



**Finance, Audit & Risk Management Committee – November 30, 2017**  
**Item 7b) – Appointment of Enterprise Risk Advisor**  
**and Internal Auditor**  
**Lisa Taylor/Mary Anne Santos**

<b>Agenda Item</b>	Item 7b), Finance, Audit & Risk Management (FARM) Committee, November 30, 2017
<b>Purpose</b>	For the FARM Committee to approve the appointment and compensation of MNP LLP as the Corporation's Enterprise Risk Advisor and Internal Auditor.
<b>Key Message</b>	<ul style="list-style-type: none"> <li>• As part of our Organizational Resiliency Plan approved in the 2017/18 Corporate Plan Amendment, management recommends the appointment an independent enterprise risk advisor and internal auditor to perform a peer review of our enterprise-wide risk register, and develop and implement a two year risk-based internal audit plan.</li> <li>• MNP LLP was the successful proponent in a competitive procurement involving firms under our Risk, Governance &amp; Controls Advisory Services Vendor of Record.</li> </ul>
<b>Areas of note/ Key issues</b>	<ul style="list-style-type: none"> <li>• Waterfront Toronto conducted a competitive procurement using its Risk, Governance &amp; Controls Advisory Services vendor of record and received responses from three of five firms solicited:               <ul style="list-style-type: none"> <li>(a) Ernst &amp; Young;</li> <li>(b) MNP LLP; and</li> <li>(c) Turner &amp; Townsend.</li> </ul>               PricewaterhouseCoopers LLP and KPMG LLP did not submit a response.             </li> <li>• A detailed evaluation of the proposals by representatives in finance, accounting and project delivery was conducted based on the following categories:               <ul style="list-style-type: none"> <li>(a) Project experience (20%);</li> <li>(b) Personnel (10%);</li> <li>(c) Approach &amp; Methodology (20%); and</li> <li>(d) Pricing (50%).</li> </ul> </li> <li>• Based on the above evaluation the preferred proponent was MNP LLP.</li> <li>• The fees proposed are within that budgeted by Waterfront Toronto in the 2017/18 Corporate Plan Amendment and the 2018/19 Corporate Plan (yet to be approved by the Board).</li> </ul>
<b>Expected Outcome</b>	<p>The FARM Committee will approve the appointment of MNP LLP as the Corporation's Enterprise Risk Advisor and Internal Auditor effective December 1, 2017 to undertake the following:</p> <ul style="list-style-type: none"> <li>• Enterprise Risk Peer Review, and</li> <li>• Two-year Internal Audit Plan.</li> </ul> <p>The FARM Committee will approve the compensation of MNP LLP in this role as per a separate, confidential attachment to be provided at the November 30, 2017 FARM Committee meeting.</p>
<b>Key Takeaways/ Next Steps</b>	<ol style="list-style-type: none"> <li>1. Appointment of Enterprise Risk Advisor and Internal Auditor and associated fees.</li> <li>2. Review the updated risk register of the Corporation based on the results of the peer review and details of the two-year internal audit plan at the next FARM Committee meeting in 2018.</li> </ol>