

BRIEFING NOTE

TO: Board of Directors

FROM: Fizza Asad, Accounting Specialist

DATE: May 17, 2021

SUBJECT: 4.1 Financial Variance Report

For Decision

For Information

Monitoring Report

Purpose:

The attached Financial Variance Report for the period ending March 31, 2021, is submitted to the Board for review.

Background:

The Financial Variance Report provides an overview of revenue and expenses incurred during the quarter in relation to the previous year and the variance to the total budget. As the College does not evenly receive revenue or incur expenses at fixed intervals through the year, the individual line items may not reflect an exact -75% variance (trending on budget for Q1), despite the overall revenue and expenses trending as forecasted. Often operational expenses are incurred evenly throughout the year whereas expenses related to projects are realized when they are billed. Typically, variances are high early in the year as expenses have just begun to be realized.

For Consideration:

This report identifies current financial information for revenue, board and committee expenses and operations and administrative expenses.

Revenue

Total revenue for this period, \$2,318,978 shows a variance of \$57,957 to the budget. This represents a 3% variance to the budget.

Optician Revenue includes deferred income from 2021 registration fees, accrued in Q4 2020 and incurred in Q1 2021.

National Exam Fees include a French Exam session in January (La Cite College). The number of eligible candidates remains impacted by COVID-19 as schools are behind one semester.

Interest/Investment income is incurred during Q3 when the College's current investments mature.

Board and Committee Expenditures

Total board and committee expenditures for this period, \$28,371 shows a variance of \$-179,129, which represents a -86% variance to the budget which is to be expected.

Board and Committee expenses had been forecasted using an amalgamation of 2019 and 2020 trends. The College has budgeted for virtual meetings in Q1 and Q2 and has ensured that there is a financial capacity to allow for in person meetings, should the COVID-19 situation improve in Q3 or Q4.

The Board and Committee expenses reflect all the honoraria/expense report submissions to the College as of March 31, 2021. Some expenses for meetings in Q1 have been received in Q2 and will be reflected in the next variance report.

Operations and Administration Expenditures

Total expenditures for this period, \$657,668 shows a variance of \$-2,083,512 which represents a -76% variance to the budget which is again, in line with the reporting period.

The expenses for Council and Staff Education/Development include a payment to HPRO to cover training costs incurred in 2019/2020 as part of an account reconciliation initiative.

General Operational expenses are -46% to the budget and on trend. A majority of the cost incurred is a result of bank charges for processing renewal payments, which is not replicated in Q2 and Q3.

Investigator expenses are -26% to the budget. Due to the unpredictable number and varying nature of investigations, it is difficult to accurately forecast investigator costs. As of March 31, 2021 there are 12 investigations in process from 2018-2020.

Surplus for the quarter (revenue less expenditures): \$1,660,358.73

Recommendations/Action Required:

For Information.

	A	B	C	D	E	F	G	H	I	H
				2021 Budget	Actuals Mar 31, 2021	Actuals Mar 31, 2020	Variance from 2021 to 2020 (=E-F)	Variance to 2021 Budget (=E-D)	Variance to 2021 Budget % (=H/D)	Notes
1										
2	Total Revenue			\$ 2,261,021	\$ 2,318,978	\$ 2,992,411	-\$ 673,433	\$ 57,957	3%	
3	Optician Revenue			\$ 2,026,402	\$ 2,275,851	\$ 2,975,029	-\$ 699,178	\$ 249,449	12%	Includes optician renewals, new optician registrations, optician reinstatements and any penalties applied
4	Student/Intern Revenue			\$ 25,842	\$ 11,209	\$ 9,154	\$ 2,055	-\$ 14,633	-57%	Includes student/intern renewals, new student/intern registrations, student/intern reinstatements and any penalties
5	National Examination Fees			\$ 151,200	\$ 29,558	\$ -	\$ 29,558	-\$ 121,642	-80%	Exam Session in January (La Cite College). The usual number of interns eligible to write the examinations was not as high as previous years as schools are behind one semester due to COVID-19. Regular exam sessions are planned for May and October 2021.
6	Interest & Investment Income			\$ 31,977	\$ 712	\$ 1,173	-\$ 461	-\$ 31,265	-98%	
7	Miscellaneous Revenue			\$ 25,600	\$ 1,648	\$ 7,055	-\$ 5,407	-\$ 23,952	-94%	Miscellaneous revenue includes: CE Activity Accreditation, Deficient Professional Portfolio Fees, Late Portfolio Fees, PLAR Application Fees, Duplicate Certificates
8	Board and Committee			\$ 207,500	\$ 28,371	\$ 46,167	-\$ 17,796	-\$ 179,129	-86%	Meetings from March 2020 are being conducted virtually
9	Board/Strategic Planning			\$ 65,000	\$ 11,546	\$ 19,321	-\$ 7,775	-\$ 53,454	-82%	Budgeted: 7 board days (full), 1 strat planning day (full) (3 remote, 5 in person), 8 pre-meeting days (full), premeeting prep Actual To-date: 2 days (virtual)
10	Discipline			\$ 60,000	\$ 2,338	\$ -	\$ 2,338	-\$ 57,663	-96%	Budgeted: 4 hearings (8 days) and member HPRO training Actual To-date: 4 days (virtual)
11	Executive			\$ 11,500	\$ 175	\$ 3,250	-\$ 3,075	-\$ 11,325	-98%	Budgeted: 4 in-person, 2 teleconferences Actual To-date: 3 days (virtual)
12	Fitness to Practice			-	-	-	-	-	-	No referrals
13	Governance			\$ 10,000	\$ 675	\$ 1,766	-\$ 1,091	-\$ 9,325	-93%	Budgeted: 4 in-person Actual To-date: 1 day (virtual)
14	Investigations, Complaints & Reports			\$ 20,500	\$ 6,088	\$ 8,552	-\$ 2,465	-\$ 14,413	-70%	Budgeted: 7 in-person full-committee, 14 panel teleconferences Actual To-date: 5 days (virtual), 6 virtual panels
15	Patient Relations			\$ 5,500	\$ 525	\$ -	\$ 525	-\$ 4,975	-90%	Budgeted: 2 in-person Actual To-date: 0 days in Q1, one time 2020 expense reallocation
16	Quality Assurance			\$ 18,500	\$ 5,538	\$ 6,824	-\$ 1,287	-\$ 12,963	-70%	Budgeted: 4 in-person, 4 full committee teleconferences, 6 panel teleconferences Actual To-date: 4 days (virtual), 1 virtual panel
17	Registration Committee			\$ 11,000	\$ 1,325	\$ 6,454	-\$ 5,129	-\$ 9,675	-88%	Budgeted: 3 in-person, 3 teleconferences Actual To-date: 1 (virtual)
19	Clinical Practice Committee			\$ 5,500	\$ 163	\$ -	\$ 163	-\$ 5,338	-97%	Budgeted: 2 in-person; 1 teleconference Actual To-date: 1 (virtual)
21	Operations & Administration			\$ 2,741,180	\$ 657,668	\$ 700,899	-\$ 43,231	-\$ 2,083,512	-76%	
22	Communications			\$ 35,925	\$ 4,730	\$ 3,472	\$ 1,258	-\$ 31,195	-87%	Includes Citizens Advisory Group, public focused social media strategy, and costs for communication and engagement.
23	Consulting			\$ 134,750	\$ 19,368	\$ 1,435	\$ 17,933	-\$ 115,382	-86%	Includes costs for IT consulting, strategic projects consultant (strategic procurement group, CPMF collab) and board facilitator
24	Council & Staff Education & Development			\$ 44,600	\$ 25,905	\$ 8,197	\$ 17,708	-\$ 18,695	-42%	Staff and Council Professional Development, includes staff CE, council training session and council expenses, DEI training, council discipline training costs (reconciliation to 2019), regulatory conference attendance for staff and council, and discipline training.

	A		D	E	F	G	H	I	H
			2021 Budget	Actuals Mar 31, 2021	Actuals Mar 31, 2020	Variance from 2021 to 2020 (=E-F)	Variance to 2021 Budget (=E-D)	Variance to 2021 Budget % (=H/D)	Notes
1									
25	Database		\$ 86,765	\$ 9,846	\$ 11,166	-\$ 1,320	-\$ 76,919	-89%	Includes development costs for IT projects: linking jurisprudence to member profile, online student/intern renewals, document management system, online applications for ROs, QA CE upload, data optimization.
26	External Personnel		\$ 85,250	\$ 8,542	\$ 3,610	\$ 4,932	-\$ 76,708	-90%	Includes National Exam examiners and models, expert witness, and external PLAR interviewer costs.
27	External Relations		\$ 15,000	\$ 3,134	\$ 7,510	-\$ 4,376	-\$ 11,866	-79%	Expenses for Council, Appointed and staff for external activities on behalf of the College. Includes presentations at CE events, conference attendance, Georgian/Seneca Advisory Committees, National Meetings, National Exams Committee, MOHLTC meetings, presentations to students, etc. (1 in-person exam, 1 virtual tradeshow to-date)
28	General Operational		\$ 149,882	\$ 81,102	\$ 107,283	-\$ 26,181	-\$ 68,780	-46%	Includes general operating expenses; expenses for the national examinations (catering, accommodations, rental of space); College insurance; CPP for council and committee members; staff expenses; bank charges; bookkeeping; office supplies; shredding services; off-site file storage.
29	IT Requirements		\$ 100,488	\$ 13,894	\$ 18,141	-\$ 4,247	-\$ 86,594	-86%	Include the hard costs to support the College's computer systems, hosting and licensing costs of the database and email hosting. Includes cost of cloud server, budgeted under capital expenses, and costs for renewal of database hosting
30	Investigator		\$ 40,000	\$ 29,775	\$ 48,832	-\$ 19,057	-\$ 10,225	-26%	Investigators for the ICRC Process. Actual 2021 to-date: 1 Investigations completed carried over from 2020, 12 in process from 2018-2020 to be completed in 2021.
31	Legal		\$ 120,000	\$ 34,052	\$ 31,836	\$ 2,216	-\$ 85,948	-72%	Includes independent legal counsel for Discipline Hearings, general advice, unauthorized Practice prosecutions.
32	Quality Assurance Program Costs		\$ 33,525	\$ 3,600	\$ 6,226	-\$ 2,626	-\$ 29,925	-89%	Reflects hard costs to administer the QA portfolio program, including practice assessments. Costs of assessments completed to-date, some of which are cost-recovery.
33	Rent		\$ 232,304	\$ 54,696	\$ 56,659	-\$ 1,963	-\$ 177,608	-76%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity.
34	Salaries		\$ 1,450,140	\$ 298,452	\$ 332,540	-\$ 34,088	-\$ 1,151,688	-79%	Includes benefits, CPP, EI, EHT, RRSP contributions, salaries, temporary help, vision care plan and payroll expenses
44	Strategic Initiatives		\$ 94,000	\$ 448	\$ 27,115	-\$ 26,668	-\$ 93,553	-100%	Includes ongoing Governance Policy work, environmental scan and strategic planning costs, and funds for board initiatives supporting the strategic plan.