

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

February 24, 2020 2:00pm-4:30pm

Hilton Lac Leamy 3 Boulevard du Casino, Gatineau, QC and teleconference

<b>Committee members in attendance</b>	
L. Doig (Chair) K. Baig T. Brookes D. Chui	J. Dunn R. Trimble S. Vieweg
<b>Regrets</b>	
None	
<b>Observers in attendance</b>	
D. Lynch	
<b>Staff and support</b>	
C. Mash J. Malone (RBC)	J. Monterrosa

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

L. Doig, Chair, opened the meeting at 2:06pm (ET) and welcomed the Committee members. The agenda was approved by consensus, with an additional item of affinity programs under other business.

***Moved by J. Dunn, seconded by R. Trimble  
THAT the agenda be approved as amended.  
Carried***

**2. Review of the last meeting**

**a) Approval of minutes**

The minutes were circulated in the agenda book.

***Moved by R. Trimble, seconded by J. Dunn  
THAT the minutes from February 12 be approved.  
Carried***

**b) Review of action table**

The action table was reviewed. It was noted that in-person meetings should be recommended for incorporation into the 2020-2021 work plan.

**ACTION: Include the planning of in-person committee meetings on the list of consideration for the 2020-2021 work plan.**

**3. Investments**

**a) Performance**

James Malone, RBC Investment Advisor, provided an overview of the pre-circulated presentation. The presentation included suggestions to update the current investment policy and portfolio and insights on the 2019 performance. J. Malone responded to questions Committee questions.

Following the review of the proposed investment structure and policy, the Committee agreed to approve the documents for recommendation to the Board. The investment policy will be further adjusted to ensure the language is appropriate for Engineers Canada policies.

***Moved by R. Trimble, seconded by K. Baig***

***THAT the FAR Committee approve, pending minor amendments, the investment portfolio recommendations and policy provided by RBC, for recommendation to the Board.***

***Carried***

**b) Policy review**

**ACTION: Staff to review current proposed policy and work with RBC for any additional adjustments required, with a final draft prepared for signatures.**

**4. Financial related policy review**

The Committee members each reviewed their assigned policies and the following amendments were brought forward.

5.3 Executive duties & limitations: Financial condition

S. Vieweg provided an overview of his recommendations, which included improvements to wording and to clarify reporting processes. Suggestions were also made to reduce redundancies and overlap between operations and strategy.

**ACTION: Staff to implement the following changes:**

- #3 – remove “aggressively” as it is subjective.
- #4 – change in a timely fashion, make it “before the respective deadline” (timely could be defined differently)
- #7 remove; will be included in investment policy
- #8 – remove reference to type of accounts, this is an operational decision
- #9 – Board has policy on signing authority; this should not be included in a limitation
- #11 Board is advised, through the FAR Committee, of material changes...”, this change clarifies reporting lines to the Board.
- #12 – remove reference to “face to face” so that other means of meeting are considered.

5.5 Executive duties & limitations: Asset protection

D. Chui provided an overview of suggested changes, including removal of sub-numbering and adding a statement to ensure insurance policies are reviewed annually.

**ACTION: Staff to implement the following changes:**

- removal of sub-numbering under point 1, combine into one statement.
- Add a statement to ensure insurance policies are reviewed annually.

• 5.6 Executive duties & limitations: Planning

J. Dunn presented the policy. It was noted that the “3-year” strategic plan is very prescriptive, and the Committee agreed that it would be best to omit the time frame.

The Committee agreed to include a statement referring to the quarterly forecast reporting as a mechanism to understand if there will be variances to the annual spending as originally planned in the budget.

**ACTION: Staff to implement the following changes:**

- Remove reference to “three-year” and just have “strategic plan” to allow for pivot.
- Add a statement to outline the quarterly forecast reporting mechanism.

#### 5.7 Executive duties & limitations: Compensation and benefits

T. Brookes provided an overview of suggested changes, the Committee agreed to the changes.

**ACTION: Staff to implement the following changes:**

- Staff to review wording of existing point #5 and make recommendations to clarify intent of fairness with pension and benefits for staff.
- Change numbering for flow of the policy.

#### 6.4 Finance, audit, and risk committee terms of reference

L. Doing provided an overview of suggested changes, the Committee agreed to the changes.

**ACTION: Staff to implement the following changes:**

- #5 add frequency of investment report review annually.
- #7 Adjusting the scope of audit to support the auditor’s recommendation that the Board expense area does not carry enough risk to continue for now.
- Add review of auditor and any long-term procurement commitments
- Adding how GAAP is communicated to Engineers Canada to #9

**ACTION: Staff to review if S. Vieweg is a voting member of the Committee.**

- 7.1 Board, committee, and other volunteer expenses

R. Trimble provided an overview of suggested changes, the Committee agreed to the changes. D. Lynch provided a statement for consideration to outlines the approval process for expense claims. Following discussion, the statement was revised so the President has the last word on any issues arising within the claim process.

**ACTION: Staff to implement the following changes:**

- include the process for claim approval and add a statement that the president will have final say on disputes.
- Adjust the CRA mileage rate to the National Joint Council rate.

#### **5. Work plan review**

The Committee reviewed the work plan, which continues to be on track for completion. The Committee requested that an in-camera webinar be scheduled with the auditor for March 18.

**ACTION: J. Monterrosa to coordinate the in-camera meeting with KPMG.**

#### **6. Other business**

##### **a) Discussion – Engineers Nova Scotia letter commenting on changes to by-law dealing with per capita fees**

Nova Scotia provided feedback on the proposed Bylaw change for the per capita assessment fee.

##### **b) Affinity programs**

The Committee agreed to move in camera.

***Moved by J. Dunn, seconded by K.Baig***

***THAT the Committee move in camera. The attendees at the in-camera session, in addition to committee members, include D. Lynch and J. Monterrosa.***

***Carried***

## **7. Next meetings**

The following meetings of the committee are scheduled:

- March 18, 2020 1:00pm-3:00pm (Webinar)
- April 29, 2020 1:00pm-3:00pm (Webinar)

## **8. Closing**

With no further business, the meeting was closed at 5:30pm ET.