

BRIEFING NOTE

TO: Board of Directors

FROM: Fazal Khan, Registrar, CEO

DATE: March 1, 2022

SUBJECT: Financial Planning and Budgeting (2-02) Monitoring Report

For Decision For Information Monitoring Report

Purpose:

To provide the Board with a monitoring report on the Financial Planning and Budgeting Policy, in accordance with the monitoring report schedule approved by the Board.

Registrar, CEO Interpretation and Evidence:

The Financial Planning and Budgeting Policy (2-02) was approved by the Board in October 2017.

The information contained in this monitoring report represents compliance with a reasonable interpretation of the policy. The monitoring report covers the period from January 2021 to December 2021.

For Consideration:

Policy Requirement	Interpretation and Evidence
Multi-year Strategic Plan	The Registrar, CEO operates with a multi-year strategic plan which is consistent with the strategic outcomes set by the Board. The Registrar, CEO developed and reviewed the 2021 fiscal budget, ensuring that funds were allocated to specific expense accounts (including \$94,000 budgeted for strategic initiatives) to ensure that the Board, committees, and staff are provided with sufficient financial resources to achieve the strategic outcomes.
Reasonable Fund Assignment	The Registrar, CEO assigned reasonable funds to operating expense accounts to allow the College to fulfill its regulatory responsibilities and strategic outcomes. Funds were allocated after an analysis of historical cost/trend data (from previous operating expense account transactions), budget variances (monitored through the quarterly variance report) and forecasted costs. Forecasted costs are calculated based on planned activity, vendor quotes, and trend data. Due to COVID-19 and the resulting move to virtual meetings to ensure the safety of the Board, Staff, Registrants, and Public,

	there was a decline in certain expenses, leading to a combined variance of -14% (under budget) in total expenses.
Funds Assigned for Board Use	The Registrar, CEO has allocated reasonable funds to expense accounts pertaining to Board matters as outlined in the annual budget. A total of \$207,500 had been allotted for Board and Committee expenses and Board Strategic Planning (\$94,000). Other forecasted costs such as training/development, legal fees, fiscal audit, and other stakeholder engagement activities had been built into the College's operations and administration budget items as approved by the Board. Since March 2020, Board /Committee meetings were held virtually, significantly decreasing total Board expenses to \$117,845, a -43% (under budget) variance.
Regular Analysis	The Registrar, CEO conducts a regular analysis of strengths, weaknesses, opportunities, and threats (including external environmental issues) which may impact the College's budget. With the unique situation presented by COVID-19, the Registrar, CEO enlisted the College's accounting firm (Grewal Guyatt) to review subsidies the College may have been eligible for, and internally prepared an analysis to determine whether the College would be able to continue to offer Registrants a reduced fee for 2022 and be able to maintain a sound financial position. The Registrar, CEO reviews quarterly financial variance reports to analyze whether operational activities are trending on target. Any significant unplanned financial activity is only approved after reviewing the budget parameters and presenting it to Board for consideration.
Financial Projections	The Registrar, CEO set a budget which shows a credible projection of revenues and expenses based on historical data, planned activities, and data trends, in notes that are disclosed to the Board prior to the approval of the budget. The budget notes disclose any planning assumptions or expense activity predictions with input from the College's management team. While planning and budgeting, the Registrar, CEO refers to the five-year forecast analysis of the statements of operations to Dec 31, 2025 (conducted by Grewal Guyatt) to provide a credible projection of revenue. The Registrar, CEO ensured that forecasting models were completed and reviewed prior to presenting the 5 year fee forecast to the Board in 2021.
Reserve Fund Expenditure	At the December 2020 meeting, the Board expressly authorized the Registrar, CEO to use the College's General Reserve in 2021 (contingency funds of \$817,426) to offset the 30.83% decrease in

	<p>revenue from student and optician fees due to adjusted rates for pandemic relief. Despite the impact of COVID-19 on operations, the Registrar, CEO was able to maintain financial stability (absorbing the impact of decreased revenue through lowered expense costs) in order for the College to achieve strategic priorities. At December 31, 2021 the College's contingency reserve fund expenditure is \$0. At the December 2021 Board meeting, the Board authorized the Registrar, CEO to use \$443,515 of the contingency reserve fund in 2022 to offset an anticipated decrease in Registrant renewals and adjusted fee rates for continued pandemic relief.</p>
<p>Sound Financial Planning</p>	<p>The Registrar, CEO is committed to a financial plan that ensures the soundness of future years and continues to build the College's organizational capability to achieve strategic outcomes in future years. In accordance with the Investments Policy, the College worked with a credible financial planner from a AA rated financial institution to develop long and short-term investment plans to secure the organization's financial position for the future.</p>
<p>Budget Development</p>	<p>The Registrar, CEO developed a fiscal budget with the input from the Board regarding key budget planning assumptions prior to the last Board meeting of the year on December 7, 2021. A draft budget was presented to the Executive Committee November 22, 2021 before it was brought to the Board for final approval. There have been no significant changes made to the budget since its final approval by the Board.</p>

Recommendations/Action Required:

- 1) Does the Board agree that the Registrar, CEO's interpretation of the Financial Planning and Budgeting Policy was reasonable?
- 2) Does the Board agree that the Registrar, CEO complied with this policy as reasonably interpreted?