



# Minutes

## **2019 Audit Committee Meeting on October 17, 2019**

### **Meeting Minutes issued:**

Minutes of a meeting of the Audit Committee (AUC) held at the Professional Engineers Ontario office boardroom 1B, 40 Sheppard Avenue West, North York, Ontario, on October 17, 2019 commencing at 5:30 p.m.

### **In attendance:**

#### **Audit Committee Members:**

**Chair:** Guy Boone, P.Eng., Eastern Region Councillor

**Vice-Chair:** Marilyn Spink, P.Eng.  
Leila Notash, P.Eng., PhD, FEC  
Sherlock Sung, B.A.Sc.  
Thomas Chong, M.Sc., P.Eng., FEC, FCAE, PMP,  
East Central Region Councillor  
Craig Young, P.Eng., CPA, CMA  
Ishwar Bhatia, M.Eng., P.Eng., Eastern Region Councillor

**Staff:** Chetan Mehta, MS, MBA, Director, Finance  
Peter Cowherd, CPA, CMA, Manager, Financial Services and Procurement  
Lucy Capriotti, Administrative Assistant

**Guests:** Steve Stewart, CPA, CA (Deloitte)

**Regrets:** Johnny Zucco, P.Eng., Registrar/CEO  
Margaret Braun, Acting Director, People Development

#### **Audit Committee Items**

The meeting was called to order at 5:30 p.m. by the Chair.

#### **1. Approval of Draft Agenda**

The committee members agreed that the draft agenda be revised to have item 5 – Training Session on Roles and Responsibilities of the Audit Committee be moved up to item 2 to allow S. Stewart to commence with the training session; and a motion was passed to the effect.

**MOTION**

That the draft agenda as revised be approved.

Moved by L. Notash and seconded by T. Chong

**CARRIED**

**2. Training session on roles and responsibilities of the AUC by Steve Stewart**

C. Mehta introduced S. Stewart to the members of the Audit Committee and requested that he commence with his training session. S. Stewart walked the committee members through the slides he had prepared on key roles and responsibilities of the Audit Committee and answered the various questions the committee members had.

**3. Approval of Draft Minutes from April 25, 2019 and September 26, 2019**

The meeting was moved **IN-CAMERA** to discuss the minutes from April 25, 2019. After a discussion on the minutes and action items outlined in the minutes of the meeting held on April 25, 2019, the committee members approved the minutes as presented with abstentions from S. Sung, L. Notash and M. Spink as these three committee members were not part of the Audit Committee in April 2019.

**MOTION**

That the Minutes of April 25, 2019 meeting as presented be approved.

Moved by T. Chong and seconded by I. Bhatia

Abstentions: S. Sung, L. Notash and M. Spink

**CARRIED**

The committee members then passed a motion to move out of camera.

**MOTION**

That the meeting be moved out of the IN-CAMERA session

Moved by L. Notash and seconded by I. Bhatia

**CARRIED**

The meeting was moved out of camera so the AUC could approve the minutes from September 26, 2019. The committee members agreed to approve the minutes as presented and passed a motion to that effect.

**MOTION**

That the Minutes of September 26, 2019 meeting be approved.

Moved by L. Notash and seconded by M. Spink

**CARRIED**

**4. Business arising from the Minutes**

A discussion was held on the following outstanding action items from the AUC meeting on April 25, 2019.

**Action Item #1 – HST update Chapters activities**

C. Mehta reported that per the directive from the Audit Committee and on the auditor's recommendation, staff had reached out to an HST consultant for seeking an opinion on the implications of the fundraising and revenue collection activities by the Chapters. The HST consultant had recommended that most Chapters activities had HST implications.

C. Mehta then presented some options to help deal with these recommendations. After a discussion on this topic, the committee members agreed that option 1 (which entailed centralized banking in which Chapter reimbursements are routed through the head-office) be presented to Council for approval.

**MOTION**

That Option 1 for Centralized banking for Chapters be presented to Council for approval.

Moved by M. Spink and seconded by L. Notash

**CARRIED**

**Action Item #2 – Update on the pension plan**

C. Mehta clarified that the PEO's pension plans or funds were managed by the People Development team and per the latest information provided to him by M. Braun, Acting Director – People Development, a pension lawyer had been consulted and further updates will be provided once more information was available. The AUC after discussion, recommended that a status update in a briefing note be provided to Council in an in-camera session on the pension matter. G. Boone agreed to work with M. Braun to prepare a status report for Council.

**5. Presentation of 2019 Audit Plan by Steve Stewart from Deloitte**

S. Stewart presented the Audit Plan for the 2019 year-end audit during which he clarified that Deloitte would be conducting the PEO main audit, the CAM audit for the building common area and the audit for the PEO pension funds. He then walked the committee through the key highlights of his presentation and answered various questions by the committee members.

**6. Other Business**

Items discussed under Other Business were:

**i) Chapter HST Update**

This item was addressed in Agenda item 4, Action item #1.

**ii) Status update on the two motions passed at the AUC on April 25, 2019, which are:**

- a. That the Audit Committee recommend that an update be provided to Council in an in-camera session regarding pension funds reporting with FSCO.
- b. That the Audit Committee recommends development on a pension committee to cover all aspects of pension governance.

Item (ii) a. was addressed in Agenda item 4, Action item #2 whereas work is still under way on item (ii) b.

**7. Date of Next Meeting**

Next meeting will be a joint FIC/AUC meeting with the auditor. A Doodle Poll will be sent out once we have a few dates from S. Stewart from Deloitte.

**8. Adjournment/Dinner**

The committee agreed to adjourn the meeting at 9:20 p.m.

**Status of Action items from the AUC meeting on October 17, 2019**

Item	Action	Responsible	Status
1	That staff provide an update on the centralization of Chapter bank accounts initiative.	C. Mehta	Work in progress
2	Provide a copy of the Regulatory Risk Register	C. Mehta	Complete
3	Provide an update to Council in an in-camera session regarding the pension plans reporting to FSCO	G. Boone	Complete

**Action items from the AUC meeting on April 25, 2019**

1	Look into HST compliance issues for revenue collection and other fund-raising activities at Chapters	C. Mehta	Complete
2	Provide an update at the next meeting regarding alignment of the current defined pension plan with the industry standards.	M. Braun	Work in progress