

Minutes of the Finance, Audit, and Risk Committee Meeting

February 13, 2020 9:30am-11:00am via Webinar

Committee members in attendance	
L. Doig (Chair) K. Baig T. Brookes	J. Dunn R. Trimble S. Vieweg
Regrets	
D. Chui	
Observers in attendance	
D. Lynch	
Staff and support	
R. Gauthier C. Mash G. McDonald	J. Monterrosa S. Price

1. Call to order and approval of agenda

L. Doig, Chair, opened the meeting at 9:32am (ET) and welcomed the Committee members. The agenda was approved by consensus.

***Moved by T. Brookes, seconded by K. Baig
THAT the agenda be approved as circulated.
Carried***

2. Review of the last meeting
a) Approval of minutes

The minutes were circulated in the agenda book.

***Moved by J. Dunn, seconded by T. Brookes
THAT the minutes from December 8 be approved.
Carried***

b) Review of action table

The action table was commended for conciseness, numbering will be added to the next edition.

G. McDonald provided a verbal update on TD exit interviews, that interviews are performed and the main reason for leaving has been cost. TD will try to collect more data during future exit interviews.

ACTION: Staff to add numbering to the action table.

3. 2019 un-audited financial results

J. Monterrosa presented the results as pre-circulated. S. Price provided background on the variances with project spending. G. McDonald reported that the higher than normal surplus relates directly to PEO's decision to participate in the affinity program revenues, which is typically communicated in late November or early December, annually.

J. Dunn reported on the recent success of the future cities program in PEI in promoting the profession amongst the next generation. G. McDonald suggested that this discussion be raised at the Board level when reviewing the OP8 strategy focusing on outreach.

4. TD affinity program status

G. McDonald presented the third monthly summary from TD, including graphs to demonstrate the trends. The total written premium value has increased, although the client count is decreased and it is still too early to fully understand the effects of the new competition and marketing that will be taking place. The graph format was commended for clarity.

5. Risk register review

G. McDonald presented the revised register and responded to questions. The document has been reviewed and adjusted by the senior leadership team and reporting has been streamlined to focus on major changes and critical risks. Additionally, critical risk summaries are included to provide further details for risks located in the red area of the heatmap.

6. Approach to FAR related policy review

A draft process was circulated with the agenda book. It was unanimously agreed to follow the process as drafted and that Committee members should provide their preference for policies to review to C. Mash before February 14, 2020.

7. Investment policy recommendations as provided by RBC, for information

The circulated recommendations document is presented to the Committee for their consideration in advance of J. Malone, investment advisor from RBC, attending the February 24 FAR meeting. J. Malone will be providing suggestions on updating the current investment policy, in addition to presenting insights on the 2019 performance.

More context was requested for the policy recommendations made, to better understand the rationale and expertise applied. A question was raised around if RBC maintains a summary of investments that are considered "of questionable ethics". Additionally, a request was made for the RBC investment fee structure.

ACTION: Staff to coordinate with RBC to gather rationale behind the investment policy suggestions as provided and to determine if RBC maintains a list of "questionable ethics investments".

ACTION: Staff to circulate RBC investment fee structure.

8. Work plan review

The Committee reviewed the work plan, which was deemed on track for completion.

9. Other business

No other business was brought forward.

10. Next meetings

The following meetings of the committee are scheduled:

- February 24, 2020 2:00pm-4:30pm (Hilton Lac Leamy, Gatineau, QC)
- March 18, 2020 1:00pm-3:00pm (Webinar)
- April 29, 2020 1:00pm-3:00pm (Webinar)

11. Closing

The meeting was closed at 11:04am ET.