

Minutes of the Finance, Audit, and Risk Committee Meeting

October 17, 2023 | 11:30 am – 1:30 pm (ET)

Virtual: Teams Link

Committee members in attendance	
Christian Bellini Menelika Mekomba Dawn Nedohin-Macek	John Van der Put (joined 11:46) Steve Vieweg
Observers	
Marlo Rose	
Staff and support	
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. Last meeting review

3.1 Review of minutes (August 11, 2023)

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

Moved and seconded

THAT the minutes of the August 11, 2023, meeting be approved as presented.

3.2 Review of action table

There were no current outstanding actions.

4. Review of final 2024 budget and Per Capita fee recommendation

D. Menard, Director, Finance, highlighted changes to the 2024 final budget memo (Appendix 1) and revenue and portfolio detail analysis sheets (Appendix 2) since the October 5, 2023, Board meeting.

The FAR Committee confirmed that the \$100,000 cost for CEO succession will contribute to the deficit that will be funded by the unrestricted reserve. For future projects, consideration may be given to drawing from restricted reserves with the Board's approval. Questions asked about the Canadian Engineering Qualifications Board (CEQB) budget reductions were answered by staff. The CEQB and Canadian Engineering Accreditation Board (CEAB) chairs were consulted on their budget reductions.

Moved and seconded

THAT the FAR Committee recommend Board approval of the 2024 budget, including an operational budget of \$11.7 M, and a project budget of \$3.6 M.

Carried

The FAR Committee considered the Board's sentiment that the per capita assessment fee (PCAF) should increase more rapidly than what had been previously recommended through scenario 2 of the budget memo.

- The impact of the change in PCAF may be felt differently by each Regulator.
- Staff will provide the Board and Members information on the number of years that the PCAF had been set at \$10.21 prior to being reduced to \$8 per registrant, and what the current rate would be had fee increases aligned with the Consumer Price Index.
- It was confirmed that projected strategic plan spending of \$1 million per year for 2025-2029 was estimated based on the perceived scope and workload of the plan and does not include continuation of the marketing campaign.
- Future consideration should be given to how revenue can meet both operating expenses and funding for strategic priorities.

It was agreed that the 2026 PCAF be set at \$10 per registrant as outlined in scenario 3.

Moved and seconded

THAT the FAR Committee recommend to the Board that the 2026 Per Capita Assessment Fee be set to \$10.00 per registrant.

Carried

5. Review of FAR Committee-related Board policies

D. Menard presented proposed revisions to Board policies 5.3, *Financial condition* and 7.12 *Net assets*, which had been pre-circulated.

- Staff confirmed that Policy 5.3, *Financial condition* focuses on internal control and financial compliance and will remain relevant in spite of the change in CEO.
- The FAR Committee recommended that as part of their onboarding the incoming CEO become familiar with the financial policies.

The committee supported that the proposed policy revisions be presented to the Governance Committee for consideration at its meeting on November 15, 2023. At that time, it should be noted that Appendix A of Policy 7.12, *Net assets*, will require an update by the auditor after the new strategic plan is approved. The update will be recommended for inclusion in the 2024-2025 committee work plan.

6. Work plan review

The committee reviewed the revised work plan which had been updated to incorporate the discussion of Board policy 7.1, *Board, committee, and other volunteer expenses* following the Board meeting in December.

It was noted that the environmental, social and governance (ESG) presentation, scheduled for December 13, would be given by RBC, Engineers Canada's investment advisor. Engineers Canada Director, Finance, will meet with the new auditor soon and will inquire about their capacity to provide ESG guidance.

The committee supported the changes to the work plan.

7. Other business

No other business was brought forward.

8. Next committee meetings

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

- December 13, 2023 (virtual)
- February 26, 2024 (virtual)
- March 8, 2024 (virtual)
- May 9, 2024 (virtual)

9. Meeting evaluation

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

10. Closing

With no further business, the meeting was closed at 12:18 pm (ET).