

2025-05-25

# FIC FINDINGS

## 1. PURPOSE

To establish the official findings of the TAUMUN Financial Investigation Committee's work and highlight the themes and insights of each Committee member. These findings are used to then advise the Executive board and the general membership of the conduct flagged and the recommended actions to rectify the past wrongdoings of our Previous executive committee members. This report also aims to provide actionable items for TAUMUN to implement to prevent future misuse and abuse of membership dues.

## 2. SCOPE & MANDATE

The Scope of this committee and its members is to investigate the initial financial conduct concerns raised by the president during the March 31st, 2025, Semi-Annual AGM, and any other financial misconduct that may have occurred around the subject of Honorarium and financial reimbursements. The Mandate of this committee was to identify if misconduct had occurred and recommend how the board should act on any misconduct found.

## 3. ESTABLISHING PROTOCOL

Honorarium was previously distributed using the following principles and procedures per the Treasurer's "To-Do" document, Financial end-of-year reports, and the constitution.

- Honorarium was to be allocated from the 26.09 Collective agreement fund, earmarked for the administration of the Union.
- The president had the authority to dictate what percentage of the fund went to what member during the semester. "The common practice for distribution is (President 21%, Treasurer 17.5%, Social Affairs 15.5%, Secretary 15.25%, Member welfare 15.5%, and Vice-President 15.25%). However, the President can change it anytime."
- (4) 60-hour GAships worth of funding was to be allocated each semester to fund honorarium. Past payment of Honorarium determines that it is meant to only be paid twice a fiscal year.
- The amount each executive received was confidential, and only the President and Treasurer are to know the exact distribution.

- Honorarium was received as a lump sum amount
- The Executive Assistants' Salary was also taken from the 26.09 Fund.
- The 2023-2024 26.09 fund equated to 11,966.4\$

#### 4. BREACH OF PROTOCOL FINDINGS

- Since 2018, the year honorarium was first reported, it has exceeded the amount budgeted for the year. It also appears that the EA salary, which was also paid from the 26.09 budgeted fund, was not considered by previous executives when the honorarium was distributed.
- The protocol of distribution has not consistently been adhered to, and this has resulted in abuse, most noticeably in the 23-34 Fiscal year with 22,239.08\$ distributed amongst the 6 executives between October 2023 and October 2024, with final honorarium administered past their term length, with payments in October 2024 being administered past their term end. This was 185.8% more than budgeted for that expense. The October 2024 honorarium was 8,271.89\$, and breached internal policies as indicated by the amount budgeted per semester (5,983.2\$), exceeding it by 138.25%
- It was reported by the 24-25 President that the signatory transfer didn't occur until November 15th, 2024, the last date the President deposited a TAUMUN written check.
- The previous 23-24 President, who served for one year and was previously appointed for the role of Secretary in March 2023, was noted as the largest offender with a total of 5,684.25\$ received through four separate payments. The President allocated 47.49% of the 26.09 budget to his personal compensation and received 25.56% of all honorarium received during 23-24.
- It should be noted that his final and largest payment was 1,737.10\$, which was received for only a month of work in October 2024. Financial statements indicate no previous executive received honorarium in the fall of their term exit. There is also a question of whether he received reimbursement for his personal phone bill due to an unusual 87.65\$ reimbursement for a check labeled for his personal phone bill. The president made nearly twice the honorarium of any other member. For contrast, during his Secretary role, he made only 639.94\$ and was paid once for his 6-month term.
- The Treasurer, who served in 2022-2024, was the second largest recipient of Honorarium, with 4 payments, including a second winter semester payment in 2024, and exceeded his 250 eligibility by approving his personal claim of 284\$. During his tenure, he received 7,412.02\$ through a span of 6 payments, and was the second largest recipient in 2023-24. For reference, he received 31.26% of all allocated funds from the 26.09 budget from the 2022-2024 fiscal period.

- It appears that the Treasurer and the President were the only check signers for these transactions.
- The Executive Board of 2023-2024 decided not to release a 2024 Financial Report.
- The transfer of signatories notably took until late November 2024 to sign over, and the stewardship of records was notably poor, with little information for the new executive to use for financial records.,

## 5. CHAIRS RECOMMENDATION

1. The Chair strongly recommends that legal consultation be tasked with drafting letters to the 6 executives investigated to request proof that the October 2024 Honorarium was obtained constitutionally & abided by TAUMUN's Financial Policies. In the event an executive cannot prove appropriate procedure was followed, legal consultation should be tasked with drafting a letter demanding repayment of the individual's Oct 2024 honorarium compensation.
2. The Chair strongly urges the adoption of the financial administration policy, established in the Policy proposal report. The Stipend proposal would provide strict guidelines for any compensation provided to executives, and improve the measures taken to address and prevent future mismanagement of TAUMUN finances.
3. Expel all previous 2023- 2024 Executive members from the Union for breach of duties using the constitution's discipline section.
4. Notify the General Membership at the next AGM of the Committee's Findings and recommend adoption of the recommendations from the committee that haven't been adopted by that time.
5. The executive board is also strongly encouraged to adopt all the policy recommendations and procedures provided by the committee in its Report & Recommendations document.
6. TAUMUN ought to adopt an Audit policy that mandates an External Audit every year.
7. TAUMUN needs to adopt stronger whistleblower, transparency, and accountability measures for any monetary or resource distribution by the TAUMUN executives and TAUMUN Employees. These measures should be delegated to the authority of the Stewards Committee.
8. TAUMUN should discontinue the use of "Honorariums" and adopt a strictly budgeted Stipend procedure if compensation of Executives is to resume, AND adopt a dereliction of duties clause in our Constitution to hold Executives who do not perform their duties accountable.
9. TAUMUN Executives should sign a code of conduct agreement at the beginning of their term that holds individuals accountable for their actions. This agreement should be written in clear and unambiguous terms, and represent an understanding between the entity of TAUMUN and the individual Executives of the expectations of

ethical conduct. This agreement should be created by a joint committee of executives & members, with a ratio of no more than 1 executive for every 2 members.

## 6. ADDITIONAL MEMBER FINDINGS

COMMITTEE MEMBER 1- SOME AGM FINANCIAL REPORTS DO NOT MATCH UP FROM YEAR TO YEAR (EX. IN THE 2019 AGM REPORT, THE NET ASSETS, REMAINING BALANCE FOR 2019 WAS \$28,560, IN THE 2020 AGM REPORT, THE NET ASSETS, REMAINING BALANCE FOR 2019 WAS \$9,949). I WOULD RECOMMEND THAT DURING THE NEXT AUDIT, YOU PROVIDE THE AUDITOR WITH THE PREVIOUS AGM FINANCIAL REPORT DOCUMENTATION, AND ANY DOCUMENTATION THAT IS RELATED TO THOSE AGM REPORTS SO THAT THEY CAN BE REVIEWED.