

**REPORT OF THE FINANCIAL MANAGEMENT COMMITTEE (FMC)
TO GENERAL SYNOD 2023**

1. FOR ACTION OR CONSIDERATION

A130 – 2022 Audited Financial Statements – General Synod
A131 – 2022 Audited Financial Statements – Consolidated Trust Fund

2. FOR INFORMATION

A. Committee's role and mandate and members

The role of FMC is to advise the Council of General Synod and is accountable to the General Synod through CoGS. We act as a level of accountability to the Financial Management staff, while also providing support, and encouragement. FMC provides committee members to various sub-committees, and reviews financial statements and budgets before they come to the Council of General Synod to be received and accepted.

Over the four years (2019-2023) the committee met twice annually, and once additionally for the final acceptance of the 2022 financial statements before General Synod 2023. The following were members of the financial management committee for this period:

Trevor Freeman (chair, resigned in 2021)
 Karen Egan (prolocutor ex-officio) chair from September 2021-23
 Joyce Badley
 Andrew Clinkard
 Cynthia Haines-Turner
 Freda Lepine
 Leo Martin
 Paul Rathbone
 Gary Russell
 Keith Denman 2021-forward (to replace Trevor Freeman).

In addition, the following served on the Audit Committee:

Phil Arthur
 Anne Brace
 Stewart Burton
 Joyce Badley (cross-over member)

And the Lady Edith Drayton Grants sub-committee

Leo Martin (chair)
 Cynthia Haines-Turner
 Paul Rathbone

Investment Subcommittee

David McNicol (Chair)
 Robert Saffrey
 Andrew Clinkard (Cross-over Member)

We wish to sincerely thank all members for their contributions to the working of all committees and sub committees over this whole four-year period.

B. Financial Management Committee

In addition to the committee's regular mandate of reviewing both the financial Statements and the Annual Budgets as prepared by Financial Management, which is done at every meeting of the committee, the Committee also met alongside the Audit Committee to review audited statements and to commend them to the Council of General Synod. During this triennium there was hearty discussion of the possible lack of need to continue to mandate an Audit Committee, though it was agreed that this work requires members with very specialized skills and experience. During the summer of 2022 the Audit Committee, along with the FMC, agreed to send motions to the Council to incorporate the work of the Audit committee within FMC. A motion to this effect was sent to the council and it was passed in the November 2022 meeting of the council. The result will necessitate that members qualified to review an audit be included within the financial Management Committee in the next biennium.

There was also an ongoing discussion concerning the increasingly uncertain level financial support for the ministry of the General Synod that comes from contributing dioceses. While many dioceses were able to continue their usual support through proportional giving to General Synod during the period of the pandemic, 2023 has seen many if not most of the dioceses having to reduce their financial commitments, thereby putting increasing stress on the ability of General Synod to meet its budget goals. We believe that going into the next biennium, this will be a major issue for the General Synod financial Management team and will necessitate new strategies to ensure balanced budgets.

C. Lady Edith Drayton Grants Sub-Committee

This sub-committee met twice a year to review grant requests from the Lady Edith Drayton fund. In general grants totaling approx. \$10,000-\$15,000 per six-month period were approved during this extended triennium. It has been constantly noted that this figure could be considerably larger and still not endanger the fund's sustainability. Discussion concerning how the *availability of these grants* could be made more widely known. In the last committee meeting of FMC we discussed the possibility of including a note within the material sent out yearly by the Pension department. We commend this issue to the future Financial Management Committee, and to the next Lady Edith Drayton Grants subcommittee.

D. Audit Committee

During this extended triennium, the Audit spent time annually reviewing the audit process, and approving the audited statements. In addition, there was considerable effort to review the existing auditors, (Grant Thornton LLP) and in the summer of 2022, after careful consideration, it was decided to offer a new contract to the auditing firm to Norton McMullen, which promises to save the General Synod approximately \$50,000 annually. This change was approved by the Council of General Synod in its November 2022 meeting, and the audit performed in the early spring of 2023 went smoothly, as expected.

E. Investment Sub Committee.

The committee meets twice a year, in the first quarter and third quarter. The investment portfolio is currently managed by Connor, Clark, and Lunn Private Fund. The meeting is mostly to discuss the portfolio performance and make any further suggestions to maintain a profitable position for the invested CTF. Recently and due to the volatility economy worldwide, we have experienced a huge loss of the portfolio value which triggered the possibility of sourcing other assets and portfolio management agencies. The change was suggested in the November CoGS meeting and was discussed with the subcommittee.

Sub Committee requires a unique skill to be able to understand the diversity of the market and maintain a constructive discussion with Don Frazer and Uliana Tomiuk of CC&L.

During our last meeting in February 2023, the subcommittee discussed a few major points to be added to the agenda and further approval of the Finance Management Committee.

The below points are the recommendations of the investment subcommittee.

1. Before we work with CC&L in private debt, it will be a good idea to have them deliver a full presentation so that we can better understand how they safeguard investments.
2. If we have already decided to go ahead with infrastructure allocations and their multi-strategy approach, I think we should make adjustments to our policy to move away from the targeted amount approach.
3. It is natural to be inclined towards a risk adverse approach especially when working with a group in CC&L's position; however, doing nothing is as much a risk as doing something.
4. In reference to the two pie charts (fixed income vs. index), there is not a great deal of difference.
5. The private debt manager may evaluate on a more short-term basis, which is much better within the context of rising interest rates.

F. Staffing.

During the past triennium there has been a considerable number of changes to the team in Financial Management. Early in the triennium, Ms. Hanna Goschy retired as Treasurer, and we give thanks for her long service to the General Synod. In November 2020 we welcomed Ms. Amal Attia as treasurer, and her service has been valuable to this department. In addition, the controller Beth Meng left in 2021, and it has been a challenge to replace her in a timely manner. We thank her for her service to the department. Finding and retaining staff has been a challenge for all employers regardless of the industry or business sector, and General Synod is no different than any other employer struggling to find good, qualified staff. In addition, the executive assistant, Emily Wood has departed, and hiring a new assistant has been difficult. We commend Ms. Amal Attia for her resiliency and persistence, in accomplishing the work of this department, regardless of the difficulty of finding adequate staff, and wish her well in finding the right fit for the multiple positions that remain unfilled