



1. Legal Fee Issues

Member's questions:

1. Looking at the legal costs of 2020 vs any other year, why were they so much higher than any other year?
2. At any point was the 300% increase in legal fees flagged and was Council made aware? If so what steps did Council take to manage and mitigate a 300% increase in legal costs.
3. Why is the College operating at such a significant loss in 2020 \$271 139 and \$58 869 Q1 of 2021?

The use of legal counsel on retainer was at the discretion of the Registrar. This practice has been re-evaluated given the increased costs that were incurred. Moving forward, a more fiscally responsible approach has been implemented to prevent excessive costs being incurred in the future. This includes ensuring regular reporting by the Executive Director/Registrar and a regular assessment of the College's financial situation throughout the year. This will address and identify financial issues earlier and allow them to be addressed.

Council was made aware of the 300% increase upon receipt of the 2020 Audited financial statements for review, two days prior to the initial date of the AGM. Immediate actions were taken to investigate. Once the thorough investigation was concluded, Council was able to see where, how and who incurred the legal fees. Council identified the areas of highest risk, neutralized those risks and is implementing systems to prevent a recurrence of this situation.

The College will continue to operate at a loss until March 31, 2022, when the College receives its primary revenue, registration renewal fees. The considerable legal expenses and the lowering of renewal fees in 2020 has placed the College in a position where we are relying on the College savings. Council has retained HGA to create an accurate budget and determine the renewal fees that will allow the College to operate and attain a balanced budget.

Our Interim Executive Director/Registrar is a lawyer with over 20 years of experience. This has significantly reduced the need for external legal advice and drastically reduced our legal fees for the College.