

## MINUTES

### **Committee on Canadian Issues (CCI)**

**San Antonio, Texas  
Saturday, June 25<sup>th</sup>, 2005**

Members present:

Paul Macklem (co-chair)  
Stan Westby (co-chair)  
Len Brittain  
Terry Corrigan  
Del Dyck  
Jo-Anne Ferrier  
Bruce Fisher  
Roger Galipeau  
Chris Good

Ray Goruick  
Jacques Marleau  
Christina Parkins  
Roger Rosychuk  
Lloyd Russell  
Mike Ruta  
Ed Sykora  
Steve Zorbas

Members absent:

Andrew Beckett  
Robert Bishop  
Vivian Lund

GFOA Staff:

Stephen Gauthier  
Jim Phillips

Bob Church, City of Montreal

### **Welcome and opening announcements**

Co-chairs Paul Macklem and Stan Westby welcomed the committee to San Antonio for the fourteenth meeting since the committee's inception in San Francisco in 1998.

### **Approval of the agenda**

Jo-Anne Ferrier made the motion to amend the agenda to include a discussion by Terry Corrigan on segmented reporting, which was seconded by Steve Zorbas, and the motion carried unanimously.

### **Approval of the minutes**

Len Brittain made the motion to amend the minutes to modify one of the dates on the first page, which was seconded by Lloyd Russell, and the motion carried unanimously.

### **Administrative Matters**

Paul Macklem was elected to GFOA's Executive Board and will serve as co-chair of the CCI along with Stan Westby. Christina Parkins and Vivian Lund have joined the committee. Christina Parkins is a Manager for Financial Advisory Services with the Alberta Municipal Affairs. Vivian Lund is the General Manager for Financial Administration with the City of Regina. Janice Baker no longer serves on the committee due to other professional obligations. The committee acknowledged the efforts of Janice and wished her success in her new role as City Manager for the City of Mississauga. Karen Bittner will also no longer be able to work on the committee due to other professional obligations and the committee recognizes her contributions. The committee also recognizes the contributions of past members John Rop and Keith Dowdall.

### **Update on various issues**

Paul Macklem updated the committee on the activities of GFOA's Executive Board.

### **Standards Task Force**

Jo-Anne Ferrier, the co-chair of the Standards Task Force, reviewed the six-month work plan with the committee. The major objectives of the task force are to continue to review recommended practices for applicability to Canadians, and to assist in the development of the Canadian Award for Financial Reporting (CAnFR) program. Jo-Anne Ferrier also briefly updated the committee on the process to approve recommended practices.

Jo-Anne Ferrier reviewed two recommended practices for first reading. The first recommended practice discussed was Enhancing Management Involvement with Internal Control. The next recommended practice reviewed was the Recommended Budget Practice on the Establishment of Strategic Plans. The committee requested that staff examine further the references in the recommended practice, specifically the paragraph relating to *Initiate the Strategic Planning Process*. The question to be answered is whether the intent of this recommended practice is to ensure elected officials initiate the strategic planning process, rather than the government's senior administrator, or whether a process initiated by one or the other would be sufficient to ensure compliance with this recommended practice.

Chris Good, the chair of the Cash Management Virtual Committee, submitted the following recommended practice for final approval:

- Mark-to-Market Practices for Government Investment Portfolios and Investment Pools (motion Chris Good, second Len Brittain, unanimous approval)

After the meeting the task force and staff reexamined four Cash Management recommended practices that were approved by the committee to determine if the amendments were Canadian specific. The following recommended practices will be resubmitted to the committee at a later date:

- Cheque Fraud Protection (motion Chris Good; second Steve Zorbas, unanimous approval)
- Diversification of Investments in a Portfolio (motion Chris Good, second Ray Goruick, unanimous approval)
- Same-Day Funds Settlement Procedures (motion Chris Good, second Steve Zorbas, unanimous approval)
- Use of Positive Pay Versus Reverse Positive Pay (motion Chris Good, second Del Dyck, unanimous approval)

The following Cash Management recommended practices were submitted for final approval as earlier versions had been approved for use in Canada. However, they were not approved as follow up work is required. They have been designated by the committee as receiving first reading, to be reviewed for final approval at a later meeting date:

- Maturities of Investments in a Portfolio (the committee asked staff to determine if the proposed edits are consistent with the policy for approving a recommended practice)
- Use of Derivatives by Governments for Cash Operating Reserve Portfolios (Steve Zorbas will have outside experts examine this)
- Use of Various Types of Mutual Funds by Public Cash Managers (Steve Zorbas will have outside experts examine this)

Jo-Anne Ferrier, the chair of the Debt Management Virtual Committee, submitted definitions of accounting terminology related to the Debt Management recommended practices. When approved, the glossary will be included on the Canadian section at GFOA's website. Staff will forward additional updated terminology to the task force.

The task force will seek additional virtual committee members.

### **Professional Development Task Force**

Mike Ruta, the co-chair of the Professional Development Task Force, reviewed over the Canadian speakers at GFOA's annual conference in San Antonio. The task force recommends speakers from Canada for GFOA's annual conference.

Len Brittain updated the committee on the status of the study teams. Steve Zorbas, the lead member on the Infrastructure Study Team, is working on plans to develop a questionnaire. It was recommended that the Infrastructure Study Team coordinate with

Stan Westby on the Infrastructure Canada initiative. Len Brittain suggested examining additional study teams, since work on the Innovative Revenue Sources Study Team was complete. Len Brittain also recommended possibly obtaining the assistance of junior staff to be involved in the study teams.

Len Brittain discussed with the CCI linkages with other organizations, and the importance of maintaining a working relationship with the MFOA. Steve Zorbas noted that there will soon be no GFOA representation on MFOA's board, and it will be helpful to have a GFOA representative on the board to maintain the strong linkage between the organizations. The task force will discuss examining potential linkages with other organizations at the next meeting.

The task force also briefly discussed obtaining additional Canadian authors for the *Government Finance Review*.

### **Advocacy & Communications Task Force**

Roger Rosychuk and Lloyd Russell, the co-chairs for the Advocacy & Communications Task Force, circulated a report on the workplan for the task force. Roger Rosychuk noted that the task force will streamline its focus to use the GFOA Canadian Newsletter as a communication tool to achieve the objectives of the task force. The newsletter will be used to inform existing GFOA members and potential members about the background and benefits of GFOA. The task force will examine options to expand the circulation of the newsletter. Roger Rosychuk suggested establishing a theme for each newsletter. Lloyd Russell noted that promoting the 2006 GFOA Montreal Conference and the benefits of GFOA membership will be key items in the Canadian newsletter. It was also suggested assigning committee members to contribute articles for each newsletter, possibly five committee members per issue. The committee supports the overall direction of the task force.

### **CCI Vision**

Paul Macklem reviewed over with the committee the mission statement and strategic plan for the CCI. The committee was briefed on how the GFOA Executive Board coordinates its strategic plan. Paul Macklem recommended amending the strategic plan to begin with objectives first, to be followed by strategies and then goals. The committee agreed to amend the strategic work plan. A few of the members noted that there appears to be an overlap between Advocacy & Communications Task Force and the Professional Development Task Force and greater clarity of the roles of those task forces would be beneficial. Some of the committee members recommended that one of strategies should be to focus more on developing working relationships with provincial organizations, rather than working on advocacy efforts with senior governments. Steve Zorbas noted that the goals of the committee should be more realistic. The committee also discussed possibly having aboriginal membership on the committee and increasing the GFOA membership in Quebec. The committee suggested including action items in future

minutes. Paul Macklem will work on developing an amended mission statement draft and work plan draft.

### **2006 GFOA Montreal Conference**

Roger Galipeau updated the committee on the progress of the Montreal conference, including the draft program of social events, the financial statements for the local conference committee, and a summary of objectives. To increase the Canadian GFOA membership by twenty percent and to have three hundred Canadians attend the annual conference were some of the objectives. Also, the number of visits to the Montreal Conference website was discussed.

### **Pre-Conference Canadian Day**

The committee discussed plans for the pre-conference day. Infrastructure will be the theme for the pre-conference day. There will be no concurrent sessions. Shelia Fraser will be the keynote speaker. The committee proposed the following potential schedule for the pre-conference day:

- Keynote speaker Shelia Fraser
- Possibly a panel on the CICA-PSAB capital asset reporting initiative
- Lunch – presentation by the President of the Executive Committee of Montreal
- Infrastructure funding options panel – have a representative from Infrastructure Canada
- Possibly a non-infrastructure session – Don Drummond as a potential speaker

Paul Macklem, Stan Westby, Len Brittain, Mike Ruta, Roger Galipeau and GFOA staff will examine potential speakers.

### **Other Topics**

The committee reviewed the committee membership from the various provinces. The members discussed filling some of the vacancies on the committee. The committee suggested modifying the *term rotation chart* for committee membership to indicate the first or second term of a member.

The committee briefly discussed recruiting additional reviewers for the CAnFR program.

The CCI received the committee's special task force response to the CICA's project to report Capital Asset reporting.

The committee reviewed the discussion group questions for the annual conference.

Terry Corrigan will be the committee's representative on the Technical Resource Group.

### **Acknowledgement of Members**

Stan Westby acknowledged the contributions of Andrew Beckett, Del Dyck and Chris Good whose final terms on the committee were this year.

### **Adjournment**

There being no further business before the committee, the meeting was adjourned. The next CCI meeting is scheduled to take place in Montreal on January 27<sup>th</sup> and the 28<sup>th</sup>.

**APPROVED: January 27, 2006**