in revenue in the period when the resources are used for the purpose specified in accordance with PS 3100.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

2. Summary of significant accounting policies (continued)

(a) Basis of accounting (continued)

As a result, revenue recognized in the Statement of Operations and Accumulated Surplus and certain related deferred capital contributions would be recorded differently under PSAS.

(b) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(c) Financial instruments

Financial instruments are classified into two categories: Fair value or cost.

(i) Fair value category: The University manages and reports performance for groups of financial assets on a fair-value basis. Cash and cash equivalents and investments are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets except for those related to restricted endowments are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. Unrealized gains and losses on endowment investment assets, where earnings are restricted as to use, are recorded as deferred contributions and recognized in revenue when disposed and when the related expenses are incurred.

(ii) Cost category: Amounts receivable are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

(d) Inventories for resale

Inventories for resale, including new and used textbooks, course manuals, stationary, art supplies, clothing, crested and non-crested giftware are recorded at the lower of cost or net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is the estimated proceeds on sale less any costs to sell. Inventories are written down to net realizable value when the cost of inventories is estimated not to be recoverable. When circumstances that previously caused inventories to be written down below cost no longer exist, the amount of write-down previously recorded is reversed.

(e) Contaminated sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

2. Summary of significant accounting policies (continued)

(e) Contaminated sites (continued)

- (iii) The University is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(f) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and air space parcels, are amortized on a straight-line basis over their estimated useful lives shown below. Land is not amortized as it is deemed to have a permanent value. Work in progress is not amortized until the asset is available for productive use.

	Term
Buildings	40 years
Major site improvements	10 years
Major equipment	10 - 20 years
Library holdings	10 years
Technology infrastructure	8 years
Furniture and equipment	5 years
Computing equipment	3 years
Leased capital assets	shorter of 5 years or lease term

Tangible capital assets are written down when conditions indicate that they no longer contribute to the University's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

2. Summary of significant accounting policies (continued)

(f) Non-financial assets (continued)

(ii) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as obligations under capital lease and are reflected as part of tangible capital assets in the financial statements. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(g) Employee future benefits

The University and its employees make contributions to the College and Municipal pension plans which are multi-employer joint trustee pension plans. These plans are defined benefit plans, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. As the assets and liabilities of the plans are not segregated by institution, the plans are accounted for as defined contribution plans and any contributions of the University to the plans are expensed as incurred.

The University's sick leave benefits do not vest or accumulate and related costs are expensed as incurred.

(h) Revenue recognition

Tuition and student fees, and sales of goods and services are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured.

Unrestricted donations and grants are recorded as revenue if the amounts can be estimated and collection is reasonably assured. Pledges from donors are recorded as revenue when payment is received by the University or the transfer of property is completed.

Restricted donations and grants are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services, are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.
- (ii) Contributions restricted for specific purposes other than for those to be held in perpetuity or the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution have been met.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

2. Summary of significant accounting policies (continued)

(h) Revenue recognition (continued)

- (iii) Contributions restricted to be retained in perpetuity, allowing only the investment income earned thereon to be spent are recorded as endowment donations and as deferred contributions for any unspent restricted investment income earned thereon.

Investment income is reported as part of Other Revenue on the Statement of Operations and Accumulated Surplus and includes interest recorded on an accrual basis, dividends recorded as declared, and realized gains and losses on the sale of investments.

(i) Use of estimates

In accordance with PSAS, the preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures, and the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Key areas where management has made estimates and assumptions include those related to the determination of useful lives of tangible capital assets for amortization and the amortization of related deferred capital contributions, accrued liabilities, valuation of accounts receivable, and provisions for contingencies. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

(j) Foreign currency translation

The University's functional currency is the Canadian dollar. Transactions in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities which are designated in the fair value category under the financial instrument standard are reflected in the financial statements in equivalent Canadian dollars at the exchange rate in effect on the Statement of Financial Position date. Any gains or losses resulting from a change in rates between the transaction date and the settlement date or Statement of Financial Position date is recognized in the Statement of Remeasurement Gains and Losses. In the period of settlement, the related cumulative remeasurement gain/loss is reversed in the Statement of Remeasurement Gains and Losses and the exchange gains or losses in relation to the exchange rate at the date of the item's initial recognition is recognized in the Statement of Operations and Accumulated Surplus.

(k) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the 2018-2019 University Budget approved by the Board of Governors on March 28, 2018. The budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Debt.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

3. Cash and cash equivalents

	2019	2018
Cash	\$ 15,891	\$ 31,575
Cash equivalents	10,367	4,848
	\$ 26,258	\$ 36,423

4. Accounts receivable

	2019	2018
Accounts receivable	\$ 8,038	\$ 9,268
Allowance for doubtful accounts	(1,521)	(1,041)
	\$ 6,517	\$ 8,227

5. Investments and endowment investments

Investments and endowment investments recorded at fair value are comprised of the following:

	2019	2018
Fixed income investments	\$ 28,716	\$ 37,369
Mortgage-backed securities and mutual funds	2,981	3,488
	31,697	40,857
Endowment investments	2,817	2,817
Investments	\$ 28,880	\$ 38,040

All fixed income investments held at March 31, 2019 mature at various dates to September 2077 (2018 – September 2077) and bear interest at rates varying from 1.300% – 6.464% (2018 – 1.100% – 6.310%).

PSAS defines the fair value of a financial instrument as the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The University uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which the carrying amounts are included in the Statement of Financial Position under the following captions:

- Cash and cash equivalents, accounts receivable, and accounts payables and accrued liabilities – the carrying amounts approximate fair value because of the short maturity of these instruments.
- Investments – the carrying amounts are shown at fair value based on quoted prices (unadjusted) in active markets.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

5. Investments and endowment investments (continued)

The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The University's investments are all considered to be level 1 financial instruments for which the fair value is determined based on quoted prices in active markets. Changes in fair valuation methods or in the availability of market observable inputs may result in a transfer between levels. During the year there were no significant transfers of securities between the different levels.

6. Accounts payable and accrued liabilities

	2019	2018
Accounts payable and accrued liabilities	\$ 13,338	\$ 24,547
Salaries and wages payable	3,439	2,791
Accrued vacation payable	10,621	10,338
	\$ 27,398	\$ 37,676

7. Employee future benefits

(a) Pension benefits

The University and its employees contribute to the College Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at August 31, 2018, the College Pension Plan has about 14,000 active members, and approximately 8,000 retired members. As at December 31, 2017, the Municipal Pension Plan has about 197,000 active members, including approximately 6,000 from colleges.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

7. Employee future benefits (continued)

(a) Pension benefits (continued)

The most recent actuarial valuation for the College Pension Plan as at August 31, 2015, indicated a \$67 million surplus for basic pension benefits on a going concern basis.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The next valuation for the College Pension Plan will be as at August 31, 2018, with results available in 2019. The next valuation for the Municipal Pension Plan will be December 31, 2018, with results available in 2019.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

The University incurred \$10,095 for employer contributions to the plans in the current year (2018 – \$9,255).

(b) Maternity or parental leave

The University provides supplemental employee benefits for faculty, staff and administration on maternity or parental leave. For the duration of the leave, employees on maternity or parental leave receive a supplemental payment added to employment insurance benefits. Employer-paid benefits also continue to be paid on the employees' behalf. The University has expensed \$559 in the current year (2018 – \$270). As at March 31, 2019, the University has an obligation of \$357 (2018 – \$262) which has been included in salaries and wages payable.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

8. Deferred contributions

Deferred contributions represent the unspent externally restricted grants and contributions that will be used in future periods for academic programming and student awards, as specified by the contributor.

	2018	Amounts received	Recognized as revenue	2019
Provincial	\$ 2,849	\$ 4,318	\$ (4,377)	\$ 2,790
Federal	244	884	(675)	453
Other sources	706	908	(998)	616
	\$ 3,799	\$ 5,202	\$ (6,050)	\$ 3,859

9. Deferred capital contributions

Changes in deferred capital contributions balance are as follows:

	2018	Amounts received	Recognized as revenue	2019
Provincial	\$ 134,648	\$ 6,411	\$ (6,489)	\$ 134,570
Federal	9,948	509	(473)	9,984
Other sources	14,508	916	(650)	14,774
	\$ 159,104	\$ 7,836	\$ (7,612)	\$ 159,328

10. Obligations under capital lease

The University has entered into capital leases to finance computers and equipment at an estimated cost of borrowing of 3.10% (2018 – 2.46%) per annum. The principal and interest payments are as follows:

	2019	2018
2019	\$ -	\$ 288
2020	161	126
2021	61	31
2022	24	-
2023	10	-
Total minimum capital lease payments	256	445
Less amounts representing interest	(9)	(12)
Present value of net minimum capital lease payments	\$ 247	\$ 433

Total interest payment on capital leases for the year was \$11 (2018 – \$16).

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)

(in thousands of dollars)

Year ended March 31, 2019

11. Tangible capital assets

	Land	Buildings	Major site improvements	Major equipment	Library holdings	Technology infrastructure	Furniture & equipment	Computing Equipment	Leased capital assets	Work in progress (WIP) ¹	Total
2019 Cost											
Opening balance	\$ 20,040	\$230,298	\$ 20,982	\$ 4,588	\$ 8,387	\$ 3,390	\$ 61,118	\$ 6,648	\$ 1,858	\$ 26,495	\$ 383,804
Additions	-	23,105	14,394	1,332	342	476	3,957	1,400	111	992	46,109
Transfer to/(from) WIP	1,445	13,162	7,809	700	-	-	3,379	-	-	(26,495)	-
Closing balance	21,485	266,565	43,185	6,620	8,729	3,866	68,454	8,048	1,969	992	429,913
2019 Accumulated amortization											
Opening balance	-	(82,946)	(9,879)	(400)	(6,191)	(713)	(50,854)	(5,492)	(1,396)	-	(157,871)
Amortization	-	(6,211)	(3,114)	(435)	(479)	(454)	(4,827)	(843)	(298)	-	(16,661)
Closing balance	-	(89,157)	(12,993)	(835)	(6,670)	(1,167)	(55,681)	(6,335)	(1,694)	-	(174,532)
2019 Net book value	\$ 21,485	\$177,408	\$ 30,192	\$ 5,785	\$ 2,059	\$ 2,699	\$ 12,773	\$ 1,713	\$ 275	\$ 992	\$ 255,381
2018 Net book value	\$ 20,040	\$147,352	\$ 11,103	\$ 4,188	\$ 2,196	\$ 2,677	\$ 11,420	\$ -	\$ 462	\$ 26,495	\$ 225,933

1. As at March 31, 2019, work in progress with a value of \$992 (2018 - \$26,495) has not been amortized. Amortization of these assets will commence when the assets are put into productive use.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

12. Financial risk management

The University has exposure to certain risks from its use of financial instruments.

The Board of Governors ensures that the University has identified its major risks and ensures that management monitors and controls them.

(a) Credit risk

Credit risk is the risk of financial loss to the University if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the University consisting of cash and cash equivalents, investments and accounts receivable.

The University manages credit risk with established investment guidelines for its investment management companies to follow in managing its investment portfolios. The guidelines limit investments to those with BBB- or greater credit rating. The University does not invest in any derivatives.

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the University's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

It is management's opinion that the University is not exposed to significant market or interest rate risk arising from its financial instruments.

(c) Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they become due.

The University manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

13. Contractual obligations

The nature of the University's activities can result in multi-year contracts and obligations whereby the University will be committed to make future payments. Significant contractual obligations related to operations that can be reasonably estimated are as follows:

	2020	2021	2022	2023	2024
Capital leases	\$ 161	\$ 61	\$ 24	\$ 10	\$ -
Service contracts	11,592	3,006	696	73	-
Total	\$ 11,753	\$ 3,067	\$ 720	\$ 83	\$ -

14. Commitments and contingent liabilities

- (a) The University may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the normal course of operations.

There are several lawsuits pending in which the University is involved. It is considered that the potential claims against the University resulting from such litigation would not materially affect the financial statements of the University.

- (b) The University committed to the building of the Chip and Shannon Wilson School of Design at the Richmond campus for the Faculty of Design. The project, which has a total budget of \$36,000, was substantially complete by December 2017. As at March 31, 2019, the University received \$12,000 (2018 – \$12,000) from Chip and Shannon Wilson and lululemon athletica Canada Inc., and \$12,000 (2018 – \$12,000) from provincial funding. The University's contribution toward this project is \$12,000 per the budget approved by the Board. As at March 31, 2019, the University incurred costs of \$34,996 (2018 – \$33,933) for this project, with the anticipated remaining costs of \$1,004 (2018 - \$2,067) to be incurred in fiscal 2020.
- (c) The University has entered into an agreement to purchase five office floors at Civic Plaza in central Surrey to provide additional classroom space to meet future student demand. The construction of the space was substantially completed in late June 2018 and the five floors were purchased on June 28, 2018. The purchase price for the five office floors including goods and service tax was \$24,195 (2018 – \$2,070) and was funded by the University. The construction cost for the interior classroom space and the cost of furnishing totalled \$14,472 (2018 – \$13,190). Civic Plaza was officially opened by January 2, 2019. As at March 31, 2019, the total cost incurred for the five floors, and completion of the interior construction and furnishing was \$38,667 (2018 – \$7,095), with the anticipated remaining costs of \$638 to be incurred in fiscal 2020.
- (d) The University has entered into an agreement for the construction and upgrade of the Spruce building on the Surrey campus in fiscal 2018. The project was funded by \$22,000 from Government of Canada's Strategic Investment Fund and provincial funding. As at March 31, 2019, the total cost incurred to build the new addition and the renovation of the existing Spruce building was \$23,491, of which \$22,000 was funded by Government of Canada and the Province of British Columbia.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

14. Commitments and contingent liabilities (continued)

- (e) The University has the ability to draw on a line of credit with a commercial bank for \$7,500 (2018 – \$7,500). As at March 31, 2019, the University has not utilized the available line of credit.
- (f) As at March 31, 2019, the University has issued two letters of credit to the City of Surrey totalled \$294 (2018 – \$294) which expire on January 25, 2020. These letters of credit are automatically renewed each year and will terminate once the City of Surrey advises the University that the guarantees are not required.

15. Related party transactions

The University is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Significant related party transactions with the provincial government entities are as follows:

Revenue and expenses:

Included in revenue	2019	2018
Ministry of Advanced Education, Skills and Training – grants and revenue recognized in deferred contributions	\$ 72,064	\$ 71,512
Other provincial government entity – grants and revenue recognized in deferred contributions	3,161	3,159
	\$ 75,225	\$ 74,671

Included in expenses	2019	2018
Ministry of Advanced Education, Skills and Training	\$ 202	\$ 211
Other provincial government entity	1,466	1,153
Other provincial university	340	338
	\$ 2,008	\$ 1,702

Receivables and payables:

Included in accounts receivable	2019	2018
Ministry of Advanced Education, Skills and Training	\$ 928	\$ 1,616

There are \$nil (2018 - \$nil) amounts included in accounts payable for related party transactions with the provincial government entities.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

15. Related party transactions (continued)

Related party transactions with key management personnel:

During the year, the key management personnel, comprised of the Board of Governors and the University's Executives, have \$nil (2018 – \$nil) related party transactions with the University with respect to the delivery of goods and services, and payment of fees that were transacted at non-arms' length. As at March 31, 2019, the University had a net receivable of \$nil (2018 – \$nil) and a net payable of \$nil (2018 – \$nil) with respect to these transactions.

16. Contingent assets

The University has \$nil of contingent assets as at March 31, 2019 and 2018.

17. Contractual rights

The University may, from time to time, enter into contracts or agreements in its normal course of operations that will result in the realization of assets and revenues in future fiscal years. The University is a recipient of research grants from various federal, provincial and municipal funding agencies. During the year, the University has entered into a three-year lease agreement with an optional two year renewal with the City of Surrey to lease the fifth floor of Civic Plaza for \$133 per year, and various multi-year research funding agreements whereby the University has the opportunity to earn revenue in future years by incurring qualified expenditures. These lease and research funding agreements do not abnormally impact the University's financial position and do not guarantee the University the right to future funding.

18. Expenses by object

The following is a summary of expenses by object:

	Instruction, research, and support	Ancillary operations	2019
Salaries and benefits	\$ 135,044	\$ 1,090	\$ 136,134
Travel and professional development	2,894	20	2,914
Supplies	4,326	14	4,340
Student awards, bursaries and donations	3,425	-	3,425
Fees and services	15,589	378	15,967
Facilities	8,374	515	8,889
Cost of sales	-	3,375	3,375
Leases, property taxes, insurance	930	36	966
Amortization of tangible capital assets	16,345	316	16,661
	\$ 186,927	\$ 5,744	\$ 192,671

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (Continued)
(in thousands of dollars)

Year ended March 31, 2019

18. Expenses by object (continued)

	Instruction, research, and support	Ancillary operations	2018
Salaries and benefits	\$ 124,034	\$ 1,119	\$ 125,153
Travel and professional development	2,897	8	2,905
Supplies	4,479	54	4,533
Student awards, bursaries and donations	1,303	-	1,303
Fees and services	15,269	326	15,595
Facilities	7,288	320	7,608
Cost of sales	-	3,807	3,807
Leases, property taxes, insurance	905	34	939
Amortization of tangible capital assets	12,877	249	13,126
	\$ 169,052	\$ 5,917	\$ 174,969

19. Comparative figures

Certain comparative figures have been reclassified to conform to the current year financial statement presentation.



Board of Governors
Agenda Item:
Meeting Date:
Presenter(s):

Regular Meeting
#4.3
May 22, 2019
Doug Beaton

Agenda Item: **Re-appointment of the External Auditor**

Action Requested:	<input checked="" type="checkbox"/> Motion to Approve <input type="checkbox"/> Discussion <input type="checkbox"/> Information <input type="checkbox"/> Education
--------------------------	--

Recommended Resolution:	THAT the Board of Governors appoint KPMG as External Auditor as recommended by the Board Audit Committee.
--------------------------------	--

Board Committee Report: At its meeting held on May 14, 2019 the Board Audit Committee approved the appointment of KPMG as External Auditor for recommendation to the Board of Governors.

Context & Background: Section 33 of the *University Act* states that, “*Unless the Auditor General is appointed in accordance with the Auditor General Act, as the Auditor of the Board, the Board must appoint an Auditor to audit the accounts of the Board at least once each year.*”

In accordance with the *University Act*, the Audit Committee Terms of Reference state that the Audit Committee recommends to the Board the appointment of the External Auditor.

Key Messages: 1. KPMG was selected through RFP to act as KPU’s External Auditor for three years, commencing with the 2016/17 reporting year. KPU retains the option to extend the Service Agreement for up to two additional years (2019/20, 2020/21), in one year increments, provided both parties agree to each renewal.

Implications / Risks: N/A

Consultations: N/A

Attachments: N/A

Submitted by: Joe Sass, Executive Director, Financial Services

Date submitted: May 15, 2019

**Board of Governors****Agenda Item:****Meeting Date:****Presenter(s):****Regular Meeting****#5.2****May 22, 2019****Jon Harding****Agenda Item:** 2020/21 Budget Development Process Timeline

Action Requested:	<input type="checkbox"/> Motion to Approve <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Information <input type="checkbox"/> Education
--------------------------	--

Recommended Resolution:	N/A
--------------------------------	-----

Board Committee Report: For University Secretariat Use Only

Context & Background: The rapid and unplanned growth of International Students over the past three years has created significant pressure on University employees, systems and processes. Organizational reliance on international revenues poses a significant risk, as do the unsustainable operational pressures associated with this growth. The fiscal 2019/20 budget development process identified that while our historical process for budgeting and forecasting was sufficient when the organization grew at a predictable pace, the existing process cannot adequately address far larger, unplanned annualized growth, or subsequent contraction. As a result, a new budget process and philosophy is required for 2020/21 and beyond to meet KPU's institutional needs and obligations.

Key Messages:

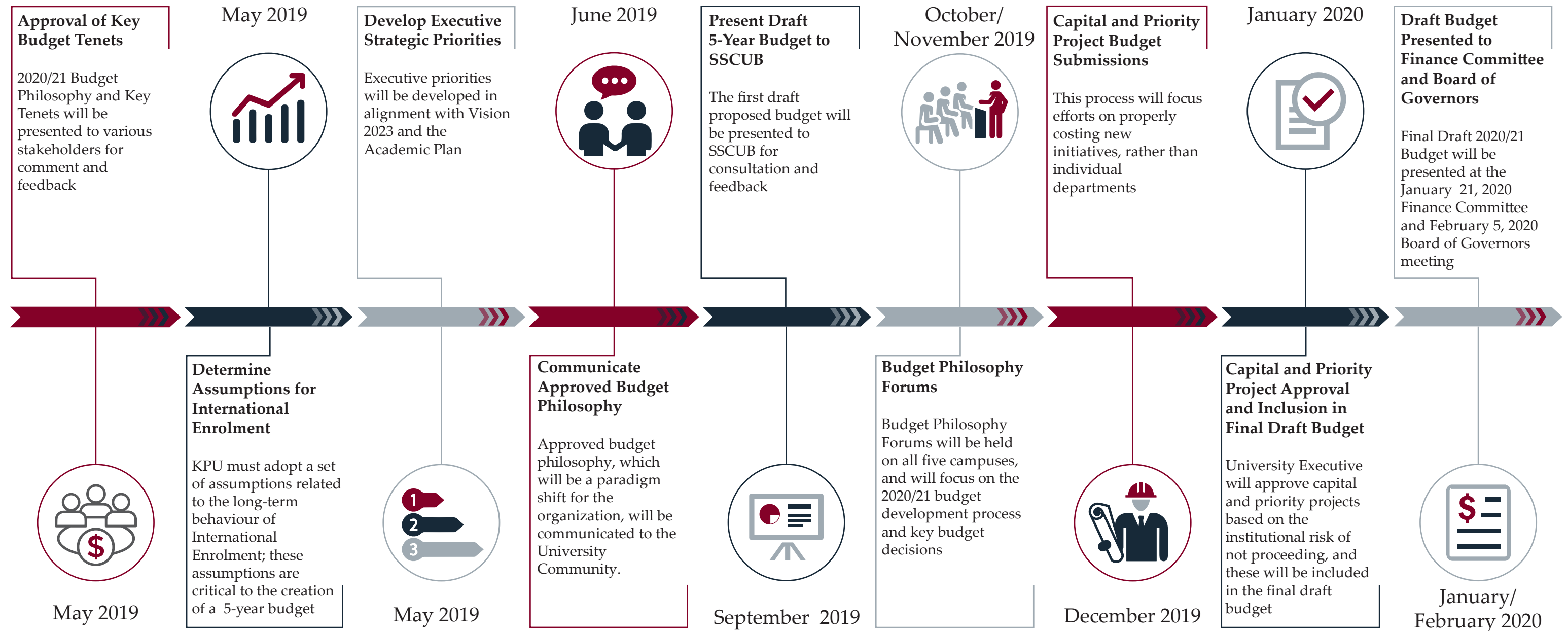
1. Financial Services recommends aligning the 2020/21 budget development process with a set of budget tenets, developed using feedback received from the University community throughout the 2019/20 budget development process. Tenets include concepts such as predictability for faculties, budgeting to the lower band of international sensitivity, and maintaining international tuition revenues despite operational challenges.
2. The timeline developed is a draft to provide targets and benchmarks for the upcoming budget process.
3. Enrolment targets must be established, communicated and adhered to in order to provide prolonged revenue predictability, a critical component of a multi-year budget.

Resource Requirements: N/A

Implications / Risks: N/A

**Board of Governors****Agenda Item:****Meeting Date:****Presenter(s):****Regular Meeting****#5.2****May 22, 2019****Jon Harding****Consultations:** N/A**Attachments:** 2020/21 Budget Development Process Timeline**Submitted by:** Joe Sass, Executive Director, Financial Services**Date submitted:** May 15, 2019

2020/21 Budget Development Timeline



**Board of Governors****Agenda Item:****Meeting Date:****Presenter(s):****Regular Meeting****# 6.2****May 22, 2019****Dr. Lori McElroy****Agenda Item:** AC3 Program Review Policy and Procedure

Action Requested:	<input checked="" type="checkbox"/> Motion to Approve <input type="checkbox"/> Discussion <input type="checkbox"/> Information <input type="checkbox"/> Education
--------------------------	--

Recommended Resolution:	THAT the Board of Governors approve AC3 <i>Program Review Policy and Procedure</i> as recommended by the Board Governance Committee.
--------------------------------	---

Board Committee Report: At its meeting held on May 1 2019, the Board Governance Committee approved the AC3 Program Review Policy and Procedure for recommendation to the Board of Governors.

Context & Background: Current Policy AC3 is outdated. In preparation of the Degree Quality Assessment Board (DQAB) audit of KPU's quality assurance processes that will be conducted in 2019, KPU requires an updated and clear policy on program review.

Upon completion of a review, the Policy was revised along with a new procedural document developed. The 6-week public posting period on the KPU Policy Blog (October 18 – November 29, 2018) for the draft Policy and Procedure AC3 Program Review is completed.

A number of comments were received on the blog. The Senate Standing Committee on Program Review reviewed the drafts at its October meeting and provided feedback to Dr. Wiebe. The Senate Standing Committee on Policy Review also reviewed the drafts at its November 7th meeting and provided their collective feedback to Dr. Wiebe at the meeting.

Based on the feedback received, minor edits were made to the documents, as identified in the attached document.

At the February 25th Senate meeting, a motion approving Policy and Procedure AC3 *Program Review* was carried.

Key Messages:

1. A document with responses to the comments has been posted on the [comment section for Draft Policy and Procedure AC3](#) on the KPU Policy Blog. For ease of reference, this document is also included in this submission.
2. The revised draft Policy and Procedure AC3 Program Review (attached) have received endorsement from the Provost (policy sponsor) to proceed.
3. As per Section 35.2(6)(f) of the University Act, this proposed policy and procedures requires approval from the Board, with Senate's advice. At the February 25th Senate meeting, a motion approving Policy and Procedure AC3 *Program Review* was carried.

**Board of Governors****Agenda Item:****Meeting Date:****Presenter(s):****Regular Meeting****# 6.2****May 22, 2019****Dr. Lori McElroy****Resource
Requirements:**

N/A

**Implications /
Risks:**

A clear, comprehensive policy is one of the requirements for the Quality Assurance Audit. Without this we could be found in non-compliance with the quality assurance standards set by the Degree Quality Assessment Board (DQAB).

Lack of clarity can also lead to confusion within KPU and leave the policy open to interpretation.

Consultations:

During the development of the draft Policy and Procedures, feedback was gathered from various stakeholders and incorporated into the documents. The following stakeholder groups have been consulted as part of the policy development and revision process:

- Polytechnic University Executive (PUE)
- Provost & Vice President Academic
- Executive Director, Institutional Analysis and Planning
- Manager, Strategic Planning and Quality, Institutional Analysis and Planning
- Senate Standing Committee on Program Review, which include students, faculty and administrator
- Senate Standing Committee on Policy Review

Attachments:

1. Memorandum from Senate
2. Draft Policy AC3 Program Review
3. Draft Procedure AC3 Program Review
4. Revised Policy AC3 Program Review – Response to Comments
5. Policy Timeline AC3 Program Review

Submitted by:

Dr. Lori McElroy, Executive Director, Institutional Analysis and Planning

Date submitted:

May 2, 2019

TO:	Keri van Gerven, University Secretary
Cc:	Josephine Chan
FROM:	Senate
DATE:	February 27, 2019
SUBJECT:	AC3: <i>Program Review</i>

On February 25, Senate passed a motion to recommend that the Board of Governors approve the draft AC3 Program Review policy and procedure.

Attached are the documents reviewed by Senate.



SENATE

Agenda Item: 11.1
Meeting Date: February 25, 2019
Presenter: David Burns

Agenda Item: AC3: *Program Review*

Action Requested:	<input checked="" type="checkbox"/> Motion to Approve <input type="checkbox"/> Discussion <input type="checkbox"/> Information <input type="checkbox"/> Education
--------------------------	--

Recommended Resolution:	THAT Senate recommend that the Board of Governors approve the draft AC3 Program Review policy and procedure
--------------------------------	--

Senate Standing Committee Report:

For Senate Office Use Only

Context & Background:

Current Policy AC3 is outdated. In preparation of the Degree Quality Assessment Board (DQAB) audit of KPU's quality assurance processes that will be conducted in 2019, KPU requires an updated and clear policy on program review.

Upon completion of a review, the Policy was revised along with a new procedural document developed. The 6-week public posting period on the KPU Policy Blog (October 18 – November 29, 2018) for the draft Policy and Procedure AC3 Program Review is completed.

A number of comments were received on the blog. The Senate Standing Committee on Program Review reviewed the drafts at its October meeting and provided feedback to Dr. Wiebe. The Senate Standing Committee on Policy Review also reviewed the drafts at its November 7th meeting and provided their collective feedback to Dr. Wiebe at the meeting.

Based on the feedback received, minor edits were made to the documents, as identified in the attached document.

Key Messages:

1. A document with responses to the comments has been posted on the [comment section for Draft Policy and Procedure AC3](#) on the KPU Policy Blog. For ease of reference, this document is also included in this submission.
2. The revised draft Policy and Procedure AC3 *Program Review* (attached) have received endorsement from the Provost (policy sponsor) to proceed.

3. As per Section 35.2(6)(f) of the *University Act*, this proposed policy and procedures requires approval from the Board, with Senate's advice.

Implications / Risks: A clear, comprehensive policy is one of the requirements for the Quality Assurance Audit. Without this we could be found in non-compliance with the quality assurance standards set by the Degree Quality Assessment Board (DQAB).

Lack of clarity can also lead to confusion within KPU and leave the policy open to interpretation.

Consultations: During the development of the draft Policy and Procedures, feedback was gathered from various stakeholders and incorporated into the documents. The following stakeholder groups have been consulted as part of the policy development and revision process:

- Polytechnic University Executive (PUE)
- Provost & Vice President Academic
- Executive Director, Institutional Analysis and Planning
- Manager, Strategic Planning and Quality, Institutional Analysis and Planning
- Senate Standing Committee on Program Review, which include students, faculty and administrator
- Senate Standing Committee on Policy Review

Attachments:

1. Draft Policy AC3 *Program Review*
2. Draft Procedure AC3 *Program Review*
3. Revised Policy AC3 *Program Review* – Response to Comments
4. Policy Timeline AC3 *Program Review*

Submitted by: *David Burns, Chair, Senate Standing Committee on Policy Review*

Date submitted: *February 13, 2019*

Policy History
Policy No. AC3
Approving Jurisdiction: Board of Governors, with Senate advice
Administrative Responsibility: Provost and Vice President Academic
Effective Date:

Program Review Policy

A. CONTEXT AND PURPOSE

1. Program Review at Kwantlen Polytechnic University is a faculty-led, collaborative, systematic and evidence-based examination of a program's quality. Program Review allows for a detailed analysis of a program's strengths and areas for improvement that result in enhancements to the program. Students, faculty and alumni are all given an opportunity to provide their perspectives during the review.
2. As a public institution, KPU has a duty to ensure and report on the quality of its programs. Program Review is the mechanism by which we practice this accountability, and communicate it to our community. KPU's Senate Standing Committee on Program Review (SSCPR) oversees this process.
3. Program Review is the process that drives continual progress and improvement at the program level. Program Review findings should inform Senate deliberations on curricula changes, and curriculum development. For this reason, Quality Assurance Plans will be submitted to Senate, following approval by the SSCPR, as part of the SSCPR Chair's Report.

B. SCOPE AND LIMITS

1. This policy applies to educational programs under the governance of Senate.
2. Program Review does not evaluate performance of individual faculty, staff, or administrators.
3. This policy does not apply to programs which are not under the governance of Senate (e.g. Continuing/Professional Studies and Apprenticeship).

C. STATEMENT OF POLICY PRINCIPLES

1. All programs will be scheduled for review on a regular basis. Degree programs will undergo review at least once every five (5) years and all non-degree programs will undergo review at least once every seven (7) years.
2. All programs under the governance of Senate must meet the requirements of Policy AC3, including programs that undergo extensive review by external accrediting bodies. As appropriate,

the review of programs that undergo external review may occur concurrently with the external accreditation so as not to duplicate processes.

3. Successful completion of a program review requires the SSCPR's approval of the following reports: Self-Study Report, External Review, and Quality Assurance Plan.
4. Implementation of the Quality Assurance Plan is not deemed completed until a program can demonstrate, through Annual Follow-Up Reports to the satisfaction of the SSCPR, its substantial completion.
5. The SSCPR Chair will include approved Quality Assurance Plans in the SSCPR Report to Senate.

D. DEFINITIONS

Refer to Section A in the related Procedures document for definitions which will enhance the reader's interpretation of this Policy.

E. RELATED POLICIES & LEGISLATION

University Act 35.2 (6)(f)

AC9 Essential Skills Policy

AC13 Qualifications for Faculty Members Policy

F. RELATED PROCEDURES

Refer to Procedure AC3 *Program Review*.

Policy History
Policy No. AC3
Approving Jurisdiction: Board of Governors, with Senate advice
Administrative Responsibility: Provost and Vice President Academic
Effective Date:

Program Review Procedure

A. DEFINITIONS

1. **Program:** A field of study, under the governance of Senate, that constitutes the designation of a major or minor, or that results in the granting of a credential (e.g., citation, certificate, diploma, associate of arts, associate of science, degree).
2. **SSCPR:** The Senate Standing Committee on Program Review is responsible for: developing procedures and standards to ensure program reviews are conducted in accordance with the principles of the Program Review Policy; and reviewing reports to ensure they meet KPU's program review standards. The Committee includes faculty, dean, staff and student representation.

B. PROCEDURES

1. The schedule for program reviews is updated on a yearly basis by the Manager of Strategic Planning and Quality, in consultation with the Deans and Associate Deans, and provided to Senate to ensure programs are reviewed as required by the policy, as follows:
 - a. Degree programs are reviewed at least once every five years.
 - b. Non-degree programs are reviewed at least once every seven years.
 - c. If a department offers different credentials, all credentials are reviewed together.
2. The review consists of four phases, each of which requires a report to be submitted to the SSCPR:
 - a. Phase 1: Self-Study;
 - b. Phase 2: External Review;
 - c. Phase 3: Quality Assurance Plan;
 - d. Phase 4: Annual Follow-Up Reporting.

3. Faculty are responsible for writing and submitting all program review reports and appendices (with the exception of the External Review) and ensuring that each report is in compliance with SSCPR-approved standards and templates. Deans are expected to provide input as well to all reports (with the exception of the External Review). The Provost is expected to provide direct input to the Quality Assurance Plan.
4. Templates and guidelines that lay out expectations for each section of each reports are available on the [Program Review Webpage](#) under [Resources](#). These documents include, but are not limited to, the following:
 - *Program Review Steps and Roles* – provides detailed information on each phase of the review.
 - *Self-Study Guide* – provides the scope for the review and the standards that the program review is required to address. (Note: The faculty leading the review may choose to address additional issues as well.)
 - *External Review Guide* – provides faculty information on how to plan the site visit. (Note: Faculty are responsible for planning and leading the site visit, as well as hosting external reviewers.)
 - *External Review Team Template* – details the scope of the external review and the standards the external review team are required to address.
 - *Quality Assurance Plan Template* – provides the framework for programs to put together their strategic plan.
5. Sample reports are also available on the [Program Review Webpage](#) under [Completed Reviews](#).
6. To ensure quality standards, the SSCPR must approve each report before the review can proceed to the next phase of the process.
7. The SSCPR also approves the individuals the program nominates to serve as external reviewers.
8. A program with an external accreditation body will only require ONE external review site visit (to be conducted by the accreditation external review team) if the following conditions are met:
 - The composition of the accreditation external review panel is equivalent to that of a KPU external review team (i.e. the team consists of a combination of academics and discipline/sector professionals).
 - The accreditation review site visit is similar in scope to that of a KPU external review site visit and will involve talking to similar groups of stakeholders (e.g. students, faculty, staff, alumni, advisory board members).
 - The accreditation external review report can be made public on KPU's Program Review website.
9. A program review is completed once the SSCPR has approved the Quality Assurance Plan. The approved Quality Assurance Plan should then go forward to Senate.
10. A review typically takes 18 months from commencement to submission of the Quality Assurance Plan, unless the program has provided the SSCPR with an appropriate rationale for an extension.
11. Institutional Analysis and Planning (IAP) provides planning support and guidance throughout the review process; provides administrative data; oversees survey data collection (which includes gathering views from students, faculty and alumni), including guidance on survey design, survey administration, and data analysis and reporting. IAP also provides administrative support to the

SSCPR. The IAP staff who are on-hand to provide support are:

- a. Manager, Strategic Planning and Quality;
- b. Research Analyst, Quality Assurance.

C. RELATED POLICY

Refer to Policy AC3 *Program Review*.

Revised Policy AC3: Program Review

Response to Comments

Responses to the Policy Draft

Comment:

- Link program reviews with curriculum changes and development
- Add a statement under “context and purpose” that this is the process by which we look at progress and continuous improvement.
- Add a statement that states what Program Review should expect from Senate
- Senate could take a more substantive role in Program Review. Add a comment that using results from Program Review to inform decisions about budget allocations.

Response: Policy Section A.4 has been revised to reflect these comments.

Comment:

- Student participation is not referenced.

Response: Policy Section A.1 now includes the following sentence: “Students, faculty and alumni are all given an opportunity to provide their perspectives during the review.”

Comment:

- Policy Section B.2: Change “is not intended” to “does not evaluate”

Response: This change has been made.

Comment:

- Policy Section C.1: Does the policy apply to graduate-level degree and non-degree programs?

Response: Yes. It applies to all Senate approved programs, regardless of level. See Policy Section B3.

Comment:

- Workload implications for faculty and chairs should be considered, particularly involving annual reporting on Quality Assurance Plans.

Response: Faculty workload is not addressed because it falls beyond the jurisdiction of program review. Annual Reporting is included in the draft Policy to address the Degree Quality Assessment Board’s Quality Assurance Process Audit requirements that all B.C. public institutions have: a) appropriate program review accountability mechanisms; and, b) a follow-up process for internal program reviews. Please refer to the [QAPA Handbook](#) for further information.

Comment:

- Are annual follow-up reports understood to be formal components of the 18-month program review process?

Response: No. Annual follow-up reporting will take place outside of the 18-month program review cycle. Procedures Section B.9 now contains the following sentences: “A review typically takes 18 months from commencement to submission of the Quality Assurance Plan, unless the program has provided the SSCPR with an appropriate rationale for an extension.”

Responses to the Procedures Draft

Comment:

- Procedures Definition 1: Eliminate “units of study. “ Use field of study or discipline.

Response: The phrase “unit of study” has been replaced with “field of study.”

Comment:

- Procedures Definition 2: There is no mention of students being on the SSCPR.

Response: This omission has been rectified.

Comment:

- Procedures Section B.1: The phrase “related programs” needs more clarity.

Response: The phrase “related programs” has been removed and replaced with the following: “If a department offers different credentials, all credentials are reviewed together.”

Comment:

- Provide a rationale for the removal of a specific role for the administration in the Self-Study process.

Response: The role of administration was omitted in error. The roles of the Dean and Provost has been clarified in Procedure Section B.3.

Comment:

- Do you want to name a specific document as guidance, or do you want a procedure that specifies that guidance documents will be maintained, on a Sharepoint site, containing xyz kinds of information?

Response: Procedures Section B.4 has been added to explain what resources are available on Sharepoint and where on Sharepoint they can be found.

Comment:

- Procedures Section B.4: The meaning of the word “vet” in *Procedures* is unclear.

Response: The word “vet” has been replaced with “approve.”

Comment:

- Senate could take more ownership of Program Review. The institutional response about a Program Review should go forward to Senate.

Response: There is no longer an institutional response. However, the Chair of the Senate Standing Committee on Program Review will include approved Quality Assurance Plans in the SSC on Program Review Report to Senate.

Comment:

- Procedures Section B.10: IAP is described as serving “as a liaison with” the SSCPR. This sentence is unclear.

Response: This sentence has been amended to read follows: “IAP also provides administrative support to the SSCPR.”

Comment:

- Student participation is not referenced.

Response: Procedures B.10 now notes that survey data collection includes gathering students’ perspectives on program quality.

Comment:

- My program has external reviews every 6 years and the KPU policy clearly states that degree programs must have a Program review every 5 years. It would be very onerous for the faculty to have to prepare for 2 program reviews, when the intent clearly states that external and internal reviews can occur concurrently

Response: Procedures B.8 now notes that programs with an external accreditation body will only require one external review site visit (to be conducted by the accreditation external review team) provided certain conditions are met.

Comment:

- The Program Review policy and procedure seems like a great opportunity to make a commitment to including Accessibility standards and UDL principles/practices in the curriculum review and improvement process – in support of Academic Plan and Vision goals.

Response: Standards and curriculum review principles/practices are typically not articulated in policy or procedure documents but are included in report guidelines. The SSCPR updates these guidelines on a regular basis.

Policy Sponsor: Provost & Vice President Academic

Approving Jurisdiction: Board of Governors, with Senate advice

Policy Developers: Lori McElroy/Sunita Wiebe

Step(s)		Action(s)	Date(s)	Submission Deadline
1	Provost (Policy Sponsor)	Seek endorsement from the Provost to proceed to 6-week public posting.	October 2018	
		<ul style="list-style-type: none"> PUE 	October 17, 2018	<i>October 11, 2018</i>
2	6-week public posting period	Post finalized draft policy and procedures on the KPU Policy Blog for a 6-week public commenting period.	October 18 – November 29, 2018	
		<ul style="list-style-type: none"> <i>To SSC on Program Review for feedback.</i> <i>To SSC on Policy Review for discussion/feedback.</i> 	<i>October 24, 2018</i> <i>November 7, 2018</i>	<i>October 3, 2018</i> <i>October 31, 2018</i>
3	Review feedback and finalize drafts	Review and respond to all posted public comments (if any), finalize draft policy and procedures.	November 30 – December 10, 2018	
4	Provost (Policy Sponsor)	Seek endorsement from the Provost to proceed to approval process.	December 10, 2018 – December 17, 2019	
		<ul style="list-style-type: none"> PUE 	January 16, 2019	<i>January 9, 2019</i>
5	Senate Standing Committee on Policy Review	For endorsement and recommendation to Senate. <ul style="list-style-type: none"> <i>To SSC on Program Review for information</i> 	February 6, 2019 <i>February 20, 2019</i>	<i>January 30, 2019</i> <i>January 30, 2019</i>
6	Senate	For endorsement and recommendation to the Board.	February 25, 2019	<i>February 15, 2019</i>
7	Board Governance Committee	For recommendation to the Board.	May 1, 2019	<i>April 18, 2019</i>
8	Board of Governors	For final approval.	May 22, 2019	<i>May 10, 2019</i>



Board of Governors
Agenda Item:
Meeting Date:
Presenter(s):

Regular Meeting
12
May 22, 2019
Alan Davis

Agenda Item: Senate Reports: March 25 and April 29, 2019

Action Requested:	<input type="checkbox"/>	Motion to Approve
	<input type="checkbox"/>	Discussion
	<input checked="" type="checkbox"/>	Information
	<input type="checkbox"/>	Education

Recommended Resolution: N/A

Board Committee Report: N/A

Key Messages: The Vice Chair of Senate provides meeting notes for the Board of Governors detailing the items approved by Senate at each of its meetings for information.

Attachments

1. Notes from the Senate Meeting held March 25, 2019
2. Notes from the Senate Meeting held April 29, 2019

Submitted by: Dr. Alan Davis, President & Vice Chancellor

Date submitted: May 10, 2019

Notes from the Senate meeting of March 25, 2019

The Senate meeting of March 25th, 2019 saw the Draft University Budget for 2019/2020 come forward for its final vote before proceeding to the Board. This being a matter of deep and broad consequence to the KPU community, the Surrey Campus boardroom was full, with 20-30 persons watching the meeting from the Conference Centre via Skype. Thank you to both the IT support team and the Senate office for setting this up for our colleagues.

The proposed budget was endorsed by Senate through a secret ballot, with the vote for the motion totalling 20 and the vote against the motion totalling 10.

The meeting included, as always, reports from the President and Provost, which this month included a series of highlights from the most recent report to the Board of Governors. Appointments were made to the Search Advisory Committee for a new Associate Dean in the School of Business, the bylaws of the Faculty of Academic and Career Advancement were revised, and the Senate calendar for the coming year was provided.

SSC Curriculum brought forward the usual changes to courses, as well as a clarifying memorandum that addressed the needs of students who, having taken part of the previous Bachelor of Science in Nursing: Advanced Entry, will now be completing their programs under the new structure.

The Senate also approved the most recent set of graduates, and provided notice that the yearly election for the Vice-Chair of Senate will occur in the April meeting. It was not clear whether - having repaid his debt to society - the Vice-Chair would be released back into the wild.

David P. Burns, Vice-Chair, University Senate

NB: Further to our discovery last month that the Registrar carries a set of ballots with her, it was discovered at this meeting that she carries at least two full sets. One wonders, for what other democratic contingencies is she prepared? Sudden plebiscite?

Notes from the Senate meeting of April 29, 2019

The April meeting of Senate was an efficient affair. The Senate welcomed the incoming Provost, Dr. Sandy Vanderburgh, for his first meeting of Senate. The President indicated we should all be on our best behaviour for the duration of Dr. Vanderburgh's visit. Neither the President nor Vice-Chair appear to have followed this advice.

The Provost provided the first substantive opportunity for discussion when he requested (and was granted) an extension in preparing his GV9 proposal on the future of the Faculty of Academic and Career Advancement [ACA]. He wished, in asking for this delay, to allow more time to consider the ideas brought forward both within the Task Force and by members of the Faculty itself.

The SSC Curriculum was especially busy this month, with the Senate office facilitating the review of hundreds of pages of documents. The Vice-Chair noted the quality of work being done by the Senate staff (Ms Rita Zamluk and Ms Meredith Laird), and the Senate thanked them for their efforts.

In all, the SSC Curriculum brought forward minor changes to 3 Horticulture Technology diplomas, the BAA in Psychology, and the BSc in Applied Psychology. It also proposed changes to the admission requirements for the Acupuncture and Health Unit Coordinator programs. The Committee also "inactivated" a series of courses identified by the Faculties and Registrar's office as not being recently offered. This bulk inactivation of courses will make the Academic Calendar much more representative of what is currently being taught.

Dr. Kent Mullinix received the Senate's endorsement for an exciting and innovative new program in Sustainable Food Systems. The proposed graduate certificate is now off to the Board for its approval.

The Senate also endorsed the updated policy on the Academic Schedule and Course Timetabling, which was thoughtfully revised in light of feedback on the policy blog. It too will now proceed to the Board.

Another set of graduates was approved for what will be an impressive and large group of graduates at our upcoming convocation, and the results of the recent Senate elections were reported.

After a long campaign of no less than several minutes, the Vice-Chair was acclaimed to serve another year. Senators offered a mixture of congratulations, condolences, and pitying looks.

David P. Burns, Vice-Chair, University Senate

NB: The Vice-Chair, being famously reluctant to engage in frivolity, wishes to note several entirely serious observations.

- One of the courses listed as inactive for the last five years was a course on Physical Fitness.
- The age-old question of how many academics it takes to successfully plug in a microphone was, conclusively, answered. 28, it takes 28.
- The President, having taken pity on the Vice-Chair for his holding of so many committee chairs, graciously offered to chair the Tributes committee. Having been on Presidential duty elsewhere for his first meeting, the President requested the Vice-Chair fill in.