

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

June 20, 2022 10:00 am – 11:00 am (ET) | Hybrid

In-person: Fairmont Tremblant, Tremblant, QC (Waban Meeting Room) | Virtual: Zoom

<b>Committee members in attendance</b>	
Victor Benz Dawn Nedohin-Macek	Steve Vieweg
<b>Regrets</b>	
Arjan Arenja	Maxime Belletête
<b>Observers</b>	
Nicholas Turgeon	Michael Wrinch
<b>Staff and support</b>	
Gerard McDonald, Chief Executive Officer Derek Menard, Director, Finance	Anna Murphy-Dow, Governance Coordinator

### 1. Selection of the committee chair

D. Nedohin-Macek opened the meeting at 10:00am (ET) and welcomed everyone to the first meeting of the 2022-2023 FAR Committee. Committee members were advised that the HR Committee has recommended Arjan Arenja to be the FAR Committee chair for the 2022-2023 term. A. Arenja sent his regrets as he is out of the country. The committee members unanimously supported the HR Committee’s recommendation. No further candidates were brought forward.

***Moved and seconded***

***THAT Arjan Arenja be appointed FAR Committee chair for 2022-2023.***

***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. Last meeting review

#### 3.1 Review of minutes (May 12, 2022) – approved by 2021-2022 committee

Provided for information only, no questions or comments by committee members.

#### 3.2 Review of action table

Committee members did not have any comments or questions regarding the action table.

### 4. Approval of the 2022-2023 work plan

The committee reviewed the draft work plan. The 2022-2023 FAR work plan was supported unanimously for presentation to the Board at the September meeting.

***Moved and seconded***

***THAT the 2022-2023 FAR Committee work plan be approved as presented.***

***Carried***

## 5. Approval of budget envelope assumption

### 5.1 Budget Envelope Assumptions

D. Menard, Director of Finance and staff lead for the committee, advised members that the budget initiatives are created by the senior leadership team (SLT) and are in line with the strategic and operational priorities. It was noted that once the budget envelope assumption is approved, revenue and cost estimates will be prepared and reviewed by SLT, and a draft budget will be presented to the FAR Committee for review at their August meeting.

Previously, the budget assumptions were presented at the same time as the first draft of the budget, and approved by the Board at its fall meeting. Going forward, assumptions will be provided in advance of the first draft of the budget.

The following assumptions for revenues, operating expenses, and strategic plan project expenses related to Engineers Canada's 2023 budget were highlighted:

- Revenue assumptions for the annual membership was estimated at 316,432 members: an increase of 4% from last year's budget.
- Affinity program estimates are provided from the individual affinity partners and the prediction is that there will be a small or neutral increase compared to last year's budget.
- Due to recent market conditions, staff are taking a conservative position and budgeting a 3.5% return in investment income.
- Operating expense assumptions have two components: one related to salary and the other links to operating expenses. The headcount is based on 50 full-time employees (FTE), which is an increase of one (1) FTE from last year. Salary increases are based on a salary band review for each employee who are not at their job rate for their position. For staff who are at the job rate for their position, they will receive a CPI increase of 6.9%, based on the Statistics Canada CPI rate for the 12-month period ending April 2022.
- The 2022-2024 Strategic Plan project expenses total envelope is \$9.1 million, and staff do not foresee it coming in higher.

An observation was made that the budget primarily highlighted the change related to governance staff, and, in addition, there is risk with investment income based on market instability. G. McDonald confirmed that Engineers Canada staff are being conservative with investments, and although the budget only increased by one full time person for the coming year staff will assist in other areas of the organization when needed.

***Moved and seconded***

***Approve budget assumptions envelope as presented.***

***Carried***

## 6. Other business

It was noted that Robert's Rules of Order (RRO) works well to control a meeting room, however with a harmonious group it can be heavy. There was consensus that there is an appetite for a cultural change that could be considered for future FAR Committee meetings. It was noted that the record of a seconder may not be required if no members are opposed to a motion.

From a meeting perspective, the mover is recorded, and the seconder does not need to be recorded. For smaller committees, this can be used going forward, based on the small group management within RRO. This suggestion will be brought forward to governance staff to ensure the fiduciary responsibility for the FAR Committee will still be met. It was also suggested that the committee can also approve this process for the year. V. Benz indicated he would share the link of what he is referring to regarding small group management.

**ACTION: Staff to consult with governance team regarding the suggestion that the record of a seconder may not be required at committee meetings if all members support a motion.**

#### **7. Next committee meetings**

The 2022-2023 FAR Committee approved the following meeting schedule:

- August 10, 2022 (virtual)
- October 21, 2022 (virtual)
- December 14, 2023 (virtual)
- February 27, 2023 (virtual)
- March 10, 2023 (virtual)
- May 11, 2023 (virtual)

#### **8. Meeting evaluation**

No comments were brought forward.

#### **9. Closing**

With no further business, the meeting was closed at 10:21 am (ET).