

BRIEFING NOTE

TO: Board of Directors

FROM: Fazal Khan, Registrar, CEO

DATE: March 3, 2025

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.

CEO Interpretation and Evidence:

The Financial Planning and Budgeting Policy (2-02) was last updated by the Board in 2020.

The information contained in this monitoring report represents compliance with a reasonable interpretation of the policy. The monitoring report covers the period from **January 2024 to December 2024**.

The next Financial Planning and Budgeting Policy Monitoring Report is due in **February/March 2026**.

Policy Requirement	Interpretation and Evidence
Multi-year Strategic Plan	<p>The Registrar, CEO operates with a multi-year strategic plan which is consistent with the strategic outcomes set by the Board. Both the 2023-2025 strategic plan and the Strategic Outcomes Policy were approved by the board. The board received semi-annual monitoring reports on the strategic outcomes policy.</p> <p>The Registrar, CEO developed and reviewed the 2025 fiscal budget, ensuring that funds were allocated to specific expense accounts (including \$87,000 budgeted for strategic initiatives) to ensure that the Board, committees, and staff are provided with sufficient financial resources to achieve the strategic outcomes. This budget was approved by the Board in December 2024.</p>
Reasonable Fund Assignment	<p>In 2024, 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</p>

	<p>through the quarterly variance report), and forecasted costs. Forecasted costs are calculated based on planned activity, vendor quotes, and trend data.</p> <p>The Finance Committee and Board were provided with opportunities to confirm this information via financial variance reports that were reviewed and approved on a quarterly basis.</p> <p>All operational and strategic activities were fully funded.</p>
Funds Assigned for Board Use	<p>In 2024, the Registrar, CEO allocated reasonable funds to expense accounts pertaining to Board matters as outlined in the annual budget. A total of \$142,771 was allotted for Board and Committee expenses, as well as \$85,000 allocated to Board strategic initiatives. 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.</p>
Regular Analysis	<p>The Registrar, CEO conducts a regular analysis of strengths, weaknesses, opportunities, and threats (including external environmental issues) which may impact the College's budget. The Registrar, CEO consults with the College's external accounting firm (Grewal Guyatt) to obtain professional advice to support the Finance Committee's decisions. The Registrar, CEO with the Deputy Registrar, 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/or presenting it to the Board for consideration.</p>
Financial Projections	<p>The 2024 budget was developed using credible projections of revenues and expenses based on historical data, planned activities, and data trends. Lead staff and vendors are all engaged in determining the coming year's financial requirements.</p> <p>Notes outlining this information were provided to the Finance Committee and Board prior to the approval of the budget. The budget notes disclosed any planning assumptions or expense activity predictions with input from the College's management team. The Registrar, CEO ensured that all financial forecasting models presented 5-year historical values to ensure that revenue and expense trends capture pre- and post – pandemic impacts for more accurate projections.</p>

Reserve Fund Expenditure	As of December 31, 2024, the College's contingency reserve expenditure is \$0. At the recommendation of the external Financial Auditors, the Board approved that the College's operating contingency fund would increase to ensure the College is able to sustain operations and administrative functions for one year. The College's contingency funds can now sustain 9months of operations and administrative function.
Sound Financial Planning	In 2024, the Registrar, CEO was committed to a financial plan that ensured the soundness of future years and continued 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 an AA rated financial institution to develop long and short-term investment plans to secure the organization's financial position for the future.
Budget Development	<p>The Registrar, CEO developed the 2025 fiscal budget with input from the Board regarding key budget planning assumptions prior to the last Board meeting of the year in December 2024. The 2023-2025 Strategic Plan informed many of the key budget areas including the Board's focus on Unauthorized Practice. Staff were consulted regarding both ongoing work and special projects. Infrastructure needs such as database and computer equipment needs are annually reviewed as well.</p> <p>Consideration was given to new realities such as the introduction of the Inactive Class of registration with a lower registration fee as well as factors such as the movement of registrants between classes which will impact the College's main source of revenue.</p> <p>A draft budget was presented to the Finance Committee before it was brought to the Board for final approval. There have been no changes made to the budget since its approval.</p>

Public Interest Considerations:

The steps taken by the Registrar, CEO to comply with the Financial Planning and Budgeting policy will serve the College's public interest mandate by ensuring financial planning and budgeting is done efficiently, transparently, and sustainably. This includes steps to optimize budgeting while reducing financial risk exposure by maintaining a robust financial reserve. The policy promotes financial protection through clear guidelines and regular reviews of the financial planning and budgeting process. This approach helps enhance public trust, protect the college against possible financial risks, and align budgeting with the College's needs.

Diversity, Equity, and Inclusion Considerations:

No DEI concerns have been identified with respect to the College's investment strategy.

Risk Management Considerations:

The steps taken by the Registrar, CEO to comply with the Financial Planning and Budgeting Policy are aimed at minimizing risk to the College's finances by focusing on proper budgeting through trends and hedging risks through reserves.

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?