

Minutes of the Finance, Audit, and Risk Committee Meeting

May 12, 2021 11:00am – 12:30pm (ET) | Virtual

Committee members in attendance	
Dwayne Gelowitz, Chair Christian Bellini Jean Boudreau (ex-officio)	Sudhir Jha Steve Vieweg Chris Zinck
Regrets	
Jane Tink	
Staff and support	
Roseanne Gauthier Derek Menard	Stephanie Price

1. Call to order and approval of agenda

D. Gelowitz, FAR Committee Chair, opened the meeting at 11:05am (ET) and welcomed the committee members.

Moved by S. Jha seconded by C. Zinck

THAT the agenda be approved.

Carried

2. Last meeting review

a) Approval of minutes

The minutes were pre-circulated. No feedback or comments were received.

Moved by C. Zinck seconded by C. Bellini

THAT the minutes from March 17, 2021 be approved.

Carried

b) Review of action table

The committee reviewed the list of past action items, noting that all work has been completed.

3. Review of Q1 financial statements

a) Q1 Financial statements

D. Menard provided an overview of 2021-Q1 and explained that the variances reflect a budgetary assumption of the return of travel and in-person meetings in January 2021. Affinity program revenues also increased due to the recording of the first half of PEO's portion.

Operating expenses continue to be affected by COVID-19, reducing office, travel, secretariat, corporate, and meeting costs. It was noted that the cancellation of certain promotional outreach programs including the Canadian Engineering Education Challenge Program (CEC), National Engineering Month (NEM) events, and various working groups resulted in significantly lower expenses and demonstrated another variance between the forecast and actual spending. Some training and consultation fees for new and ongoing projects currently present as surplus, but their related expenses will be realized in Q3 and Q4.

Since the initial budget was created in summer 2020, the timing (months or quarters) of the expenses which are lower than forecasted also drove some of the variances. D. Menard noted that the calculations of the variances have been refined as part of the Q1 forecast process.

D. Menard provided an overview of the statement of financial position and noted the following:

- Overall cash and investments are up \$2.5M from December due to the Q1 surplus
- Accounts receivable is high due to Regulator dues being invoiced in March
- Deferred contributions are high also as a result of Regulator dues, some of which were paid in monthly installments which will reduce to \$0 by the end of the year

b) Q1 Forecast

D. Menard presented the Q1 forecast, noting the forecast was prepared with the assumption that no in-person meetings would occur until September:

- Revenue came in over by \$2.3M mainly due to the affinity revenue variance of \$2.4M, which is the PEO portion of the TD program.
- Expenses overall came in under by \$1.3M, most of which is attributed to canceled travel & in-person meeting costs.
- Both the Accreditation Improvement Program (AIP) and National Membership Database (NMDB) projects are under budget by \$166K & \$129K respectively. Both projects are extending into 2022, and the funding will be moved to 2022.

The committee agreed that once the new strategic plan is approved by the Members, the 2021-2022 FAR Committee will be in a better position due to less uncertainties to possibly recommend a reduction in the per capita assessment fee.

4. Review of Q1 investment performance

D. Menard presented the review of Q1 and noted the continued strong performance of equity markets, and that the ESG funds are in place and demonstrating positive results.

5. Review of TD-APEGA results for March 2021

D. Menard presented the results for March 2021, noting that this quarter has a similar pattern as the last quarter, where the retention rate and written units remain strong and steady with just minimal reduction realized following APEGA's exit. It was noted that TDI continues to invest in marketing efforts in the western region to acquire new customers and to maintain strong retention results.

6. Work plan review

The work plan was reviewed, with no questions or changes proposed.

7. Other business

Staff were lauded by the committee members for their work and valued participation in supporting the committee. C. Bellini commended D. Gelowitz for his role as Chair.

8. Closing

With no further business, the meeting was closed at 11:30am ET.