

Board of Directors Meeting Agenda

December 14, 2023, 12:00 pm ET

Online via Zoom

ITEM	TOPIC	PAGE	ACTION
1. Introductory Matters/Call to Order/ Approval of Agenda/Conflicts of Interest			
1.1	Call to Order (R. McHugh, Chair) – 12:00 p.m. Introductory Remarks	-	-
1.2	Conflicts of Interest (R. McHugh, Chair) – 12:05 p.m. Board members are to declare if they have any conflicts regarding matters on the agenda	-	-
2. Approval of Minutes			
2.1	Consent Agenda (R. McHugh, Chair) – 12:10 p.m. Motion: Be it resolved that the Minutes of the November 9, 2023 Board meeting are approved. 1. Minutes – 2023-11-09 Board Meeting	5	For Approval
3. Reports			
3.1	Committee reports (Various Presenters) – 12:15 pm Purpose – CPATA’s committees play a vital role in CPATA’s regulatory initiatives. Each Committee has a unique function, as described in the reports. To consider committee recommendations presented to the Board from time to time for approval, and to otherwise meet its fiduciary oversight duties, the Board receives regular reports from each Committee. Input – Committee reports (listed below) Output – Board considers reports and recommendations from Committees for information and adoption. Going forward – Ongoing reports from Committees to advance CPATA governance and regulatory initiatives. Reports: 1. Investigations Committee (V. Rees, General Counsel, Professional Regulation)	8	For Information

	<p>2. Registration Committee (J. Slabodkin, Deputy Registrar)</p> <p>3. Audit and Risk Committee (B. Plamondon, Chair, Audit & Risk Committee, S. Walker, CFO, J. Strawczynski, CEO & Registrar)</p> <p>4a: October 31, 2023 Financial Statements</p> <p>4b: Legislative Compliance Memo</p>	<p>18</p> <p>19</p> <p>21</p> <p>26</p>	
4. CEO Report: 2023 Highlights and Activity Plan			
4.1	<p>2023 Highlights Presentation (J. Strawczynski, CEO & Registrar) – 1:00 p.m.</p> <p>Purpose – To ensure that the Board is aligned on key accomplishments, challenges and any required course-corrections to be included in the CPATA 2023 Annual Report</p> <p>Input – CEO presentation</p> <p>Output – Confirmation of CPATA major achievements and areas for continued development, to be reflected in Draft 2023 Annual Report</p> <p>Going forward – Develop 2023 Annual Report. Consider a process to align what we have publicly reported as goals in the strategic plan with actions set out in the annual activity plan to accomplish those goals and results achieved. The annual report ties together the strategic plan, budget and business plan and reports on them publicly.</p>	-	For Information
4.2	<p>2024 Activity Plan (J. Strawczynski, CEO & Registrar) – 1:15 p.m.</p> <p>Purpose – The CEO provides the Board with an annual activity plan for the successive year that is consistent with the goals and objectives articulated in CPATA’s Strategic Framework. The plan is presented for the Board’s information.</p> <p>Input – CEO presentation of Activity Plan</p> <p>Output – 2024 Activity Plan</p> <p>Going forward – The CEO will provide updates on the Strategic Plan and major changes to the annual activity plan at future Board meetings.</p> <p>Materials: CPATA Strategic Framework 2023–2025 2024 Activity Plan</p>	30	For Information



5. 2024 Budget

5.1	<p>Budget 2024 Presentation (S. Walker, CFO J. Strawczynski, CEO & Registrar) – 1:30 pm</p> <p>Purpose – The Board oversees CPATA’s operations and approves its annual budget. The budget is presented for the Board’s consideration and approval. Input – See Materials Output – 2024 Budget (approved) Going forward – The CEO will provide regular updates on the annual budget.</p> <p>MOTION: Be it resolved the Board approves the 2024 Budget as presented.</p> <p>Materials: Memo re 2024 Budget CPATA Budget 2024</p>	36 41	For Approval
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6. 2024 Director Election – Appointment of Election Commissioner

6.1	<p>MOTION re: Appointment of Election Commissioner (J. Strawczynski, CEO & Registrar) – 2:00 p.m. <i>*Note: The wording of the motion will be circulated during the meeting.</i></p> <p>Purpose – CPATA’s Board has four Directors elected by licensees. The next Director election will take place in 2024, when two Director roles will be open for election. Pursuant to CPATA’s By-laws, the Board must appoint an Election Commissioner, on the recommendation of the CEO, to address any issues that arise concerning the election process. The Board is asked to appoint CPATA’s Election Commissioner. Input – CEO presentation Output – Appointment of CPATA’s Election Commissioner for the 2024 Director election. Going forward – CPATA will appoint an Election Commissioner for each election.</p>	-	For Approval
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Other Business

Other business

In Camera

In camera discussions



For Information

1. Investigations Committee Policies
 - Policy on Appeal of Registrar Decisions ([English/French](#))
 - Policy on Interim Orders ([English/French](#))
2. Communications
 - a. [November Newsletter](#)
3. Updates in professional regulation
 - a. Legislative reforms to professional regulation
 - i. BC and Nova Scotia are moving forward with legislative reforms to professional regulation of health professions.
[See article here.](#)
 - ii. [BC expecting legislation to create a single legal regulator in 2024](#)
 - b. Professional training
 - i. [Ontario to ban Canadian work experience requirement in job postings](#)
 - c. Changes to scope of practice / exclusivity of practice
 - i. [Ontario nurses granted the authority to prescribe](#)
 - ii. Alberta plans to remove restrictions on the use of the title 'Software Engineer' (see CCI statement [here](#)); [Engineers Canada seeks a reconsideration of the change](#)

Future meetings – 2024

March 22/24 – Board Public meeting (Virtual)

June 13/24 – Board Public meeting & AGM (In person–Ottawa)

September 20/24 – Board Public meeting (Virtual)

November 7/24 – Board Public meeting (In person–Ottawa)

December 5/24 – Board Public meeting (Virtual)

Public Board of Directors Meeting

Held via Zoom

November 9, 2023

12 p.m. ET

Minutes

BOARD MEMBERS:

Ruth McHugh, Chair

Iris Almeida-Côté

Jeff Astle

Amber Batool

Karima Bawa

Brigitte Chan

Tom Conway

Andrew Currier

Leonora Hoicka

STAFF:

Juda Strawczynski, CEO and Registrar

Jennifer Slabodkin, Director of Registration and Education, Deputy Registrar

Sean Walker, CFO

Victoria Rees, General Counsel, Professional Responsibility

Andres Diaz, Operations Manager

Anne-Thiphaine Camus, Administrator - Registration & Education

Vicci Sakkas, Administrative Coordinator

Dana Dragomir, Communications Officer

1. Introductory Matters/Call to Order/Approval of Agenda/Conflicts of Interest

The meeting was called to order at 12:03 p.m. ET.

The Chair acknowledged that CPATA is the federal regulator of patent agents and trademark agents in the land we call Canada, the traditional and ancestral territory of many Indigenous Peoples. Ruth McHugh made opening remarks and spoke about attending IPIC's annual conference in Winnipeg with Juda Strawczynski, Jen Slabodkin, and fellow Board members Andrew Currier and Leonora Hoicka. She congratulated all Class 3 agents-in-training who wrote the qualifying examinations this fall.

No conflicts of interest were declared.

2. Consent Agenda

Motion: Be it resolved that the Minutes of the September 22, 2023 Board meeting are approved.

MOVED: Leonora Hoicka

SECONDED: Iris Almeida-Côté

Motion carried.

3. Reports

Victoria Rees gave an oral report on CPATA's professional responsibility program, including the work of the Investigations Committee and the Discipline Committee.

Jen Slabodkin gave an oral report on CPATA's work in registration and education, including the work of the Registration Committee.

Karima Bawa provided an oral report from the Governance Committee's most recent meeting in October.

Juda Strawczynski spoke about CPATA's participation at the IPIC and Canadian Network of Agencies for Regulation (CNAR) conferences.

Jen Slabodkin provided an overview of her participation in the CNAR conference, where she presented and hosted numerous events.

4. Financial Highlights and Preliminary Budget Discussion

4.1 Annual Appointment of Auditors

Sean Walker reported that Grant Thornton LLP has been fulfilling the role of External Auditor since CPATA's inception, and that their ability to work on tight timelines has been a key asset.

Motion: Be it resolved the Board appoints Grant Thornton LLP as External Auditor for CPATA's 2023 year-end audit.

MOVED: Iris Almeida-Côté

SECONDED: Tom Conway

Motion carried.

4.2 Preliminary discussion: Budget presentation 2024/September 30, 2023, Financial Statements and Financial Highlights/Legislative Compliance Memo

Juda Strawczynski outlined CPATA's response to a complaint in regard to CPATA's compliance with the *Official Languages Act*. Although an initial miscommunication occurred, CPATA has since put in place all measures recommended by the Commissioner of Official Languages and expects that it is fully

compliant with the *Official Languages Act*.

Sean Walker presented a high-level overview of CPATA's 2024 budget along with Juda Strawczynski. The board engaged in a detailed discussion around high-level budget assumptions and parameters to provide direction for management to create a draft budget for 2024.

Adjournment

A motion to adjourn was made.

MOVED: Karima Bawa

SECONDED: Amber Batool

It was resolved to end the public meeting at 1:36 p.m. ET and to move in-camera.



Ruth McHugh

Chair of the Board of Directors

Minutes approved on December 14, 2023

Report of the Investigations Committee

TO	CPATA Board of Directors
FROM	Kristin Dangerfield
DATE	December 14, 2023
REPORTING PERIOD	September to November 2023

Committee Role and Authority

The Act (s. 37) provides that, “The Investigations Committee must, on the basis of a complaint or on its own initiative, conduct an investigation into a licensee’s conduct and activities if it has reasonable grounds to believe that the licensee has committed professional misconduct or was incompetent.” The Committee considers whether to commence an investigation on its own initiative on the basis of information referred to it by the Registrar, or considers complaints filed by complainants and referred to it by the Registrar.

Until adoption of the amended By-laws on May 1, 2023, all complaints had to be referred to the Committee regardless of their merits. The new By-laws permit the Registrar to determine whether a complaint should be dismissed without referral to the Committee, and a policy is being developed setting out the factors to be considered. Otherwise, it is the Committee’s role to evaluate whether the results of an investigation provide reasonable grounds for the Committee to believe that a licensee has committed professional misconduct or was incompetent. If there is no such evidence, the Committee must dismiss the complaint. If there is such evidence, the Committee must make an Application to the Discipline Committee. It remains the case that the Act fails to give the Committee all the tools it needs to adopt a regulatory approach that is truly principled, proactive and proportional. For example, authority to counsel, caution or reprimand a licensee for violations of the Code are not available alternatives and so the existing toolkit does not meet well-accepted thresholds for professional misconduct or incompetence.

Committee Activity

From September to November 2023, the Committee held two regularly scheduled meetings. At the September meeting, the Committee:

- Received an interim report regarding additional information requested from both parties to a complaint, and directed ongoing evaluation of the information

- Resolved to refer a matter involving a suspended Class 3 trademark licensee in training to the Discipline Committee
- Resolved to refer a matter involving a suspended Class 1 patent agent to the Discipline Committee
- Made further amendments to the Investigations Committee Policy on Interim Orders, and the Investigations Committee Policy on Appeal of Registrar Decisions

At its meeting on November 16, 2023, the Committee:

- Approved Notices of Application for the two new matters being referred to the Discipline Committee, referenced above, which Notices will be posted on the website in due course
- Received an interim report in respect of an ongoing complaint inquiry and resolved to appoint an investigator to complete the investigation
- Approved in final form the Policy on Interim Orders, and the Policy on Appeal of Registrar Decisions, both of which are attached for the Board's information

The Investigations Committee has no more regularly scheduled meetings for 2023.



Kristin Dangerfield

Chair of the Investigations Committee

Attachments:

Policy on Interim Orders

Policy on Appeal of Registrar Decisions

Investigations Committee: Policy on Interim Orders

NAME OF POLICY	Policy on Interim Orders : Suspension, restrictions or conditions		
APPLICABLE SECTIONS OF THE ACT, BY-LAWS AND REGULATIONS and/or PURPOSE	CPATA Act s. 37.1(1) – (3), By-laws Part 1, 2(1) and (2)		
RESPONSIBILITY	Investigations Committee		
APPROVED BY	EFFECTIVE	REVIEWED	REVISED
Investigations Committee	2023-11-16	Date	Date

1. Background

Section 37.1 of the Act confers on the Investigations Committee the authority to impose a suspension, restrictions or conditions on a license if it is satisfied it is necessary for the protection of the public, prior to completing an investigation of a licensee’s conduct.

2. Purpose

The purpose of this policy and procedure is to assist the Investigations Committee in identifying and balancing all relevant interests and engaging in a fair process when making decisions under this section in the public interest. Any decision to impose a suspension, restrictions or conditions on a license, with or without hearing from the licensee, and prior to completion of an investigation, should only be considered in cases where:

- there is a serious issue to be adjudicated,
- there is a risk of irreparable harm (to the public and/or to the reputation of the College) if an interim order is not made, and
- the balance of convenience (weighing the public interest against the licensee’s private interests) supports an interim order.

Further, there should be no other reasonable alternatives to achieving protection of the public short of an interim order.ⁱ

3. Authority

CPATA Act

s. 37.1(1) The Investigations Committee may take any of the following actions in respect of a licensee who is under investigation if it is satisfied that it is necessary for the protection of the public:

- (a) Impose conditions on a license of the licensee;
- (b) Impose restrictions on the licensee's entitlement to represent persons under section 27 or 30;
- (c) Suspend a license of the licensee.

Before the Committee considers taking action under this section, an investigation must have been commenced, either on the basis of an external complaint or instigation of an investigation by the Committee.

Notice

s. 37(2) The Investigations Committee must notify the licensee in writing of any action taken in respect of the licensee and must inform them of their right to make an application for a review by the Discipline Committee at any time, or, if the decision was made on an ex parte basis, to request that the Investigations Committee consider further submissions under (3).

Reconsideration by Investigations Committee after ex parte decision

(3) On receiving notice of an ex parte decision under (2), a licensee may submit a written request to the Investigations Committee asking them to consider new or additional information for the purposes of requesting a variation of their decision to suspend or restrict the licensee's license.

(4) Should any new information be submitted to the Committee under (3), it will be provided to the Registrar, who may make further written submissions to the Committee, and a copy will be disclosed to the licensee.

(5) If a request is made under (3), the Committee will act expeditiously to review the new information, any additional submissions from the College, and may either vary or uphold its original decision based solely on the written submissions, and/or based on oral submissions at a subsequent hearing of the matter by the Committee under s. 37(1).

(6) If the Committee decides to uphold its original decision under (5), a licensee may request a review of the decision by the Discipline Committee.

Action is provisional

- s. 37(3) Any action taken under subsection (1) is provisional and ceases to have effect if
- (a) the Discipline Committee makes a decision under subsection 37.2(2) that amends or revokes the action;
 - (b) the Investigations Committee dismisses the matter under subsection 49(1);
 - (c) the Investigations Committee withdraws the application under section 50;
 - (d) the Discipline Committee exercises its powers under section 56; or
 - (e) the Discipline Committee renders a decision under section 57.

4. Public interest considerations

Under s. 63, the Investigations Committee may make rules respecting the practice and procedure before them, and rules for carrying out their work and for the management of their internal affairs. The power of the Investigations Committee under s. 37.1 (1) may therefore be exercised with or without hearing from the licensee.

When considering whether to exercise its authority under s. 37(1), the Committee may consider the following:

i. Level of risk

- i. the nature of the alleged misconduct or incompetence, and the potential seriousness of the harm that can result from it;
- ii. whether the personal or practice circumstances of the licensee is indicative of risk;
- iii. the level of risk to client interests;
- iv. whether the conduct is repetitive and ongoing or isolated;
- v. whether the conduct occurred during the course of practice;
- vi. if proven, the range of likely disciplinary outcome;
- vii. any relevant history of prior complaints and/or disciplinary findings;
and
- viii. the degree of cooperation of the licensee with the investigation.

ii. Evidence – the nature of the factual evidence against the licenseeⁱⁱ

iii. Ability to effectively regulate – will the ability of the College to effectively regulate the IP profession in the public interest be reasonably likely to be harmed if the licensee is permitted to continue to practice without restrictions, conditions or a suspension, pending completion of the investigation and/or adjudication of the matter?

iv. Alternatives – whether current or potential restrictions on the licensee’s practice (e.g., undertakings, assessments, monitoring or supervision) are adequate to protect the

public, and if so, whether here is legislative authority for the Committee to require these.

- v. **Proportionality** – would a decision to impose restrictions, conditions or a suspension be reasonable under all circumstances, taking into account the risks to the public if the license was not restricted, under conditions or suspended?
- vi. **Consistency** – would a decision to impose restrictions, conditions or suspension be consistent with previous decisions in similar circumstances, if any?

5. Procedure

5.1 The authority of the Investigations Committee under this Section may be exercised with or without oral or written submissions from the licensee.

Ex parte proceedings

5.2 Where, in the opinion of the Investigations Committee, it is necessary in the public interest to make a decision under s. 37(1) without notice to or hearing from the licensee, the Committee must, after making such a decision, provide notice and a copy of the written decision with reasons to the licensee as soon as possible.

5.3 A licensee who receives notice under 5.2 may request in writing that the Committee consider new information for purposes of reconsidering a decision made under s. 37(1).

5.4 When a request is received under 5.3, the Investigations Committee will, as soon as reasonably possible:

- (i) Provide an opportunity for the licensee to make written submissions; and/or
- (ii) Provide an opportunity for the licensee to meet with members of the Committee to make oral submissions; and
- (iii) Provide an opportunity for the College to make written and/or oral submissions, as the case may be.

5.5 When the Committee decides to hear oral submissions from the parties, the licensee has the right to:

- (i) be represented by counsel, at the licensee's expense;
- (ii) disclosure of the nature of the concerns with the licensee's conduct; and
- (iii) an opportunity to present a response to the evidence before the Committee and to make submissions.

- 5.6 After considering the additional submissions under 5.4, and 5.5 if applicable, the Committee may confirm, vary or terminate a decision to suspend, restrict or set conditions on the licensee's license.
- 5.7 As soon as reasonably possible following the consideration of submissions under 5.4 and/or 5.5, the Committee will prepare a notice and a written decision with reasons for a decision made under 5.6.

Appeal of decision

- 5.8 Under s. 37(2) and By-laws 87(1) – (3), a licensee may file with the Discipline Committee an appeal of a decision of the Investigations Committee made under this section.

ⁱ [*RJR-MacDonald Inc. v. Canada \(Attorney General\)*, \[1994\] 1 S.C.R. 311, 111 D.L.R. \(4th\) 385](#)

ⁱⁱ [*Dua v. College of Veterinarians of Ontario*, 2021 ONSC 6917](#)

Investigations Committee: Appeal of Registrar Decisions

NAME OF POLICY	Appeal of Registrar Decisions		
APPLICABLE SECTIONS OF THE ACT, BY-LAWS AND REGULATIONS and/or PURPOSE	CPATA Act ss. 38.1(1) to (5); By-laws Part 6		
RESPONSIBILITY	Manager of Professional Responsibility		
APPROVED BY	EFFECTIVE	REVIEWED	REVISED
Investigations Committee	2023-11-16		

In this policy :

- a) « Complainant » means a complainant who is appealing a decision of the Registrar to dismiss their complaint under s. 38.1(4);
- b) “Licensee” means the licensee (or “agent”) who is the subject of the complainant’s complaint;
- c) “Dismissal” means the written decision with reasons prepared by the Registrar notifying the complainant of the decision to dismiss their complaint.

1. Purpose & Authority

This policy sets out the considerations and process for the Investigations Committee when considering an appeal of a decision of the Registrar to dismiss a complaint under s. 38.1 of the CPATA Act and by-law 86:

Dismissal or referral

38.1(1) The Registrar must consider all complaints received by the College relating to professional misconduct or incompetence by a licensee and may, subject to and in accordance with the by-laws, dismiss any complaint, in whole or in part, for any of the reasons set out in the regulations, but if they do not dismiss the complaint the Registrar must refer it to the Investigations Committee for consideration.

Notice of dismissal

(2) If the Registrar dismisses the complaint, the Registrar must notify the complainant in writing of the decision and the reasons for the dismissal and the notice must inform the complainant of their right to appeal the decision to the Investigations Committee within 30 days after the date of the notice.

Appeal

(4) The complainant who receives a notice under subsection (2) may, within 30 days after the date of the notice, request an appeal of the Registrar's decision to the Investigations Committee.

Decision

(5) The Investigations Committee must dispose of the appeal by dismissing it or allowing it and, if they allow it, they must consider the complaint.

By-laws Part 6

Investigations

85 The Registrar must not dismiss a complaint when there are reasonable grounds to believe that the licensee who is the subject of the complaint has committed professional misconduct or was incompetent.

Request for appeal

86 A complainant's request under subsection 38.1(4) of the Act for an appeal of the Registrar's decision must be made in writing.

2. Considerations

2.1 When the Investigations Committee receives notice of an appeal from a complainant under s. 38.1(4), they will first consider whether the notice of appeal was filed in accordance with this section (within 30 days after the date of the Registrar's notice) and By-law 86 (notice in writing).

2.2 If the notice of appeal was not filed in accordance with the requirements (s. 38.1(4) and By-law 86), the Committee retains discretion to consider whether any reasonable grounds exist for the delay or failure to provide notice in writing by the complainant. If not, they may refuse to consider the appeal, and must notify the complainant and the Registrar of their decision in writing.

2.3 If the notice of appeal was filed in accordance with the requirements noted in 2.2, the Committee may then proceed with consideration of the appeal.

2.4 When considering an appeal, the Committee must consider all materials that the Registrar had at their disposal when making their decision, and the information contained in the notice of appeal filed by the complainant.

- 2.5 The Committee may meet in any manner to consider an appeal, including teleconference, video conference, via email or in person.
- 2.6 The Committee may consult with counsel and/or a subject matter expert at any stage of the appeal consideration.
- 2.7 Unless otherwise decided, the Committee will consider an appeal based solely on written materials.

3. Standard of review

The Committee's role in this case is to determine whether the decision of the Registrar to dismiss the complaint was reasonable. This does not involve an assessment of whether the Registrar's decision was correct, but rather an assessment of whether the decision reflects a consideration of the relevant information and demonstrates that the Registrar reached the decision in a manner consistent with the Act, Regulations, By-laws, and the College's Regulatory Objectives.

4. Procedures

- 4.1. A complainant must electronically submit a notice of appeal to the Registrar outlining the details of their basis and reasons for appeal, within 30 (thirty) days of the date of notice of the Registrar's dismissal decision.
- 4.2. Upon receipt of the notice of appeal, the Manager, Professional Responsibility will:
 - 4.2.1. acknowledge receipt of the notice of appeal;
 - 4.2.2. notify the licensee that a notice of appeal has been received; and
 - 4.2.3. forward a copy of the notice of appeal together with a copy of the complaint file to the Investigations Committee Chair.
- 4.3. On receipt of the materials in 4.2.3, the Chair will convene a meeting of the Investigations Committee in such manner as the Chair determines appropriate for purposes of considering the appeal.
- 4.4. If the Committee decides that the decision of the Registrar to dismiss the complaint was reasonable, the Chair or designate will prepare a written decision with reasons and provide a copy of the decision to the complainant and the Registrar. There are no further appeal processes available.
- 4.5. If the Committee decides that the decision of the Registrar to dismiss the complaint was not reasonable, the Committee will proceed with investigation of the complaint in accordance with the Act, and will notify the complainant and the Registrar of their decision with reasons.

Report of the Registration Committee

TO	CPATA Board of Directors
FROM	Tina McKay
DATE	December 14, 2023
REPORTING PERIOD	September – December 2023

Committee Role and Authority

The Registration Committee assists the Registrar in administering the College's licensing requirements. The Committee:

- approves standards for the evaluation of competencies and passing marks for the qualifying examinations; and
- when requested by an applicant or a licensee, reviews decisions made by the Registrar under the By-laws.

Committee Activity

At the December 4, 2023, meeting, the Registration Committee:

1. Received an update on the detailed test specifications and development work for the redesigned qualifying examinations.
2. Reviewed and discussed the fair registration practices audit report prepared by registration staff, and the Chair and Vice Chair of the Committee. Highlights of the report included:
 - Demonstrating overall compliance with the general and specific duties for fair registration practices;
 - Identifying and starting to track key performance indicators, such as average application processing times for class 3 applications (the average processing time for 2023 was approximately 16 days from the date an application was considered complete.



Tina McKay

Chair of the Registration Committee

Report of the Audit and Risk Committee

TO	CPATA Board of Directors
FROM	Bob Plamondon
DATE	December 14, 2023
REPORTING PERIOD	November 2023

Committee Role and Authority

The purpose of the Audit & Risk (A&R) Committee is to assist the Board in fulfilling its fiduciary obligations and oversight responsibilities relating to financial planning, the audit process, financial reporting, the system of corporate controls and risk management, and when required, to make recommendations to the Board for approval including in relation to the annual budget process.

The Committee must demonstrate strong and principled advice to foster confidence in the College's financial integrity.

Committee Activities

Since the last update to the Board for August, the Committee met on November 30.

At the meeting, the Committee:

1. Reviewed the Minutes and Action Log from the October 26 meeting.
2. Reviewed the internal financial statements (October 31) and supporting information.
3. Reviewed and approved the Legislative Compliance memo from the CEO & Registrar and CFO.
4. Reviewed the draft 2024 Committee Work Plan and Macro Agenda.
5. Reviewed the second draft of the 2024 budget information which includes revisions made since the A&R Committee and Board reviewed the previous version.

Budget 2024 Update:

The Committee reviewed the updated version of the Budget schedules and detailed memo. After another thorough discussion the committee approved the updated version of the budget and made a motion to recommend approval of the budget to the Board of Directors (copies included in Board meeting package). The Committee chair will attend the board meeting discussion on the budget.

APPROVED MOTION: The Committee recommends the 2024 budget be presented to the Board at their upcoming meeting for approval.

Upcoming Committee meetings focus

- February 2024 – the committee will focus on:
 - Finalization of Work Plan for 2024
 - Review of Audit planning Documentation from Grant Thornton
 - Review of first draft of financial results from 2023
 - Review of revised Travel and Reimbursement policy

- March 2024 – the committee will focus on:
 - Meeting with External Auditors, Grant Thornton to review:
 - Audited Financial Statements
 - Audit Report
 - In camera discussion with Auditors
 - Recommendation of approval of financial statements to Board for their March 22nd meeting.
 - Review of Annual insurance renewal information (if available)



Robert Plamondon

Chair of the Audit and Risk Committee

College of Patent Agents and Trademark Agents

Financial Reports - Board and A&R Committee
as of October 31, 2023



Prepared by
Sean Walker ,CFO

Prepared on
November 23, 2023

College of Patent Agents and Trademark Agents

Statement of Operations

October 2023

	TOTAL	
	OCT. 2023	JAN - OCT., 2023 (YTD)
INCOME		
4000 Service/Fee Income		
4010 Licensee fees - Class 1	163,454.17	1,636,066.66
4011 Class 1 License Fee Income - PY Adj		700.00
4020 Class 2 Inactive Agent Fees	1,953.43	21,346.93
4030 Class 3 License Fees	1,250.00	10,096.25
4040 Class 4 Inactive Agent fees		75.33
Total 4010 Licensee fees - Class 1	166,657.60	1,668,285.17
4050 Exam fees	82,250.00	123,550.00
4055 Exam re-correction request		5,650.00
Total 4050 Exam fees	82,250.00	129,200.00
4070 Application fee income	1,550.00	54,865.00
4060 Certificate & Letters Fees	225.00	1,650.00
Total 4070 Application fee income	1,775.00	56,515.00
Total 4000 Service/Fee Income	250,682.60	1,854,000.17
Total Income	\$250,682.60	\$1,854,000.17
Total Income	\$250,682.60	\$1,854,000.17
EXPENSES		
5500 Wages & Benefits	62,669.49	660,974.85
6005 Professional and consulting fees		
6010 Professional fees - Accounting Services	8,333.33	74,683.34
6015 Audit Fees		0.00
6020 Professional fees - Communications		3,000.00
6030 Legal Fees	36,705.50	315,448.14
6060 Translation expenses	4,542.25	69,964.37
6210 Consulting - Communications	799.25	17,668.23
6230 Consulting - Human Resources		12,740.00
Total 6005 Professional and consulting fees	50,380.33	493,504.08
6200 Technology and Systems Expenses		
6270 IT Consultants - Network & General	968.13	9,440.59
6280 IT Consultant - License Systems	4,942.00	55,264.50
6290 IT Consultant - Website	872.65	8,355.88
Total 6200 Technology and Systems Expenses	6,782.78	73,060.97

Statement of Operations

October 2023

	TOTAL	
	OCT. 2023	JAN - OCT., 2023 (YTD)
6500 Board & Committee Governance Expenses		
6501 Board of Directors Expenses		
6505 Board and Committee Expenses		
6502 Board - Meeting expenses	3,954.35	13,184.60
Total 6505 Board and Committee Expenses	3,954.35	13,184.60
6510 Board - Remuneration	5,000.00	97,158.28
6520 Board - Travel	1,970.89	23,142.83
6525 Board - Meal costs	406.04	4,869.12
Total 6501 Board of Directors Expenses	11,331.28	138,354.83
6610 Committees - Member Compensation	2,275.00	42,400.00
Total 6500 Board & Committee Governance Expenses	13,606.28	180,754.83
6700 Registration & Exam Expenses		
6710 Consulting - Admissions		103,150.00
6720 Reg Programs - Member Compensation		45,714.29
6730 Exam Software costs	12,313.34	12,313.34
Total 6700 Registration & Exam Expenses	12,313.34	161,177.63
7010 Bank fees and interest	459.90	47,003.35
7135 Insurance	4,262.93	42,358.27
7205 Office Expenses		
6295 Payroll provider Fees	54.00	694.24
7130 Dues and memberships	97.50	7,446.96
7215 Office - General expenses	234.30	3,839.69
7225 Telephone-Cell phone	66.75	832.53
7300 Software costs - Administration	1,162.86	23,401.52
Total 7205 Office Expenses	1,615.41	36,214.94
7310 Staff Travel and Training expenses	4,157.03	27,498.23
8000 Amortization	202.02	2,060.97
Total Expenses	\$156,449.51	\$1,724,608.12
OTHER INCOME		
4220 Interest earned	2,542.81	10,171.23
Total Other Income	\$2,542.81	\$10,171.23
EXCESS OF REVENUE OVER EXPENDITURES	\$96,775.90	\$139,563.28

Statement of Financial Position

As of October 31, 2023

	TOTAL	
	AS OF OCT. 31, 2023	AS OF OCT. 31, 2022 (PY)
Assets		
Current Assets		
Cash and Cash Equivalent		
1010 RBC Chequing Account	301,730.95	883,168.32
Total Cash and Cash Equivalent	\$301,730.95	\$883,168.32
1230 Other current assets	0.00	0.00
1400 Prepaid expenses	54,526.96	42,988.02
1500 G.I.C	500,000.00	
1505 GIC - Accrued Interest	7,187.67	
Total 1500 G.I.C	507,187.67	
Total Current Assets	\$863,445.58	\$926,156.34
Non-current Assets		
Property, plant and equipment		
1600 Computer Equipment	11,566.00	11,679.53
1605 Computer Equipment - Accum Amort	-5,505.60	-3,947.88
Total Property, plant and equipment	\$6,060.40	\$7,731.65
Total Non Current Assets	\$6,060.40	\$7,731.65
Total Assets	\$869,505.98	\$933,887.99
Liabilities and Equity		
Liabilities		
Current Liabilities		
Accounts Payable (A/P)		
2000 Accounts Payable (A/P)	137,975.45	116,638.72
Total Accounts Payable (A/P)	\$137,975.45	\$116,638.72
Credit Card	\$3,558.46	\$6,542.61
2010 Accrued Payables	-7,709.52	1,000.00
2015 Accrued Liabilities - Committee Remuneration	7,274.97	4,025.00
2050 GST/HST Payable	-22,035.17	-48,165.60
2150 Payroll liabilities	-26,486.03	
Total Current Liabilities	\$92,578.16	\$80,040.73
Non-current Liabilities		
2200 Deferred Revenue - Payments Received	998.16	0.00
2210 Deferred License Fees	327,213.34	342,835.92
2211 Deferred License Fees - Class 2	4,269.39	3,416.67
2220 Deferred Application Fees	0.00	0.00
2250 Deferred Exam Fees	0.00	119,700.00
Total Non-current Liabilities	\$332,480.89	\$465,952.59
Total Liabilities	\$425,059.05	\$545,993.32
Net Assets		
Unrestricted Net Assets	304,883.65	245,017.31
Excess of Revenues over Expenditures	139,563.28	142,877.36
Total Net Assets	\$444,446.93	\$387,894.67

College of Patent Agents and Trademark Agents

Statement of Financial Position

As of October 31, 2023

	TOTAL	
	AS OF OCT. 31, 2023	AS OF OCT. 31, 2022 (PY)
Total Liabilities and Equity	\$869,505.98	\$933,887.99

Memorandum

TO	Audit & Risk Committee, Board of Directors
FROM	Juda Strawczynski, CEO & Registrar and Sean Walker, CFO
DATE	November 30, 2023
SUBJECT	Legislative Compliance memo

This memo is written to the Board of Directors of the College of Patent Agents and Trademarks Agents (CPATA) to provide an update on CPATA's legislative compliance reporting and remittance requirements.

GST/HST

CPATA is required to file GST/HST returns for each quarter by the end of the following month. The most recent return for the period of July 1 to September 30, was filed with CRA on October 20. Refund was received on November 2.

Payroll Statutory Deductions

CPATA has employees and Board members who receive remuneration for their positions on the Board. As a result, CPATA is required to withhold and remit statutory deductions from payroll for the various federal government programs. These include Canada Pension Plan (CPP), Quebec Parental Insurance Plan (QPIP), Quebec Pension Plan (QPP), Employment Insurance (EI) and Income Tax (CRA and Revenu Quebec). CPATA is a monthly remitter for these Statutory deductions and must remit to the Canada Revenue Agency (CRA) and Revenu Quebec by the 15th of the month after the employees are paid.

CPATA is up to date with payroll remittances to CRA and Revenu Québec as of the end of October 2023. There were penalties and interest assessed (\$1,445) recently by Revenu Quebec for late filing and payment of 2021 and 2022 forms. We had not received notification on many of the items, however, we now have online access and are able to review and reconcile the filings from the Payroll provider and what has been reported.

Statements of Remuneration – T4's and T4A's are required to be sent to CRA and employees, Board and Committee members by the end of February. These have been filed with CRA and Revenu Quebec and copies have been provided to employees, Board members and Committee members. We have received confirmation of acceptance of filing the T4's and T4A's from CRA, Revenu Quebec requested an additional copy of a summary document which was then provided to them in July.

Annual Federal filing requirements with CRA

CPATA will be required to file a Not-for-Profit Organization (NPO) Information Return (T1044) for 2022 with CRA within 6 months of the year ending December 31, 2022 by June 30, 2023. CPATA is not a taxable entity so income tax will not be required, however, the returns must still be filed. Grant Thornton prepared and mailed the return on May 5th on CPATA's behalf and confirmation will be provided once received from CRA.

Annual Report and Audited Financial Statements

CPATA's Annual Report is due to be delivered to the Minister of Innovation, Science and Industry as required by s. 25¹ of the CPATA Act. The report is due by March 31st and will be tabled in Parliament by the Minister. We are also required (By-law 30) to publish a report (on website) on Board and Committee expenses paid during the year. This report has been prepared and was published along with the Audited Financial Statements on the CPATA Website before March 31 and was also provided to the Minister. These were all completed by March 31 as required.

Privacy Act and Access to Information Act

CPATA is subject to the Privacy Act and the Access to Information Act. In accordance with section 94 of the Access to Information Act and section 72 of the Privacy Act, in early September, CPATA reported on its activities in two reports to be tabled in Parliament by the Minister on our behalf. These reports have been posted on CPATA's website as well.

Official Languages Act

In the previous report we noted that the Commissioner of Official Languages has issued a preliminary report to follow up on its Final Report. The Commissioner acknowledged that the College has developed an Official Languages Policy, but was of the view that CPATA had not provided supporting evidence to demonstrate "how some of the services in the policy will be provided in both official languages." The Commissioner further concluded that CPATA had not implemented an official languages training plan for its employees to periodically remind and inform them of their language obligations.

CPATA is of the view that its current policies and processes are sufficiently developed for the College to meet its obligations under Part IV of the Official Languages Act, and does provide regular training through a variety of measures to ensure that employees are periodically reminded and informed of their language obligations. CPATA has reached out to the Commissioner's office and intends to provide further information to demonstrate how CPATA is meeting the recommendations arising from the Commissioner's Final Investigation Report.

¹ **25 (1)** On or before March 31 of each year, the College must submit to the Minister a report on the College's activities during the preceding calendar year.

(2) The Minister must cause a copy of the report to be tabled in each House of Parliament on any of the first 15 days on which that House is sitting after the day on which the Minister receives it.

Acknowledgement of Compliance

By signing below, Juda Strawczynski, CEO & Registrar and Sean Walker, CFO (outsourced) acknowledge that the statements made in this letter are accurate and that CPATA is in compliance with all statutory legislative requirements included in the Certificate below.



Juda Strawczynski
CEO & Registrar



Sean Walker, CPA, CGA, CIA
CFO (Outsourced)

**Legislative Compliance Certificate
CONFIRMATION OF STATUTORY OBLIGATIONS
For the period: ending October 31, 2023**

	OBLIGATION TO BE FULFILLED	CONFIRMED
1.	Excise Tax Act (Canada) GST/HST <ul style="list-style-type: none"> Quarterly report and remit required net goods and services tax 	Yes
2.	Employment Insurance Act (Canada) <ul style="list-style-type: none"> Deduct, withhold, submit employer's and employee's EI premiums (handled by Wagepoint) 	Yes
3.	Canada Pension Act (Canada) <ul style="list-style-type: none"> Deduct, withhold, submit employer's and employee's CPP contributions (handled by Wagepoint) 	Yes
4.	Income Tax Act (Canada) <ul style="list-style-type: none"> Deduct, withhold, submit in respect of salaries (handled by Wagepoint) 	Yes
5.	Income Tax Act (Canada) <ul style="list-style-type: none"> Provide Employees and other remunerated by the College with Statements of Remuneration Paid (T4 and T4A's) File the statements with CRA by February 28 	Yes
6.	Act Respecting the Régie De L'Assurance Maladie Du Québec - Employer's Health Tax/Health Services Fund (Quebec) <ul style="list-style-type: none"> Report and remit EHT/HSF 	Yes
7.	Act Respecting Parental Insurance - Provincial Parental Insurance Plan (QPIP - Quebec) <p>Report and remit EHT/HSF</p>	Yes
8.	Income Tax Act (Canada) <ul style="list-style-type: none"> File an Annual Non-Profit Organization (NPO) Information Return (T1044) by June 30 	Yes
9.	CPATA Act (Canada) <ul style="list-style-type: none"> CPATA's Annual Report is delivered to the Minister of Innovation, Science and Industry by March 31 	Yes

Project Milestone	Project description	Deliverables	Start	End	Strategic Framework Component
Stakeholder engagement	Continue stakeholder engagement and regular outreach to licensees, IPIC, government, CIPO, other regulators, etc.	Regular engagement with stakeholder community	Jan-24	Dec-24	Relationships and Communications
Complaints and Discipline	Continue to receive and investigate complaints as they arise	Consider complaints as they arise	Jan-23	Ongoing	Professional Regulation
UAP	Continue to consider UAP matters as they arise	Continue to consider UAP matters and determine appropriate regulatory responses	Ongoing	Ongoing	Professional Regulation
Code of Conduct education	Content for licensee education with respect to Code of Conduct	Continue education re Code of Conduct: Ethics inquiry articles	Apr-24	Ongoing	Professional Development and Competency
Competency Profiles	Develop, validate and publish Professional Foundations Competency Profiles	Professional Foundations Competency Profile	Mar-22	Dec-24	Professional Development and Competency
Enhancing apprenticeships	Analysis of current apprenticeship model to determine if changes are needed	· Research re best practices in apprenticeship and experiential learning; Outreach to profession determine strengths, weaknesses, opportunities to enhance apprenticeships; Potential changes to “Approved Training Program Policy”	Jan-23	TBD	Professional Development and Competency

Project Milestone	Project description	Deliverables	Start	End	Strategic Framework Component
Exam administration	Develop and administer fair and psychometrically defensible qualifying examinations	2023 Examinations (Transitional): <ul style="list-style-type: none"> · TM Agent Qualifying Examination Parts A and B; · Patent Agent Qualifying Examination Papers A, B, C and D 2024 Examinations (New): <ul style="list-style-type: none"> · Trademark Knowledge Examination · Patent Knowledge Examination · Trademark Agent Skills Examination · Patent Agent Skills Examination <ul style="list-style-type: none"> · Scheduling · Recruitment · Development · Review · Testing · Registration · Marking · Results 	Jan-24	Ongoing	Professional Development and Competency
Exam administration: Policy development	Develop and administer fair and psychometrically defensible qualifying examinations	<ul style="list-style-type: none"> · Test specifications · Cut-score methodologies · Development and Administration Policies 	Jan-23	Jun-24	Professional Development and Competency
Explore potential new pathways to licensure	Identify and implement pathways to licensure to improve access to become an agent	<ul style="list-style-type: none"> · Consultations and outreach to understand potential of new pathways that would meet competencies 	Jan-23	TBD	Professional Development and Competency
2024 and 2025 licensee renewals	Online licence renewal for eligible PA and TM agents	Renewal configuration	Feb-24	Mar-24	Organizational and Regulatory Infrastructure
Application portal	Automate PA and TM applications via the Application Portal	Define requirements Application configuration in Workbench	Apr-24	TBD	Organizational and Regulatory Infrastructure

Project Milestone	Project description	Deliverables	Start	End	Strategic Framework Component
Budget 2025 and multi-year budgets	Develop 2025 budget and move towards multi-year (3+) annual budget with A&R Comm and Board of Directors input	Budget 2025 and framework for multi-year budget	Jun-24	Ongoing	Organizational and Regulatory Infrastructure
CPATA insurance renewal	Review Insurance requirements and available coverage. - General Liability - Cyber coverage - D&O (inc. Excess)	Insurance renewals for all programs – input from A&R Comm	Mar-24	Apr-24	Organizational and Regulatory Infrastructure
EDI and Indigenous Reconciliation Strategy 1. Inclusion in the profession 2. Agent training 3. CPATA's organizational approaches	Develop CPATA approaches based on 3 areas of interrelated activity: 1. CPATA governance and operations: govern and run CPATA in a manner that is dedicated to EDI and Indigenous Reconciliation 2. Trademark and patent agent competencies and standards: Education and training re cultural competency, consistent with TRC Calls to Action 3. Entry into the profession: Efforts towards building and sustaining a trademark and patent agent profession that is reflective of Canada's population; removes unreasonable barriers to entry	Draft EDI and Reconciliation framework and implementation (ongoing)	Jan-24	Ongoing	Organizational and Regulatory Infrastructure
Emergency Response	Describe how CPATA will respond to, operate during and recover from an emergency that may limit access to a virtual office, records and equipment.	Emergency Preparedness Plan (EPP)	Jan-24	Sep-24	Organizational and Regulatory Infrastructure
Enterprise & Regulatory Risk Management	Maintain Enterprise and Regulatory Risk Management systems	Regular review of enterprise risk framework(s)	Sep-23	Jan-24	Organizational and Regulatory Infrastructure

Project Milestone	Project description	Deliverables	Start	End	Strategic Framework Component
Foreign Practitioners – renewals	Annual completion of declarations confirming eligibility and payment of fees to continue to be included on Public Register	Determine if online renewals are possible; else proceed with pdf forms.	May-24	Jun-24	Organizational and Regulatory Infrastructure
Performance Excellence	Set individualized staff goals and continuous feedback	Soft-launch new form CEO Open door Quarterly staff check-ins	Jan-23	Ongoing	Organizational and Regulatory Infrastructure
Staff training	Provide staff with annual trainings in the following areas: <ul style="list-style-type: none"> · Official Languages · Privacy/ATI · Regulatory and IP trends · EDI · Technology · Emergency response plans and records mgt · HR 	Training sessions for each area through lunch and learns, online modules etc.: Includes training re Official Languages; IP; Professional regulation; EDI and Indigenous Reconciliation; Professional development	Jun-23	Jun-24	Organizational and Regulatory Infrastructure
Annual Report 2024	Develop and submit CPATA's Annual Report in both English and French	Annual Report in English and French submitted to the Minister	Jan-24	Mar-24	Governance
Board and Committee Meetings (Public, CotW)	Board and Committee meetings	<ul style="list-style-type: none"> · English and French Board materials to enable effective public interest decision-making and transparency · Committee materials to enable effective decision-making 	Jan-24	Dec-24	Governance
Board and Committee training and education	Assess Board and Committee training and education needs and develop appropriate (no to low cost) education	Board and Committee education programming as required	Jan-24	Ongoing	Governance

Project Milestone	Project description	Deliverables	Start	End	Strategic Framework Component
Board elections and new Director orientation	Licensees may vote to elect a Board director. Next elections are to be held spring 2024.	Appoint Election Commissioner Candidate info session Candidate info online Election ballots and platform configuration Election results New Director orientation	Jan-24	Jun-24	Governance
Board evaluation 2024	Board self evaluation framework to be developed and implemented	Board self evaluation	Jan-24	Dec-24	Governance
Committee Appointments	Committee vacancies are filled according to Skills Matrices	Investigations Committee Other appointments TBD	Jan-24	Dec-24	Governance
CPATA AGM 2024	CPATA AGM (Ottawa)	AGM in person event	Jun-24	Jun-24	Governance
CPATA audit	Annual Financial Audit	<ul style="list-style-type: none"> · Audited Financial Statements · Audit report 	Sep-23	Mar-24	Governance
Governance policies	Board Governance Policies reflect current goals and practices	Updated Board Governance policies	Jul-23	Jun-24	Governance
Performance Measurement Framework / Outcomes Measurement	Continue to develop a framework that measures and reports, in a standardized manner, how we are acting in the public interest.	Dashboard development and implementation	Jan-23	Dec-24	Governance
Record retention policy	Develop a document management strategy that will provide an information governance structure that successfully manages the College's information. As a federal organization, this structure must be compliant with the regulations of Library and Archives Canada (LAC).	<ul style="list-style-type: none"> · Disposition Authorization from LAC · Records Classification and Retention Schedule 	Apr-23	Jun-24	Governance
Regulatory reporting: Privacy and Access to Information - Statistical Reports	Provide data on the performance of CPATA's access to information (ATI) and privacy programs	Submission to TBS	May-24	May-24	Governance

Project Milestone	Project description	Deliverables	Start	End	Strategic Framework Component
Regulatory reporting: Privacy and Access to Information - Annual Reports	Submit Annual reports to Parliament concerning the administration of the Access to Information Act and the Privacy Act.	Tabling of the reports to Parliament Publication on CPATA's website	Jun-24	Aug-24	Governance

Memorandum

TO	Board of Directors
FROM	Juda Strawczynski, CEO & Registrar and Sean Walker, CFO
DATE	December 14, 2023
SUBJECT	CPATA Budget 2024 presentation

Introduction:

This memo is prepared as support for the Budget Schedules provided in the meeting package. In summary, we have drafted a budget with a planned surplus with the intention of contributing \$350,000 to the College's newly established reserve funds (i.e., Professional Regulation Reserve Fund and Operating Reserve Fund) along with a \$50,000 operating surplus.

This information has been reviewed with the Audit & Risk Committee. It recommends the 2024 budget be presented to the Board for approval.

The **red letters** in this memo correlate to the applicable areas on the budget schedules.

Revenue/Income Budget Items:

Licenses Fees (A): For 2024, the revised by-laws include increased Licensee fees for 2024. This includes Class 1 increases by 80%, (\$1,000 to \$1,800) and the introduction of Class 2 license (\$1,500) for agents who can do everything that a Class 1 agent can do with the exception of presenting and prosecuting before CIPO. Non-Practicing licenses are now Class 4 (previously Class 2).

We have initially conservatively estimated License fee revenue on a 15% reduction in the number of Class 1 licenses with 5% moving to Class 2 and 10% leaving the profession. The net result is an increase in revenue of approximately \$1.1M (52%). As a point of reference, in 2023, with the introduction of mandatory professional liability Insurance, which resulted in additional Insurance costs for some licensees, we have seen an approximate reduction in Class 1 agents of 5%.

Exam Fees (B)

2024 includes the introduction of an additional set of exams. Knowledge exams will be held in March 2024, for both the Patent and Trademark programs. As a result, we have budgeted for

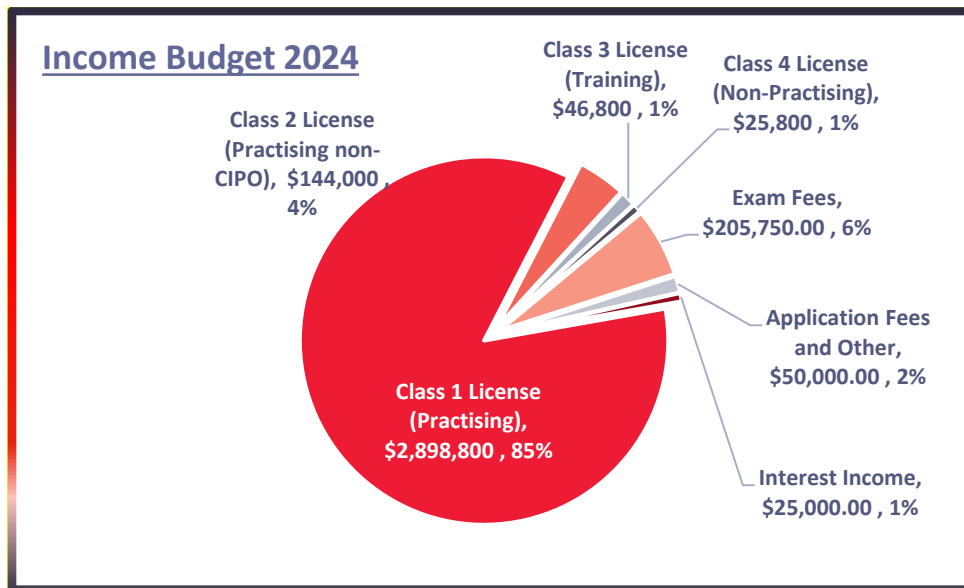
a conservative increase in Exam fee Revenue (27.5%). Agents must pass the Knowledge exams to be eligible to write the Skills Exams in the fall of 2024. We have factored in the recently received 2023 Trademark Exam results in the calculation of writers in the Spring Knowledge Exams.

Application Fees and Other (O)

We have compared application fees over the past two years and have conservatively estimated for a small decrease in 2024. There have been a large number of agents changing category in recent weeks at a time when certain change fees have been waived, which most likely will result in fewer applications next year.

Interest Income (C)

This year saw the College invest in a redeemable GIC providing 4.95% interest. The budget calls for funds to be invested again once we receive licensee fee payments in early 2024.



Expense Budget items:

Board and Regulatory Committee remuneration (D)

Remuneration for Board and Regulatory committee (Governance, Audit & Risk, Registration) members is based on the draft meeting schedule for 2024. The initial plan is to have fewer but longer Board meetings next year.

Discipline & Hearing related costs (E)

For 2024 the budget includes increased Legal fees and Discipline & Hearing Committee remuneration (preparation, decision writing, attendance) and support costs. We have seen an increase in the number and complexity of discipline matters this year and expect this to continue into 2024.

Communications and stakeholder engagement (F)

The budgeted costs for 2024 for Communications include increased costs for enhanced outreach and engagement initiatives, content creation, EDI support and increasing CPATA's Social media presence.

Credit card fees and bank charges (G)

We are anticipating an increase in credit card fees related to increased License fee Revenue, approximately 50%.

Licensee systems (H)

We are anticipating potential changes to the systems currently being used which may result in additional costs for implementing a new system in 2024.

Office & Administration related expenses (I)

Many increases in Office and Administrative expenses are due to inflation and increased vendor costs (e.g. insurance, technology, etc.). Increases in administrative software license costs year over year and the addition of new programs related to data security, communications, and task management software account for a \$11K increase in costs.

Registration (Exam and Competency) Program (J)

The transition to the new Exam system including the introduction of the Knowledge exams has led to increased Exam software usage fees and remuneration for working groups made up of Subject Matter Experts (SME's). We also have budgeted for additional consultant support for continued development of the Exam and Competency programs looking forward.

Salaries, benefits & contracted staff (K)

This area includes costs for employee wages and benefits and costs for fractional professional support (legal and finance). In the next year we are expecting to require additional staff support in the areas of Registration and Licensee Systems. We have incorporated additional wage/contractor costs to support these projects. We have also factored in Inflationary increases and additional compensation for certain positions to reflect expanded roles, pay equity and market factors.

Staff Travel and Training (L)

The budget for 2024 includes increased costs for staff training and travel to attend conferences and additional in-person board meetings. Training for staff members has been mostly put on hold for the past couple of years and we feel it is important to provide staff with learning opportunities in their field of study and work.

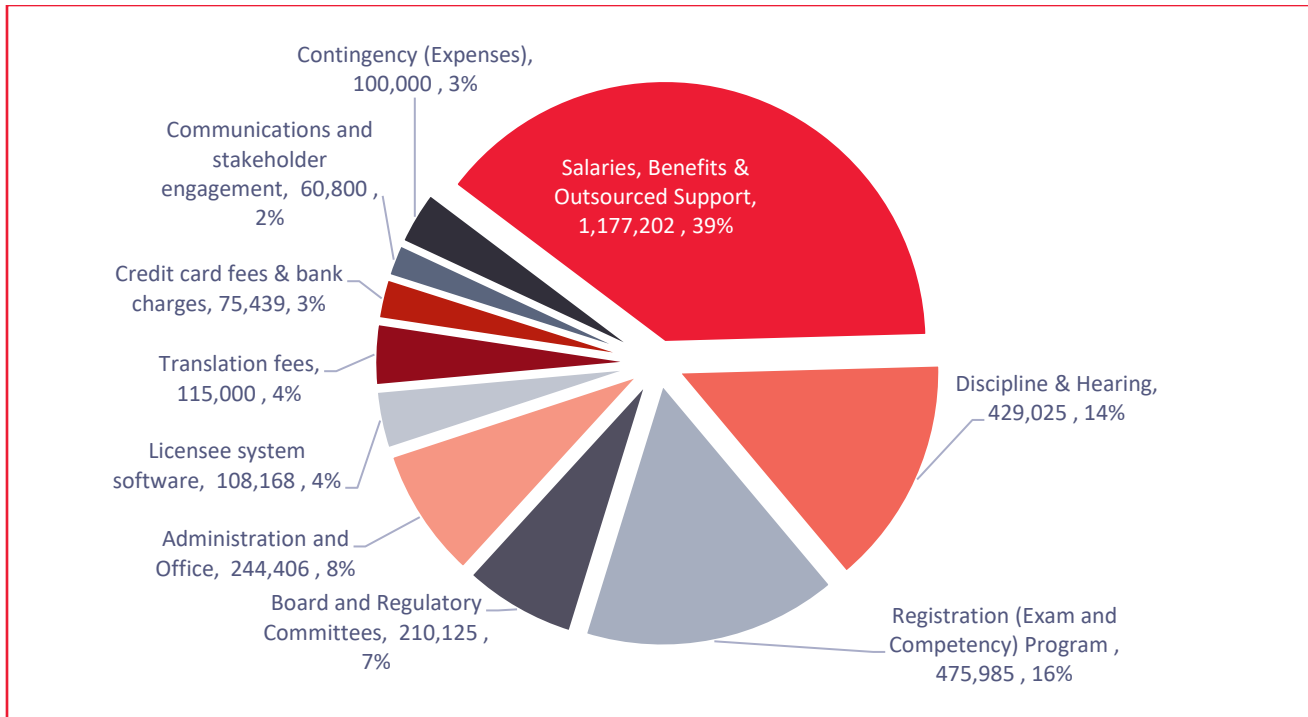
Translations Fees (M)

We have seen a steady increase in the volume of materials (exam, discipline, social media, etc.) and meetings (e.g., Board, Exam support, etc.) that require translation and/or have live interpretation.

Contingency (N)

For 2024 we have included a new Contingency line for Income. Given the uncertainty with license renewals we have set aside \$100,000 for a potential reduction in fee revenue. The Contingency for expenses has been left consistent with prior years at \$100,000. This figure will be reviewed with the Audit & Risk Committee and Board during planning sessions.

Budgeted Expenses Chart:



Statement of Financial Position Budget Items:

Cash (aa) and Investments (GIC) (bb)

We have forecasted a conservative increase in the cash and investment balances at the end of 2024 based on the increased fee revenue and projected budget surplus.

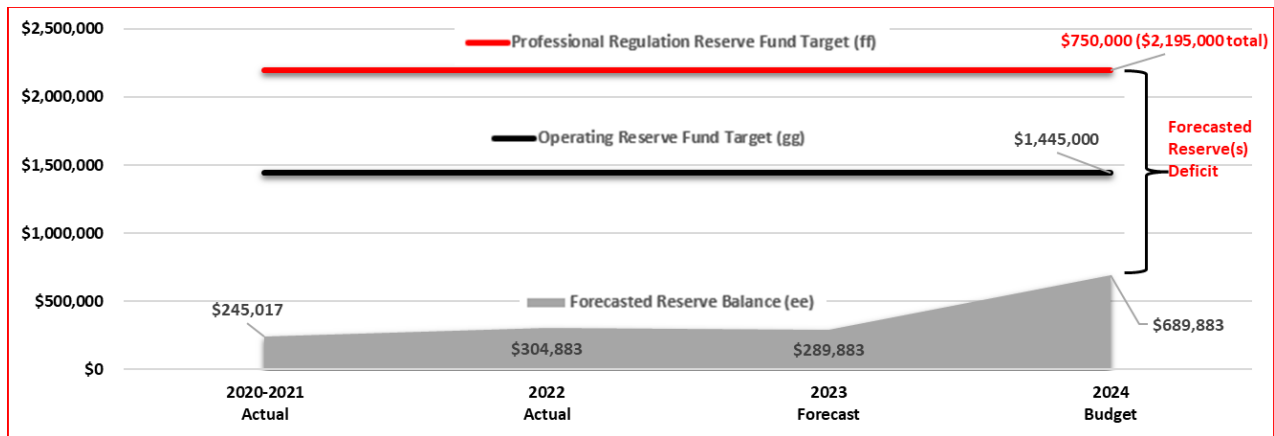
Net Assets/ Reserve Balances

The forecasted opening reserve balance (cc) of \$289,883 at the end of 2023 along with a Budgeted surplus of \$400,000 (dd) (\$350K to Reserves + \$50,000 surplus) results in a projected Reserve(s) balance of \$689,883 (ee) at the end of 2024.

Financial Reserve Targets

The forecasted Reserve (**ee**) is less than the total of the Professional Regulation Reserve Fund target (**ff**) of \$750,000 and Operating Reserve Fund (**gg**) of \$1,445,000. However, 2024 should provide for a substantial increase in the reserve funds.

	2020-2021 Actual	2022 Actual	2023 Forecast	2024 Budget
Forecasted Reserve Balance (ee)	\$245,017	\$304,883	\$289,883	\$689,883
Operating Reserve Fund Target (gg)			\$1,445,000	\$1,445,000
Professional Regulation Reserve Fund Target (ff)			\$750,000	\$750,000
Total Financial Reserve Targets			\$2,195,000	\$2,195,000



College of Patent Agents and Trademark Agents - Draft Operations Budget 2024

	Actual 2022	Budget 2023	Forecast 2023	Budget 2024	@	% Income	Change from 2023	
INCOME/REVENUE:								
License Fees	\$ 2,121,355	\$ 2,120,000	\$ 2,001,802	\$ 3,215,400	A	94.7%	\$ 1,095,400	51.7%
Exam Fees	168,350	157,000	129,200	205,750	B	6.1%	48,750	31.1%
Application Fees and Other	64,355	53,500	59,715	50,000	O	1.5%	(3,500)	(6.5%)
Interest Income			13,257	25,000	C	0.7%	25,000	-
Contingency (Income)				(100,000)	N	(2.9%)	(100,000)	-
TOTAL INCOME/REVENUE	\$ 2,354,059	\$ 2,330,500	\$ 2,203,974	\$ 3,396,150		100.0%	\$ 1,065,650	45.7%
EXPENSES:								
Amortization	3,156	3,300	2,464	3,600	I	0.1%	300	9.1%
Audit Fees	19,260	18,000	21,400	23,540	I	0.7%	5,540	30.8%
Board of Directors Meeting & Remuneration	182,887	175,600	161,655	172,500	D	5.1%	(3,100)	(1.8%)
Regulatory Committees - Remuneration	56,400	27,800	38,825	37,625	D	1.1%	9,825	35.3%
Discipline & Hearing meeting and remuneration	-	29,750	18,275	97,525	E	2.9%	67,775	227.8%
Communications and stakeholder engagement	101,138	38,000	22,268	60,800	F	1.8%	22,800	60.0%
Human resources and recruitment	180,385	10,000	18,590	10,000	I	0.3%	-	-
Information Technology and Website	38,508	22,800	21,733	24,750	I	0.7%	1,950	8.6%
Insurance expenses	60,872	66,135	51,884	60,566	I	1.8%	(5,569)	(8.4%)
Credit card fees and bank charges	53,026	45,432	48,304	75,439	G	2.2%	30,007	66.0%
Legal fees	409,372	288,000	271,568	331,500	E	9.8%	43,500	15.1%
Licensee system software	52,200	72,200	72,749	108,168	H	3.2%	35,968	49.8%
Office & Administration	22,330	23,978	32,917	36,681	I	1.1%	12,703	53.0%
Exam Board/SME support fees	96,425	127,800	132,314	141,500	J	4.2%	13,700	10.7%
Consulting - Registration/Competency	108,199	117,200	125,150	245,000	J	7.2%	127,800	109.0%
Exam Software	39,407	45,000	39,591	89,485	J	2.6%	44,485	98.9%
Salaries, benefits & contracted staff	746,325	1,026,705	1,024,078	1,177,202	K	34.7%	150,497	14.7%
Staff Travel, Training and Dues	25,892	27,800	35,245	85,270	L	2.5%	57,470	206.7%
Translation fees	98,412	65,000	79,964	115,000	M	3.4%	50,000	76.9%
Contingency (Expenses)	-	100,000	-	100,000	N	2.9%	-	-
TOTAL EXPENSES	2,294,193	2,330,500	2,218,974	2,996,150		88.2%	665,650	28.6%
LESS: BUDGETED CONTRIBUTION TO RESERVES	\$ 59,866	\$ -	\$ -	\$ 350,000	dd	10.3%	\$ 350,000	
NET SURPLUS (DEFICIT)	\$ -	\$ -	\$ (15,000)	\$ 50,000	dd	1.5%	\$ 50,000	
ADD: OPENING NET ASSETS/RESERVE BALANCE	\$ 245,017	\$ 304,883	\$ 304,883	\$ 289,883	cc			
ENDING NET ASSETS/RESERVE BALANCE	\$ 304,883	\$ 304,883	\$ 289,883	\$ 689,883	ee			

Budgeted Statement of Financial Position 2024 (Balance Sheet)

	Actual 2022	October 2023	Forecast 2023	Budget 2024	
Current Assets					
Cash	454,538	301,731	400,000	345,000	aa
HST/GST Rebate Receivable	42,290	22,035	40,000	40,000	
Prepaid expenses and contracts	28,391	54,527	22,000	17,000	
Investments (GIC)	-	507,188	-	510,000	bb
Total Current Assets	525,219	885,481	462,000	912,000	
Fixed Assets					
Fixed Assets	14,312	11,566	11,566	15,000	
Accumulated Depreciation	(4,598)	(5,506)	(5,910)	(9,510)	
Total Fixed Assets	9,714	6,060	5,656	5,490	
Total Assets	534,933	891,541	467,656	917,490	
Current Liabilities					
Accounts Payable	154,909	137,975	74,773	122,607	
Accrued Payables	75,141	(23,362)	103,000	105,000	
Deferred License and exam fees	-	332,481	-	-	
Total Current Liabilities	230,050	447,094	177,773	227,607	
Opening Net Assets (Operating Reserves)	245,017	304,884	304,883	289,883	cc
Surplus (Deficit) of Revenues over Expenses	59,866	139,563	(15,000)	400,000	dd
Total Net Assets	304,883	444,447	289,883	689,883	ee
Total Liabilities and Net Assets	534,933	891,541	467,656	917,490	

CPATA Financial Reserve Targets Comparison:

Forecast and Budgeted Reserves (Net Assets) end of 2024	\$ 689,883	ee
Professional Regulation Reserve Fund	750,000	ff
Operating Reserve Fund (6 months expenses)	1,446,000	gg
	\$ 2,196,000	
Overall Reserves (Net Assets) projected shortage at December 31, 2024	\$ 1,506,117	hh