



MOTION REGARDING CHANGES TO THE COMMITTEE TERMS OF REFERENCE 2019-11-28

Submitted for: 2020-01-16

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Moved by:	Sam Haward <i>Vice-President (Finance)</i>	Current Status:	<input type="checkbox"/> FOR APPROVAL <input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> POSTPONED <input type="checkbox"/> COMMITTED <input type="checkbox"/> NOT APPROVED
Seconded by:	Shreya Dandamudi <i>Arts Representative</i>		

Issue

The Students' Society of McGill University (SSMU) Financial Ethics Committee has not met since the Winter 2017 Semester due to having been assigned a mandate that is very narrow in scope. Similarly, the Finance Committee has a poorly defined mandate and often suffers from a lack of business.

Background and Rationale

It has been highlighted over the past two academic years at Legislative Council that the Financial Ethics Committee does not meet or report. The work to ensure the social responsibility of the Society's Investments was completed between 2013 and 2016, and maintenance and review is a task that does not require an entire committee.

The Finance Committee has a weakly defined mandate and should be empowered to properly review the financial affairs of the society on behalf of the Board of Directors and Legislative Council, as well as being bound by its terms of reference to conduct this analysis on an annual basis.

The volume of governing bodies that the Vice-President Finance sits on or oversees is also unmanageable. Currently the VP Finance is a Chair or Member of 13 committees or governing bodies. This amount is impossible to give each committee sufficient attention or guidance when combined with managing Club banking, Service Accounting, Credit Card reconciliation and other crucial day-to-day tasks. This leads to important projects like reviewing the Society's Investments being left by the wayside for two years as has happened here.



Alignment with Mission

Leadership: these amendments will add this important task to a committee better suited to putting the time and effort into understanding the social and environmental impact of the Society's Investments.

Service: an empowered Finance Committee will be better positioned to support and give guidance to SSMU Services, Committees and Executive Offices.

Consultations Completed

Former SSMU VP Finance (2018-2019) - regarding the effectiveness of a Financial Ethics Committee and potential changes, suggested removal in favour of a fully developed Finance Committee

Former SSMU President (2018-2019) - regarding effective committee mandates: standing committees should not be constricted to a single task. Will lead to stagnation.

Risk Factors and Resource Implications

Removing a committee with a mandate to review the social responsibility of investments has a could have a public image implication but as this committee has not met in over two years and produced no work, this action will clearly serve to enhance the Society's understanding of the Societal impacts of its investments. Furthermore, the roles and requirements regarding review of the investment portfolio will remain, with the same weight in SSMU's governance documents, simply under a different Committee.

Sustainability Considerations

This action will aid the SSMU by providing up-to-date information regarding the Sustainability and Environmental impact of its investment portfolio.

Impact of Decision and Next Steps

Decision and motion are public information, no communications strategy needed until after committee work is completed. Work will be undertaken by the Vice President (Finance) and Finance Commissioner to begin meetings with the newly composed committee.



**Motion or
Resolution for
Approval**

Be it resolved that the Legislative Council amend the Finance Committee Terms of Reference as written in Appendix A;

Be it resolved that the Legislative Council strike the Financial Ethics Committee Terms of Reference;

Be it resolved that the Legislative Council nominate 3 Councillors to fill new seats on the Finance Committee, with priority being given to current members of the Financial Ethics Committee (Councillors Dandamudi, Fakhri and Eisner) should they choose to self-nominate.

**Results of the
Vote**

In favour	21
Opposed	0
Abstain	1



Appendix A

3. Finance Committee

3.1. Oversight The Finance Committee shall be a Committee of the Board of Directors.

3.2. General The Finance Committee shall assist the Vice-President (Finance) with the budget revisions. In particular, this committee will review the budgets for programming activities and executive portfolios. The committee will also make recommendations regarding the long-term financial sustainability of the Society, as needed.

3.3. Responsibilities The Finance Committee shall be responsible for:

- a. Reviewing departmental budgets as prepared by the Vice-President (Finance);
- b. Identifying areas in which the Society's revenues could be increased or expenses could be decreased and make recommendations to the Vice-President (Finance) accordingly;
- c. Reviewing proposals by Staff, Commissioners or Officers for the funding of specific events or projects and make recommendations to the Vice-President (Finance) regarding these proposals;
- d. Reporting to the Board of Directors at least once per semester; and
- e. The development and revision of the Society's 5-year and 10-year financial plans for presentation to the Legislative Council and Board of Directors.
- f. Conducting an annual review of the Society's investment portfolio to ensure that holdings are Socially Responsible within the definitions laid out in the Internal Regulations, Policies, Plans and Positions of the Society and delivering this report to the Legislative Council in public session;
- g. In consultation with Commissioners, Members of the Society and Governing Bodies, recommending divestment from assets within the society's investment portfolio not deemed Socially Responsible;
- e. Review and make recommendations to Finance Committee's terms of reference at the end of the year.

3.4. Membership The Finance Committee shall consist of:

- a. the Finance Commissioner (Chair);
- b. the Vice-President (Finance)



c. two (2) Directors;

d. Four (4) Councillors;

e. three (3) Members at Large.

3.5. Meetings The Finance Committee will meet at least monthly.

3.6. Quorum Quorum for the Finance Committee is a simple majority.

3.7. Reporting The Finance Committee shall report to the Legislative Council at the **third second** to last meeting of **the Winter each** semester. The Finance Committee will report to the Board of Directors **as necessary, at least twice per semester. in February and September.**

APPROVED