



Minutes

2019 Audit Committee on September 26, 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 September 26, 2019 commencing at 5:00 pm.

In attendance (Teleconference):

Audit Committee Members:

Present: Guy Boone, P.Eng., Eastern Region Councillor (came in person)
Leila Notash, P.Eng., PhD, FEC
Marilyn Spink, P.Eng.
Sherlock Sung, BAsC.

Staff: Chetan Mehta, MS, MBA, Director, Finance
Lucy Capriotti, Administrative Assistant

Guests: None

Regrets: Margaret Braun, (Acting) Director, People Development
Johnny Zuccon, P.Eng., CEO/Registrar
Peter Cowherd, CPA, CMA, Manager, Financial Services & Procurement

Audit Committee Items

The meeting was called to order by C. Mehta at 5:03 pm and the agenda was presented to the members for feedback.

1. Election of Chair and Vice Chair

C. Mehta discussed what the role of the Chair's responsibility is, and G. Boone requested to put his name forward. No other member put their name forward. The vote was unanimous, and G. Boone continued the meeting as he was now the Chair of the AUC.

G. Boone asked if anyone was interested in the Vice-Chair position and discussed the role being that they support the Chair and the committee. M. Spink expressed interest in the Vice-Chair position and G. Boone said he was happy to work with M. Spink. G. Boone declared M. Spink as being acclaimed as Vice-Chair.

MOTION

That G. Boone accepted the role for Chair of the AUC and M. Spink accepted the role for Vice-Chair of the AUC.

Moved by L. Notash and seconded by S. Sung

MOTION CARRIED

2. Approval of Draft Agenda

That the amended agenda be modified by moving item #4 to item #2 and item #2 be moved to item #3 and item #3 be moved to item #4 and defer item #5, #6, #7 & #8 until next AUC meeting.

MOTION

Moved by M. Spink and seconded by L. Notash

MOTION CARRIED

3. Selection of non-Councillor members

C. Mehta discussed that we have had 3 direct requests from volunteers and their resumes/synopsis were sent to the AUC. The volunteers that were interested in being a non-councillor member to the AUC are as follows:

- 1) Craig Young - synopsis provided
- 2) Ishwar Bhatia – resume provided
- 3) Thomas Chong – resume provided

C. Mehta discussed that if we get experienced volunteers who bring in some continuity he believes the AUC can stand to benefit.

MOTION

A motion was made to appoint all three candidates to the AUC.

Moved by L. Notash and seconded by S. Sung.

All were in favour except for M. Spink.

MOTION CARRIED

4. Appointment of the Volunteer Expense Appeal Sub-committee members

C. Mehta discussed how this committee works, he discussed that any volunteer expense over 90 days would be sent to the Volunteer Expense Appeal Sub-committee for approval. The following AUC members volunteered to be on this committee:

- 1) Leila Notash
- 2) Sherlock Sung
- 3) Guy Boone

We will revisit this item at next AUC meeting to see if there are others interested.

MOTION

That the above noted three members agreed to be on the Volunteer Expense Appeal Sub-committee.

Moved by M. Spink and Seconded by L. Notash

MOTION CARRIED

5. Approval of the Draft Minutes from April 25, 2019

Deferred to our next AUC meeting.

C. Mehta discussed the outstanding action items from the AUC meeting on April 25, 2019. Action item #1 on page 5 (*Look into HST compliance issues for revenue collection and other fund-raising activities at Chapters*). At the March 2019 Council meeting when the auditor conferenced in he discussed that one of the findings he had while conducting the 2018 audit was that while auditing the Chapters, Deloitte came across certain fundraising activities that were conducted. One of the recommendations that Deloitte had made was that PEO get an assessment done to make sure we are compliant with all the prevailing HST rules. We had gone to an external HST consultant who reviewed all the fundraising activities, or the tasks conducted by the Chapters. We got this list from the

Chapters office and they made sure the information that was provided to C. Mehta was confirmed and vetted by the concern of the responsible people at the Chapters or through the RCC. This information was passed on to the HST consultant who has reverted to us with an opinion which we hope to be getting in a final format/report in the next few days. Essentially the findings are that a lot of the revenue collection activities that are conducted at the Chapters level do have HST implications, and a report will be shared with the AUC once C. Mehta gets a copy of the final report.

M. Spink asked to include these items on an Action List:

- 1) Put together a set of qualifications for non-councillor members of the AUC.
- 2) At our first AUC in 2020 include a description of what the Volunteer Appeals Subcommittee does.

MOTION

That the draft Minutes of April 25, 2019 be deferred to the next AUC meeting.

Moved by L. Notash and seconded by M. Spink

MOTION CARRIED

6. Business arising from the Minutes

Deferred to next AUC meeting.

7. Review of Annual Work Plan

Deferred to next AUC meeting. The AUC members were asked to review the Work Plan and discuss prior to our next AUC meeting which will be arranged via teleconference.

Change date on the Work Plan and send to the AUC.

8. Review Terms of Reference

Deferred to next AUC meeting. The AUC members were asked to review the Terms of Reference and discuss prior to our next AUC meeting which will be arranged via teleconference.

Change date on the Terms of Reference and send to the AUC.

9. Other Business

9.1 Training – C. Mehta reached out to Deloitte on some training dates and they are available on the following dates:

A Doodle Poll will be sent out to the committee members by end of day September 27th, 2019. The following dates will be proposed via Doodle Poll; October 15, 17, 28 and 29 2019, meeting time to commence at 5:30 p.m. – 9:30 p.m. This meeting will be an AUC meeting where including training and the auditor will present his audit plan for the upcoming audit. Deloitte has advised us that they will be coming in for the interim audit the week of November 18, 2019 and the final year end audit for the 2019 during the week of January 27, 2020. Prior to this date the auditor will be presenting his audit plan to the committee members for any input or feedback and any questions the committee may have can be asked at that time. There will be a joint FIC/AUC meeting held sometime in March 2020.

S. Sung discussed that he was reviewing the minutes from of April 25, 2019 AUC and noted that on page 2 of the minutes it stated that the custodian of PEO's pension plan is with RBC and wanted to declare that his wife is an employee of RBC in case of any conflict. C. Mehta discussed that for the agenda items that are currently under discussion it would not entail any conflict.

G. Boone to provide at next AUC meeting information on:

- 1) Centralized banking
- 2) Chapter financial audit

10. Date of Next Meeting

The committee members agreed that a Doodle Poll will be sent out to schedule the next meeting.

11. Adjournment/Dinner

All were in favor of adjourning the meeting and that there would be no dinner. The meeting was adjourned at 6:40 pm.

Outstanding Action items from the AUC meeting on September 26, 2019

Item	Action	Responsible	Status
1	Look into HST compliance issues for revenue collection and other fund-raising activities at Chapters.	C. Mehta	Work in progress
2	Obtain advise from the pension lawyer and provide an update at the next meeting regarding alignment of the current defined pension plan with the industry standards.	M. Braun	Work in progress