

BRIEFING NOTE

TO: Board of Directors

FROM: Fizza Asad, Accounting and HR Specialist

DATE: March 4, 2024

SUBJECT: Financial Variance Report

☒ For Decision

☐ For Information

☐ Monitoring Report

Purpose:

The attached Financial Variance Report for the period ending December 31, 2023 is submitted to the Board for review and approval.

Background:

The Financial Variance Report provides a summary of year-to-date revenue and expenses, as compared to the total annual budget. A comparison is also provided to the previous year's financials for the same point in time.

The purpose of the Financial Variance Report is to provide an indication to the Board 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 December 31, the fiscal year has ended which means variances for all budget items will be reflecting actual activity for the year.

The amounts reported are not final audited figures. Upon completion of the audit engagement in March, the external auditors will have reviewed the reported amounts and will provide the Executive Committee with any information if significant or material variances are discovered.

For Consideration:

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

Revenue

Total revenue to date is \$3,661,160 which reflects a variance of \$78,640 (2%) to the budget. Variances in revenue are mainly attributed to Optician and Student registration numbers exceeding the conservative budgeted numbers. The 2023 estimates had been made in 2022, when the impact of COVID-19 on renewals and registration was still being explored.

Board and Committee Expenses

Total Board and Committee Expenses for this period, \$108,722 shows a variance of -\$79,348 (-42%) to the budget. While budgeting for 2023, the College had ensured that there were sufficient funds for both virtual and in person meetings, as the COVID-19 situation allows. In 2023, none of the Committees met in person. The June Board meeting took place in person, as planned.

Operations and Administrative Expenses

Total operational and administrative expenses to date, \$2,973,801, shows a variance of -\$203,913 (-6%) to the budget.

Database hosting costs are \$177,017, which shows a 14% variance to the budget. In 2023, the College prioritized major projects in order to enhance accessibility, reporting functions, and the overall user experience of our members. The additional investment of \$22,017 allows for more efficient operations as well as cost and time savings in the years ahead.

Recommendations/Action Required:

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

	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 2023 Budget	E Actuals Dec 31, 2023 (unaudited)	F Actuals Dec 31, 2022	G Variance from 2023 to 2022 (=E-F)	H Variance to 2023 Budget (=E-D)	I Variance to 2023 Budget % (=H/D)	H Notes
1										
2	Total Revenue			\$ 3,582,520	\$ 3,661,160	\$ 3,099,952	\$ 561,208	\$ 78,640	2%	
3	Optician Revenue			\$ 3,233,920	\$ 3,284,116	\$ 2,813,426	\$ 470,690	\$ 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	\$ 134,336	\$ 172,168	-\$ 37,832	-\$ 664	0%	No exams in Q1. Exam sessions for 2023 held in June (Seneca), October (Georgian), November (La Cite).
6	Interest & Investment Income			\$ 170,880	\$ 188,176	\$ 21,415	\$ 166,761	\$ 17,296	10%	Interest on savings and GIC investments. Income realized in May 2023 and October 2023.
7	Miscellaneous Revenue			\$ 14,970	\$ 14,632	\$ 54,935	-\$ 40,303	-\$ 338	-2%	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	\$ 108,722	\$ 154,827	-\$ 46,105	-\$ 79,348	-42%	
9	Board/Strategic Planning			\$ 81,580	\$ 49,005	\$ 77,903	-\$ 28,898	-\$ 32,575	-40%	Budgeted: Five Full Hybrid Days (Jan Orientation, Mar, May, Oct, Dec) To Date: 6 Virtual Days, 1.5 In Person Days
10	Discipline			\$ 34,500	\$ 15,225	\$ 31,692	-\$ 16,467	-\$ 19,275	-56%	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	\$ 5,700	\$ 5,295	\$ 405	-\$ 6,625	-54%	Budgeted: Two 3/4 day in person meetings, Two 1/2 day virtual meetings To Date: Four 1/2 day virtual, Three 1/4 day virtual Chair Meetings
12	Fitness to Practice			\$ -	\$ -	\$ -	\$ -	\$ -	-	No referrals
13	Governance			\$ 7,015	\$ 2,688	\$ 5,062	-\$ 2,374	-\$ 4,327	-62%	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	\$ 10,819	\$ 9,025	\$ 1,794	-\$ 3,814	-26%	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	\$ 16,575	\$ 15,845	\$ 730	\$ 1,557	10%	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	\$ 7,329	\$ 6,610	\$ 719	-\$ 2,746	-27%	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	\$ 1,381	\$ 2,764	-\$ 1,383	-\$ 5,634	-80%	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	\$ 2,973,801	\$ 2,495,041	\$ 478,760	-\$ 203,913	-6%	
22	Communications			\$ 63,591	\$ 46,637	\$ 40,274	\$ 6,363	-\$ 16,954	-27%	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			\$ 223,602	\$ 220,617	\$ 155,076	\$ 65,541	-\$ 2,985	-1%	Includes costs for IT consulting, bookkeeping, recruitment consulting, board facilitator and government relations consultant.
24	Council & Staff Education & Development			\$ 41,850	\$ 37,905	\$ 41,826	-\$ 3,921	-\$ 3,945	-9%	Staff and Board Professional Development, includes staff CE, Board/Staff DEI training, facilitative chair training.

Board Meeting Mar 2024

	A			D	E	F	G	H	I	H
1				2023 Budget	Actuals Dec 31, 2023 (unaudited)	Actuals Dec 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	\$ 177,017	\$ 99,960	\$ 77,057	\$ 22,017	14%	Includes database hosting costs and development costs for IT projects: data cleanup, QA screening tool, CE profile lookup, jurisprudence, elections, renewals, data optimization, general support and maintenance. Q1 database projects include those deferred from and prepaid in 2022.
26	External Personnel			\$ 81,050	\$ 80,251	\$ 81,704	-\$ 1,453	-\$ 799	-1%	Includes National Exam examiners and models, and external PLAR interviewer costs.
27	External Relations			\$ 53,860	\$ 54,492	\$ 18,275	\$ 36,217	\$ 632	1%	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	\$ 324,513	\$ 282,931	\$ 41,582	\$ 6,407	2%	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	\$ 116,192	\$ 83,922	\$ 32,270	-\$ 2,568	-2%	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	\$ 62,389	\$ 3,867	\$ 58,522	-\$ 2,611	-4%	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	\$ 42,489	\$ 64,993	-\$ 22,504	-\$ 97,011	-70%	Includes independent legal counsel for Professional Conduct matters, as well as general advice.
32	Quality Assurance Program Costs			\$ 48,700	\$ 3,300	\$ 5,925	-\$ 2,625	-\$ 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	\$ 254,912	\$ 234,540	\$ 20,372	\$ 5,019	2%	Rent for College premises plus a small contingency for any adjustments to taxes, heat, electricity.
34	Salaries			\$ 1,532,452	\$ 1,505,531	\$ 1,325,853	\$ 179,678	-\$ 26,921	-2%	Includes benefits, CPP, EI, EHT, RRSP contributions, salaries, vision care plan and payroll expenses
44	Strategic Initiatives			\$ 86,350	\$ 47,558	\$ 55,895	-\$ 8,337	-\$ 38,792	-45%	Includes administrative initiatives (staff retention and team building), ongoing Governance work, Indigenous Safety and Cultural Humility consult, and purchasing contingency exam equipment.