

**CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY  
(CLLAS)**

**Minutes of the meeting of the Audit Committee held by videoconferencing on  
October 31, 2023, 10.00 a.m. Toronto time.**

**Present:**

Gordon Goodman (Chair)  
Michael Swartz  
Carl De Vuono

Cassels Brock & Blackwell LLP  
WeirFoulds LLP  
McMillan LLP

**Also Present:**

Ken Crofoot (CLLAS Chair)  
Brigitte Chartier  
Ankit Jain  
Jasleen Chauhan  
Ryan Durrell  
Carrie Green  
Cecilia Jeganathan

Goodmans LLP  
Deloitte  
Deloitte  
Deloitte  
Office of the General Manager  
Office of the General Manager  
Office of the General Manager

**1. Constitution of Meeting**

The Chair called the meeting to order.

**2. Secretary of the Meeting**

Cecilia Jeganathan acted as Secretary.

Upon motion duly moved, seconded and carried unanimously, it was resolved that the minutes of the Audit Committee meeting of February 14, 2023 be and hereby are unanimously approved.

**3. 2023 Audit Plan**

Brigitte Chartier reviewed the 2023 Audit Service Plan including the scope of the audit and the key areas of audit focus.

As required by professional standards, the Audit Committee members were asked for their input on the risk of fraud, knowledge of any fraud or suspected fraud and any changes in the role the Committee exercises in the oversight of assessment of the risk of fraud and procedures and controls established to mitigate these risks.

Ms. Chartier advised that the preliminary estimate of materiality for the year ending December 31, 2023 has been set at \$720,000 and the reporting threshold at \$36,000.

Based on the initial risk assessment, the following have been identified as areas of significant audit risk for CLLAS:

- Insurance Contracts Liabilities
- Management Override of Controls

A base audit fee of \$122,650 was proposed. The current year fees reflect an annual inflationary adjustment in line with the Canadian inflation rate.

IFRS 17 – First time adoption and recurring costs budgeted for years 2023 and 2024 were highlighted.

(Deloitte left the meeting)

#### **4. Peer Review of 2023 Actuarial Valuation**

Carrie Green highlighted OSFI Guideline E-15 which was adopted by the BC regulator and the need for CLLAS to carry out a peer review of its actuarial liabilities every three years.

The engagement letter and the terms and conditions of the qualified actuary were presented.

All members agreed to proceed with Eric Keen.

#### **5. Colchester Management Financials at June 30, 2023**

Carrie Green provided a high-level overview of Colchester's management financial statements as of June 30, 2023. No concerns were noted.

#### **6. Reinsurance Security Schedule**

Ryan Durrell presented the Report on Reinsurance Security. The report provides a status review of the current CLLAS reinsurance program, consistent with CLLAS' Reinsurance Security Policy.

All reinsurers in the program are subject to basic monitoring, and additional monitoring is required under certain conditions, and where CLLAS' exposure is considered significant to the reinsurer.

It was noted that there are no significant concerns coming out of the report and no specific action is required for the upcoming renewal.

There being no other business, the meeting was terminated.

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Chair

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Secretary