

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

December 13, 2023 | 11:30 am – 1:30 pm (ET)

Virtual: Teams Link

<b>Committee members in attendance</b>	
Christian Bellini Menelika Mekomba (joined at 11:50am) Dawn Nedohin-Macek	John Van der Put Steve Vieweg
<b>Guests</b>	
Catherine Philogene, RBC	James Malone, RBC
Marc Brabant, RCGT	
<b>Staff and support</b>	
Joan Bard Miller, Manager, Governance and Board Services Juliet Chou, Governance Coordinator	Gerard McDonald, Chief Executive Officer Derek Menard, Director, Finance

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

D. Nedohin-Macek, FAR Committee Chair, opened the meeting at 11:33 a.m. (ET) and welcomed committee members and staff.

#### ***Moved and seconded***

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

***Carried***

### 2. Declaration of conflict of interest

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

### 3. ESG presentation

J. Malone, Senior Investment Counsellor, RBC, and C. Philogene, VP, Product Management, ESG Funds, RBC provided the FAR Committee with an overview of RBC’s approach to “responsible investing” and its environmental, social and governance (ESG) funds. The presenters noted that Engineers Canada holds within its portfolio three of four of RBC’s “Vision Core Funds” that meet a defined set of ESG-related criteria. Clarifying questions were answered by the presenters.

C. Philogene left the meeting following the presentation.

J. Malone provided a brief synopsis of the performance of Engineers Canada’s asset portfolio, as reflected in the pre-circulated slides. At the committee’s request, he also provided an outlook on investments for the coming months which may be impacted by slower economic growth but stronger bonds.

J. Malone left the meeting.

The FAR Committee noted that as per Board policy 7.7, *Investments*, Engineers Canada has adopted a conservative approach toward investments. It was also noted that the current policy does not specify targets for ESG investing and that consideration may be given to including such targets.

**ACTION: That at a future meeting, the FAR Committee will review Engineers Canada's current investments in ESG funds and how these investments are guided by Board policy (7.7, Investments). The FAR Committee will update the Board as needed.**

#### **4. Review of 2023 audit plan**

D. Menard introduced M. Brabant, Engagement Partner Assurance of Raymond Chabot Grant Thornton who presented the pre-circulated *Audit Planning Report for the year ended December 31, 2023*.

The committee was satisfied with the 2023 audit plan as presented. M. Brabant left the meeting.

#### **5. Last meeting review**

##### **5.1 Review of minutes (October 17, 2023)**

The committee had no questions or comments regarding the minutes which had been pre-circulated.

#### ***Moved and seconded***

***THAT the minutes of the October 17, 2023, meeting be approved as presented.***

##### **5.2 Review of action table**

There were no current outstanding actions.

#### **6. Review of Q3 financial and investment performance reporting**

D. Menard presented the pre-circulated 2023 Q3 financial statements, Q3 forecast and Q3 investment performance report and noted the reasons for any variances between the forecasts and actuals reported. Clarifying questions asked by the committee were answered by staff.

**ACTION: Staff to revise the quarterly forecast heading in the Statement of Operations to ensure that the terminology used accurately reflects the information presented.**

#### **7. Q3 Risk Register**

The committee reviewed the pre-circulated risk register.

- No changes were made to the risk register since it was last presented to the FAR Committee in August.
- It was noted that risks associated with the CEO's forthcoming retirement had been mitigated with the activation of the CEO Succession Plan and therefore no related changes were needed to the risk register.
- The FAR Committee will conduct its annual review of the Corporate Risk Profile at its March meeting.

#### **8. Work plan review**

The committee reviewed the revised work plan which incorporated changes to Board policy 6.4 *Finance, Audit and Risk (FAR) Committee terms of reference*, approved by the Board on December 4, 2023. No further revisions were requested.

#### **9. Other business**

No other business was brought forward.

#### **10. Next committee meetings**

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

- February 26, 2024 (virtual)
- March 8, 2024 (virtual)
- May 9, 2024 (virtual)

### **11. Meeting evaluation**

Overall, the FAR Committee and staff were pleased with the meeting.

All staff left the meeting as it moved in-camera.

The FAR Committee agreed to report from its in-camera session the following two recommendations:

- That included in the next budget cycle is an opportunity for the Board to contribute suggestions to reduce expenses related to its own operations.
- That a presentation be planned to help the Board to better understand environmental, social and governance (ESG) practices and reporting requirements.

### **12. Closing**

With no further business, the meeting was closed at 1:16 pm (ET).