

BRIEFING NOTE

TO: Board of Directors

FROM: Fizza Asad, Accounting and HR Specialist

DATE: December 4, 2023

SUBJECT: Financial Variance Report

For Decision

For Information

Monitoring Report

Purpose:

The attached Financial Variance Report for the period ending October 31, 2023 is submitted to the Executive Committee for review and approval.

Background:

The purpose of the Financial Variance Report is to provide an indication to the Committee as to whether revenue and expenses are trending in line with expectations for the particular point in the year. Variances will typically display (high) negative values earlier in the year before the bulk of revenue/expenses have been realized or incurred and will theoretically approach a 0% variance closer to year end. At October 31, 16% of the fiscal year remains which means variances for fixed budget items (such as rent and salaries) will be trending close to this number.

Explanations are provided for line items that indicate a variance that significantly diverges from the pattern, such as for expenses that are not incurred evenly throughout the year or for deferred income. The variances are also colour coded (green as trending well, orange as trending with caution, and red as trending poorly) to assist the Board/Executive Committee in identifying line items that require extra attention or investigation.

For Consideration:

This report identifies current, unaudited financial information for revenue, Board/Committee expenses, and operational/administrative expenses to October 31, 2023.

Revenue

Total revenue to date is \$3,551,041 which reflects a variance of -\$31,479 (-1%) to the budget. As 16% of the fiscal year remains and additional revenue from the exam sessions, and recovered discipline costs are yet to be realized, the College is trending well compared to the 2023 budget.

Board and Committee Expenses

Total Board and Committee Expenses for this period, \$71,741, shows a variance of -\$116,329 (-62%) to the budget. While budgeting for 2023, the College had ensured that there were sufficient funds for both virtual and in person meetings, however, to date none of the Committees have met in person.

Board and Committee expenses are also reported as they are submitted to the College, regardless of when the expense may have been incurred. Many expense claims are typically submitted in Q4 and will be reflected in the fiscal year-end Financial Variance Report.

Operations and Administrative Expenses

Total operational and administrative expenses to date, \$2,252,714, shows a variance of -\$925,000 (-29%) to the budget.

Fixed items (such as rent or salaries) are expected to trend closer to -16% at this point in time. Other expenses are incurred at different points during the year and may show a larger/smaller variance, but are still trending well as costs continue to be incurred as expected. Some expense lines may have larger costs that are incurred in Q1 and not replicated throughout the year (such as Communications) while other lines may have costs that are mostly incurred later in the year (such as External Relations or Bank Fees under General Expenses). These lines are also assessed based on historical trends and colour coded to provide the Board/Committee with a better idea as to how the costs are trending.

Recommendations/Action Required:

To approve the Financial Variance Report for the period ending October 31, 2023.



Legend ■ trending well - revenue/expenses are realized/incurred as expected, based on historical averages and/or planned activity
■ trending with caution - the account line is showing an unplanned variance and will be closely monitored to avoid negative impacts. Explanations for activity variance will be provided.
■ trending poorly - the account line is showing a significant, unplanned variance that may negatively impact operations.

	A	B	C	D	E	F	G	H	I	H
				2023 Budget	Actuals Oct 31, 2023 (unaudited)	Actuals Aug Oct, 2022	Variance from 2023 to 2022 (=E-F)	Variance to 2023 Budget (=E-D)	Variance to 2023 Budget % (=H/D)	Notes
1										
2	Total Revenue			\$ 3,582,520	\$ 3,551,041	\$ 2,987,588	\$ 563,453	-\$ 31,479	-1%	
3	Optician Revenue			\$ 3,233,920	\$ 3,284,116	\$ 2,790,704	\$ 493,412	\$ 50,196	2%	Includes optician renewals (budgeted in 2022 based on a historical average increase of 1.8%), new optician registrations and optician reinstatements.
4	Student/Intern Revenue			\$ 27,750	\$ 39,900	\$ 38,008	\$ 1,892	\$ 12,150	44%	Includes student/intern renewals, new student/intern registrations, student/intern reinstatements and any penalties. Actual # of students exceeded conservative estimate made in 2022.
5	National Examination Fees			\$ 135,000	\$ 28,584	\$ 92,718	-\$ 64,134	-\$ 106,416	-79%	No exams in Q1. Exam sessions for 2023 held in June (Seneca), October (Georgian), November (La Cite). Remaining revenue will be captured in the Year End report once payment is received in Nov/Dec. Revenue is not decreasing unexpectedly, but rather stabilizing post COVID.
6	Interest & Investment Income			\$ 170,880	\$ 186,308	\$ 17,636	\$ 168,672	\$ 15,428	9%	Interest on savings and GIC investments. Income realized in May 2023 and October 2023. A majority of the GICs mature in October and will be reflected in the Q4 report.
7	Miscellaneous Revenue			\$ 14,970	\$ 12,133	\$ 48,522	-\$ 36,389	-\$ 2,837	-19%	Miscellaneous revenue includes: CE Activity Accreditation, Deficient Professional Portfolio Fees, Late Portfolio Fees, PLAR Application Fees, Duplicate Certificates, recovered discipline payments (\$8333.30)
8	Board and Committee			\$ 188,070	\$ 71,741	\$ 105,418	-\$ 33,677	-\$ 116,329	-62%	
9	Board/Strategic Planning			\$ 81,580	\$ 38,756	\$ 46,850	-\$ 8,094	-\$ 42,824	-52%	Budgeted: Five Full Hybrid Days (Jan Orientation, Mar, May, Oct, Dec) To Date: 4.5 Virtual Days, 1.5 In Person Days
10	Discipline			\$ 34,500	\$ 3,619	\$ 26,719	-\$ 23,100	-\$ 30,881	-90%	Budgeted: 6 Hearing Days (5 person panel, full day virtual) 8 decision writing days (1 member) To Date: One 1/4 Day Virtual Meeting, One Virtual Training Day
11	Executive			\$ 12,325	\$ 2,113	\$ 1,125	\$ 988	-\$ 10,213	-83%	Budgeted: Two 3/4 day in person meetings, Two 1/2 day virtual meetings To Date: Three 1/2 day virtual, Two 1/4 day virtual Chair Meetings
12	Fitness to Practice			\$ -			-	-	-	No referrals
13	Governance			\$ 7,015	\$ 1,388	\$ 3,175	-\$ 1,788	-\$ 5,628	-80%	Budgeted: One 3/4 day in person meeting, Three 1/2 day virtual meetings To Date: Five 1/4 day virtual, Four 1/4 day virtual screening panels
14	Investigations, Complaints & Reports			\$ 14,633	\$ 9,131	\$ 5,725	\$ 3,406	-\$ 5,502	-38%	Budgeted: One 3/4 day in person meeting, One 1/2 day virtual meeting, Ten 1/2 day virtual panels To Date: One 1/2 day virtual, Fifteen 1/2 day virtual panels
15	Patient Relations			\$ 5,909	\$ -	\$ 631	-\$ 631	-\$ 5,909	-100%	Budgeted: One 3/4 day in person meeting, Two 1/2 day virtual meetings To Date:
16	Quality Assurance			\$ 15,018	\$ 10,944	\$ 12,457	-\$ 1,513	-\$ 4,074	-27%	Budgeted: Two 3/4 day in person meetings, Four 1/2 day virtual meetings, Four 1/2 day virtual panels To Date: Two 1/4 day virtual meetings, Two 1/2 Day Virtual Meetings, Two 1/3 Day Virtual Panels
17	Registration Committee			\$ 10,075	\$ 5,198	\$ 7,247	-\$ 2,050	-\$ 4,878	-48%	Budgeted: Two 3/4 day in person meetings, Two 1/2 day virtual meetings To Date: Ten 1/4 day virtual meeting
19	Clinical Practice Committee			\$ 7,015	\$ 594	\$ 1,489	-\$ 895	-\$ 6,421	-92%	Budgeted: One 3/4 day in person meeting, Three 1/2 day virtual meetings To Date: Two 1/4 day virtual meeting
21	Operations & Administration			\$ 3,177,714	\$ 2,252,714	\$ 1,962,616	\$ 290,098	-\$ 925,000	-29%	
22	Communications			\$ 63,591	\$ 39,797	\$ 32,520	\$ 7,277	-\$ 23,794	-37%	Includes annual contribution to OCC Public Awareness Campaign (Q1 only), CAG surveys, french translations, public focused social media strategy, and costs for communication and engagement.
23	Consulting			\$ 208,102	\$ 176,847	\$ 116,187	\$ 60,660	-\$ 46,755	-15%	Includes costs for IT consulting, bookkeeping, recruitment consulting, board facilitator and government relations consultant.
24	Council & Staff Education & Development			\$ 41,850	\$ 31,479	\$ 36,293	-\$ 4,814	-\$ 10,371	-25%	Staff and Board Professional Development, includes staff CE, Board/Staff DEI training, facilitative chair training.

Board Meeting Dec 2023

	A			D	F	F	G	H	I	H
1				2023 Budget	Actuals Oct 31, 2023 (unaudited)	Actuals Oct 31, 2022	Variance from 2023 to 2022 (=E-F)	Variance to 2023 Budget (=E-D)	Variance to 2023 Budget % (=H/D)	Notes
25	Database			\$ 155,000	\$ 156,162	\$ 57,591	\$ 98,571	\$ 1,162	1%	Includes database hosting costs and development costs for IT projects: data cleanup, QA screening tool, CE profile lookup, jurisprudence, elections, data optimization, general support and maintenance. Q1 database projects include those deferred from and prepaid in 2022. Renewal costs are incurred in Q3 and not replicated for the remainder of the year.
26	External Personnel			\$ 81,050	\$ 68,342	\$ 56,709	\$ 11,633	-\$ 12,708	-16%	Includes National Exam examiners and models, and external PLAR interviewer costs.
27	External Relations			\$ 53,860	\$ 41,967	\$ 7,997	\$ 33,970	-\$ 11,894	-22%	Expenses for Board, and staff for external activities on behalf of the College. Includes National meeting attendance, AOE/OOA events, tradeshow attendance and expenses, student events.
28	General Operational			\$ 318,106	\$ 227,429	\$ 194,476	\$ 32,953	-\$ 90,677	-29%	Includes general operating expenses; capital expenses, phone lines, College insurance; CPP for board and committee members; staff expenses; printing; postage; maintenance; bank charges; bookkeeping; office supplies; shredding services; off-site file storage.
29	IT Requirements			\$ 118,760	\$ 72,672	\$ 70,142	\$ 2,530	-\$ 46,088	-39%	Include the hard costs to support the College's computer systems, staff computer hardware, hosting and licensing costs of the database and email hosting.
30	Investigator			\$ 65,000	\$ 25,989	\$ 3,867	\$ 22,122	-\$ 39,011	-60%	Investigators for the ICRC Process. <i>Actual 2023 to date:</i> 8 completed, 2 carried over from 2021, 12 carried over from 2022.
31	Legal			\$ 139,500	\$ 38,556	\$ 63,382	-\$ 24,826	-\$ 100,944	-72%	Includes independent legal counsel for Professional Conduct matters, as well as general advice.
32	Quality Assurance Program Costs			\$ 48,700	\$ 3,300	\$ 4,875	-\$ 1,575	-\$ 45,400	-93%	Reflects hard costs to administer the QA portfolio program, including practice assessments and peer assessor training. <i>MSF project has been deferred indefinitely.</i>
33	Rent			\$ 249,893	\$ 206,355	\$ 187,487	\$ 18,868	-\$ 43,538	-17%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity.
34	Salaries			\$ 1,532,452	\$ 1,138,373	\$ 1,089,227	\$ 49,146	-\$ 394,079	-26%	Includes benefits, CPP, EI, EHT, RRSP contributions, salaries, vision care plan and payroll expenses
44	Strategic Initiatives			\$ 86,350	\$ 25,447	\$ 41,863	-\$ 16,416	-\$ 60,903	-71%	Includes administrative initiatives (staff retention and team building), ongoing Governance work, and funds for board initiatives supporting the strategic plan.