

## Minutes of the Finance, Audit, and Risk Committee Meeting

June 19, 2023 10:00 am – 11:00 am (ET) | Hybrid

In-person: Pillar and Post, Niagara-on-the-Lake, ON | Virtual: Teams

<b>Committee members in attendance</b>	
Christian Bellini Menelika Mekomba Dawn Nedohin-Macek	John Van der Put Steve Vieweg
<b>Observers</b>	
Heather Kennedy	
<b>Staff and support</b>	
Joan Bard Miller, Joan Bard Miller, Manager, Governance and Board Services Juliet Chou, Governance Coordinator	Gerard McDonald, Chief Executive Officer Derek Menard, Director, Finance

### 1. Selection of the committee chair

D. Nedohin-Macek opened the meeting at 10:18am (ET) and welcomed everyone to the first meeting of the 2023-2024 FAR Committee. Committee members were advised that the HR Committee has recommended Dawn Nedohin-Macek to be the FAR Committee chair for the 2023-2024 term. The committee members unanimously supported the HR Committee's recommendation.

***Moved and seconded***

***THAT Dawn Nedohin-Macek be appointed FAR Committee chair for 2023-2024.***

***Carried***

### 2. Call to order and approval of agenda

***Moved and seconded***

***THAT the agenda be approved, and the chair be authorized to modify the order of discussion.***

***Carried***

### 3. Declaration of conflict of interest

No conflicts were declared. Participants were reminded to declare a conflict at any time during the meeting, as necessary.

### 4. Last meeting review

#### 4.1 Review of minutes (May 11, 2023) – approved by 2022-2023 committee

The minutes were provided for information only. No questions or comments were raised by the committee.

#### 4.2 Review of action table

The action table was noted as complete. The committee did not have any comments or questions regarding the action table.

### 5. Approval of the 2023-2024 work plan

D. Menard, Director, Finance, presented the pre-circulated draft work plan. The 2023-2024 FAR work plan was supported unanimously for presentation to the Board at the October meeting.

***Moved and seconded***

***THAT the 2023-2024 FAR Committee work plan be approved as presented.***

***Carried***

**6. Approval of budget envelope assumption**

**6.1 Budget Envelope Assumptions**

D. Menard presented the pre-circulated budget envelope assumption document and advised members that the specific initiatives that will be carried out in the upcoming year are developed by the senior leadership team (SLT) and are in line with the strategic and operational priorities.

Discussion of the budget envelope assumption focused on addressing the impact of Professional Engineers Ontario (PEO) signing onto the TD affinity program and availing itself of \$2 million that had previously gone into Engineers Canada's unrestricted reserves:

- Affinity program revenue on existing policies is split between Engineers Canada and the Regulators, with 51% going to Regulators and 49% to Engineers Canada. For new policies, 90% goes to Regulators and 10% to Engineers Canada. As an exception, Professional Engineers Ontario (PEO) will receive 51% of revenue on existing and new policies.
- To ensure that Engineers Canada's unrestricted net assets (reserves) would not grow unconstrained and risk losing status as a not-for-profit, significant projects had been funded by drawing down the reserves. It was reported that the reserves would be depleted in 2026 at the current rate of spending compared to revenue.
- Management is working to reduce operational expenses before proposing an increase to the Per Capita Assessment Fee (PCAF), which had been reduced to \$8 per registrant for 2024 and 2025.

G. McDonald, CEO, confirmed that based on current operational needs, the risk of lowering staff levels in 2024 by two is well-managed.

Management will present the draft budget to the FAR committee for discussion at the August 11, 2023 meeting, and subsequently to the Board for discussion at its meeting on October 5, 2023. A final budget will be presented to FAR at the October 17, 2023 meeting, and presented to the Board for approval at its meeting on December 4, 2023.

***Moved and seconded***

***THAT the 2024 operating budget envelope assumptions be approved as presented.***

***Carried***

**7. Other business**

The committee noted that an additional meeting / phone call might be needed before the August 11 meeting to discuss the PCAF issue.

**8. Next committee meetings**

The 2023-2024 FAR Committee approved the following meeting schedule:

- August 11, 2023 (virtual)
- October 17, 2023 (virtual)
- December 13, 2023 (virtual)
- February 26, 2024 (virtual)
- March 8, 2024 (virtual)
- May 9, 2024 (virtual)

The committee was informed that staff would circulate Outlook meeting invites for the above dates, with MS Teams links included.

**9. Meeting evaluation**

No comments were brought forward.

**10. Closing**

With no further business, the meeting was closed at 11:02 am (ET).