

MINUTES of the public portion of the Finance, Audit and Risk Management Committee Meeting of the Toronto Waterfront Revitalization Corporation held at the Offices of Toronto Waterfront Revitalization Corporation, 20 Bay Street, Suite 1310, Toronto, Ontario on Wednesday, May 26, 2010 at 8:30 a.m., local time.

PRESENT: Janet Graham, Chair  
David Johnson  
Matti Siemiatycki

ABSENT: Kevin Garland

The following additional persons were in attendance throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and CEO; Harry Atterton, Interim Chief Financial Officer; David Kusturin, Vice President Program Management; Sohail Raza, Interim Corporate Controller; Sandra Tran, Director, Finance & Enterprise Risk Management; Kevin Newson, Director Procurement; and Tracy Watt, Administrative Assistant.

Also in attendance were Paula Jesty, Gord Penley and Trevor Ferguson of Deloitte & Touche LLP (“Deloitte”).

The Chair, Janet Graham, took the chair and with the consent of the Committee members, appointed Ann Landry to act as secretary of the meeting.

### **1. Minutes – February 24, 2010**

The minutes of the public portion of the February 24, 2010 meeting of the Finance, Audit and Risk Management (“FARM”) Committee were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the public portion of the FARM Committee meeting held on February 24, 2010 be and are hereby approved.

### **2. Year End Financial Statements**

Sohail Raza tabled the Financial Statements for the year ended March 31, 2010 and provided a brief overview. Discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Financial Statements for the period ended March 31, 2010 be and are hereby approved for recommendation to the Board.

### **3. Management Report**

Sohail Raza tabled a Management Report for review. Discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Management Report be and is hereby approved with changes as noted. It was agreed that the Report would be tabled at the June 30, 2010 Board meeting for information purposes only.

#### **4. External Auditors Report**

Paula Jesty and Trevor Ferguson presented the results of Deloitte's review of the Financial Statements of the Corporation for the period ended March 31, 2010 highlighting the following:

- Audit Scope;
- Status of the Audit;
- Use of a Specialist;
- Management Estimates and Assumptions;
- Results of Work on Areas of Audit Emphasis;
- Matters to be Communicated to the Committee; and
- Audit Findings.

Ms. Jesty tabled a letter to the FARM Committee advising that as part of the audit examination, Deloitte reviewed and evaluated certain aspects of the system of internal controls over financial reporting to the extent necessary to evaluate such internal controls in accordance with Canadian generally accepted auditing standards. The letter advised that the main purpose of Deloitte's internal controls review was to assist in determining the nature, extent and timing of their audit tests and to establish the degree of reliance which they could place on selected controls, not to determine whether internal controls were adequate for management's purposes. The letter further advised that the scope of Deloitte's review of internal controls is not sufficient to express an opinion as to the effectiveness or efficiency of the Corporation's controls.

There was a discussion regarding the control reliance approach taken by Deloitte and whether or not this approach ensured that internal controls were operating effectively. It was suggested that for the 2010/2011 audit period, a control reliance approach could be taken with specific processes/areas targeted for a more in-depth review to provide assurance to Management that internal controls are operating effectively. Deloitte was asked to ensure this suggestion was reflected in their Audit Plan for 2010/2011.

The external auditors' report was accepted by the Committee.

#### **5. Annual Performance Review**

John Campbell advised that from Management's perspective, the Corporation is well served and well supported by Deloitte.

Deloitte was asked to provide the Committee with an analysis of their fees versus other Corporations of like size.

#### **6. Corporate Budget 2010/11**

The Corporate Budget was tabled for discussion and approval. Discussion ensued and concerns and issues were voiced specifically around the number of full-time employees and the marketing and communications budget. It was agreed that given the concerns raised at the

Committee, the Corporate Budget should be tabled at the June 30, 2010 Board Meeting for full review, discussion and approval by the Board.

**7. In-Camera Session with External Auditor**

The Chair asked that Management and Staff leave the meeting for an in-camera session with the External Auditor.

**8. Conclusion of the Public Portion of the Meeting**

There being no further business to discuss other than those items to be considered in-camera, the meeting was adjourned to be momentarily reconvened for the in-camera portion of the meeting.

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Chair

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Secretary of the Meeting