



Minutes

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Enforcement Hotline:

Finance Committee Meeting on July 16, 2020

Meeting Minutes issued:

Minutes of a meeting of the Finance Committee (FIC) held via Zoom on July 16, 2020 commencing at 5:00 pm.

In attendance:

Finance Committee Members:

Chair: Lorne Cutler, P.Eng., MBA; Lieutenant Governor-in-Council Appointee

Vice-Chair: Arthur Sinclair, P.Eng., Vice President (appointed), East Central Region Councillor

Chantal Chiddle, P.Eng., FEC; Eastern Region Councillor

Arjan Arenja, P.Eng., MBA; Lieutenant Governor-in-Council Appointee

Colin Chan, P.Eng., MBA, CPA, CMA

Linda Drisdelle, P.Eng., M.Eng., MBA, FEC

Roberto Martini, P. Eng., CPA, CMA

Staff: Marisa Sterling, P.Eng., FEC, President (Ex-Officio)

Johnny Zuccon, P.Eng., CEO/Registrar

Chetan Mehta, MS, MBA, Director, Finance

Peter Cowherd, CPA, CMA, Manager, Finance and Procurement

Lucy Capriotti, Administrative Assistant

Guests:

Regrets:

The meeting was called to order at 5:00 p.m. by C. Mehta who suggested that the first order of business would be to elect a Chair and Vice Chair after which President Sterling could address the committee.

1. Election of Chair and Vice Chair

C. Mehta asked if there were any candidates that were interested in running for the position of the Chair or Vice Chair. C. Chan nominated L. Cutler who accepted the

nomination. C. Mehta asked if there were any other candidates interested in the position of Chair. No other members were interested, and everyone agreed, and L. Cutler was acclaimed as Chair of the FIC.

C. Mehta requested L. Cutler to take over as Chair of the meeting.

L. Cutler asked the committee members for nominations for the position of Vice Chair. A. Sinclair was asked if he would be interested and he responded that he wouldn't refuse but didn't feel comfortable nominating himself. L. Drisdelle and A. Arenja advised that they would be happy to support A. Sinclair's nomination if he were to accept position of Vice Chair. A. Sinclair accepted and was appointed as Vice Chair of the FIC.

2. **Approval of Agenda**

The committee members reviewed the draft agenda and agreed to have it amended to have the PEO President make her presentation. A motion was passed to that effect.

MOTION

That the agenda as amended be approved.

Moved by A. Sinclair and seconded by L. Drisdelle

MOTION CARRIED

Presentation by President M. Sterling

The President thanked the FIC for welcoming her to the meeting. She shared her thoughts on where PEO is headed and talked about her hope this year in supporting Council on identifying a long-term vision about where PEO will go in the next ten years. She also congratulated the FIC for getting us to centralized banking, AGM and financial statements and financial reporting and for getting the financial budget to PEO.

The President had a few suggestions for the FIC such as an HR Plan and discussions around equity and inclusion since these are becoming more and more prominent in all of society including PEO. She also noted that there was no succession plan for this committee and having one could be helpful because part of the governance roadmap is all about identifying competencies and helping us be better governors. The President noted we have a couple of CPAs' on the committee and their presence was important to

this group. She thanked R. Martini and C. Chan for their multifunctional skills and contributions to the committee. She also thanked everyone for taking the time to listen.

L. Cutler thanked the President for her thoughts and asked the other FIC members for their thoughts.

A. Arenja said that we should be thinking about any requests on any special projects and requests for funding should be driven by what the needs of PEO are to the operations which is driven by operations and not by Council unless there is something else that Council wants to do.

R. Martini added that he was very excited with what President had to say and that the whole idea of reimagining PEO and that is part of the reason he joined the FIC.

L. Drisdelle stated that we should make the most of this attitude for change and she would mirror what the President presented. In the short term, we know for sure there is a need for advancement in the adoption of technologies. The modernization of the licensing process, we know regardless whatever strategy we choose these two things are going to be suited to likely any strategy so we can't go wrong with the committee on these two things in the short term.

J. Zuccon commented on the President's presentation and said that Council will soon get a request for the organizational change as before embarking on any major project or initiative, it first be necessary to add staff capacity and leadership talent. In terms of changes to the licensing process, Council is going to have to face the inevitable discussion which is part of the President's reimagining vision is whether or not we are going to be focused as a regulator that is small tent (traditional engineering practices) as opposed to a broader bigger tent and this decision is critical because it gives us marching orders in terms of what kind of structure do we want both from an operational side and as well as our digital platforms.

L. Cutler inquired about COVID and its financial impact on a short term and long-term basis.

J. Zuccon stated that in light of the pandemic, we all have had to get used to a new normal and it is apparent that we would have been better off had we adopted technology a lot quicker. However, one challenge with adopting technology particularly in regard to

our licensing process is that its complexity has presented challenges to automation. However, as an organization we have largely been able to sustain working remotely to a greater part but a lot of what we are doing now are work arounds and not a long-term solution.

J. Zuccon and C. Mehta were asked by the FIC to give direction on what the FIC should focus on this year.

C. Mehta spoke about a few examples he wanted to bring to the attention of the committee. He said that staff was currently supporting three separate processes for reimbursing volunteer expenses. We have one group of volunteers who insist on being reimbursed through cheques and refuse to sign up receiving monies via EFT (electronic fund transfers); there is another group of volunteers who agree to sign up for EFT but do not sign up with Certify; and a third group of volunteers who have signed up with Certify. C. Mehta's point was that if it was mandatory for PEO staff to use Certify and if PEO was committed to embarking upon the transition to increasing digitization per the Cayton report recommendations then why can't using Certify be made mandatory for all volunteers.

A. Arenja responded that this was an operational decision that was best left to staff and that Councillors or volunteers should not be getting involved in these decisions.

L. Drisdelle said that there are many new ideas that could be brought to the table and if the committee was going to identify any special projects then they would need to pick something that would have an impact and something that will force a step change on the way that PEO thinks about its business.

3. Selection of FIC representative to the Investment Sub-committee

C. Mehta listed the constituents of the sub-committee which are: the President in an ex-officio capacity; one representative from the FIC; one representative from the HRC other than the President; one staff member who is in the pension plan and the pension plan administrator (a non-voting member) who has been the Director of HR in the past.

A. Arenja volunteered to this position and there were no other committee members showing interest. L. Cutler announced that A. Arenja was the FIC representative on the Investment Sub-committee.

4. Approval of the joint Minutes of joint AUC/FIC Meeting held May 12, 2020

The committee members unanimously agreed and passed a motion to approve the Minutes.

MOTION

That the Minutes of the AUC/FIC meeting held on May 12, 2020 be approved.

Moved by L. Drisdelle and seconded by C. Chan

MOTION CARRIED

5. Matters arising from the Minutes

- Revisions to the Reimbursement Policy - C. Mehta discussed that this is a work in progress and that it would be done this year and will be presented to Council. Expenses will be reimbursed via Certify through direct deposit.
- Seek feedback from auditor on the FIC ToR and Work Plan – C. Mehta will follow-up again with the auditor and email the feedback received to all the committee members for their inputs.
- Demographic data on members – C. Mehta will follow-up with IT and will share any updates he receives with the committee.
- Orientation session on the new FIC members – C. Mehta suggested scheduling up a teleconference where he can walk the new committee members through the key highlights of the meetings we've had in the past and some of the things the committee members have done. L. Cutler said that the members should have read the financial statements and the financial write up for the recent statements as this will give a summary as to what happened last year. C. Chiddle suggested that a list be sent of what has been worked on the last year and beyond and the things that need to continue through this year and next. The President suggested raising to Council is the request to get some governance support. C. Mehta suggested that this could be a project that the FIC could take on how the orientation could be conducted.

6. Review and approval of 2021 Budget Assumptions

C. Mehta walked the committee members through the 2021 Budget Assumptions and answered questions that came up. A. Sinclair asked the question if we had information on how much revenue EIT revenue is. C. Mehta did not have the exact figures but will be emailing this to A. Sinclair.

7. Review of financial statements for the five months ended May 31, 2020

P. Cowherd walked the committee through the financial statements and answered questions from the committee members.

J. Zuccon extended his sincere thanks and gratitude to the Finance group headed by C. Mehta for doing a fabulous job during these difficult times.

8. Review of the Terms of Reference and Work Plan for the FIC

On receiving feedback from the auditor, C. Mehta will be sending both the ToR and the Work Plan to the committee members for their feedback.

9. Other Business

There was no other business.

10. Date of next meeting

A doodle poll will be sent out to the committee and SMT.

11. Adjournment

The members agreed to adjourn, and the meeting ended at 7:25 pm.



Finance Committee Action Items – as of Mar 3, 2020

S. No	Action items	Responsible Staff	Status update
1	Revisions to Expense Reimbursement Policy	C. Mehta	Work in progress
2	Seek feed-back from auditor on the FIC ToR and Workplan	C. Mehta	Work in progress – Update awaited from auditor
3	Demographic data on members	IT Staff	Work in progress

Audit Committee Action Items – as of Mar 3, 2020

S. No	Action items	Responsible Staff	Status update
1	Set up of pension committee	HR staff	Work in progress
2	Best practices on pension governance from other regulatory bodies	HR Staff	Work in progress