

**MINUTES of the FARM Committee Meeting of the  
Toronto Waterfront Revitalization Corporation  
20 Bay Street, Suite 1310, Toronto, Ontario  
Thursday, January 25, 2018 at 9:00 a.m.**

PRESENT: Helen Burstyn  
Susie Henderson, Chair  
Janet Rieksts-Alderman  
Jeanhy Shim

ABSENT: Denzil Minnan-Wong  
Julie DeLorenzo

The following additional persons were in attendance throughout the meeting or only for particular business items as noted: Will Fleissig, President and Chief Executive Officer; David Kusturin, Chief Project Officer; Lisa Taylor, Chief Financial Officer; Ian Beverley, General Counsel; Kathleen Niccols, Governance Consultant; and Emil Zelic, ERP Business Transformation Manager; Mary Ann Santos, Director, Financial Planning; and Phil Racco, Risk Subject Matter Expert, MNP; Jason Ducharme, Quality Assurance Partner, MNP; and Geoff Rodrigues, Engagement Partner, MNP.

The Chair, Susie Henderson, acted as Chair of the meeting. The Chair called the meeting to order and, with the consent of Committee Members, appointed Ian Beverley to act as Secretary of the meeting.

The Chair declared that a quorum of Committee Members was present and that notice of the meeting had been duly sent to all Committee Members in accordance with the Corporation's By-laws. The meeting was duly called and regularly constituted for the transaction of business.

**1. Meeting Agenda**

**ON MOTION** duly made by Jeanhy Shim, seconded by Janet Rieksts-Alderman and carried, it was **RESOLVED** that the Meeting Agenda be approved.

**2. Declaration of Conflicts of Interest**

There were no conflicts declared.

**3. Consent Agenda:** Minutes of the meeting on September 28, 2017 and notes of the November 30, 2017 Discussion. Following the suggestion of Lisa Taylor, the Committee requested that minor changes be made to the notes of the November 30, 2017 Discussion.

**ON MOTION** duly made by Susie Henderson, seconded by Janet Rieksts-Alderman and carried, it was **RESOLVED** that the minutes of September 28, 2017 be approved. [Secretary's note: approval is not required for notes of the November 30, 2017 Discussion.]

#### 4. Enhanced Governance & Risk Management Framework

Lisa Taylor and David Kusturin presented an overview of the Corporation's Enhanced Governance and Risk Management Framework, from both an enterprise-wide and a capital risk perspective.

Lisa Taylor described the Enterprise Risk Management Framework, particularly the Enterprise Risk Register, which the Corporation uses to identify and manage risks with an organization-wide impact. She advised that MNP are engaged to conduct a peer review of the risk register and risk assessment process and to develop a 2-year, risk-based internal audit plan. The Enterprise Risk Register will be brought to the Committee, together with results of the review of it by MNP, and the internal audit plan, at the next FARM meeting on March 8.

Members of the Committee noted that it is best practice for audits to be risk-based, and were advised of the number and origin of audits of the Corporation that are undertaken each year, and the ways that Corporation manages and benefits from the auditors' work.

David Kusturin presented the Project Risk Management Framework, including proposed Project Governance Enhancements. He outlined the Lines of Defense Model, which is a best practice for capital project governance used by the Corporation, and described the key enhancements to project governance being proposed: establishment of a Program Management Office (PMO) and a Capital Peer Review Panel. He presented the findings of a peer review project governance processes (including the proposed enhancements) that had been undertaken, and introduced Emil Zelic, ERP Business Transformation Manager, who will lead the PMO.

Committee members provided feedback on the Project Risk Management Framework and enhancements, including suggestions regarding risk management approaches, reporting, execution risk, and qualitative and quantitative schedule reviews.

9:50 a.m. Jason Ducharme, Quality Assurance Partner, MNP, joined the meeting.

#### 5. Motion to go into Closed Session

In accordance with Section 190 of COTA and By-Law No. 2 of the Corporation, **ON MOTION** duly made by the Chair and seconded by Janet Rieksts-Alderman and carried, at 9:55 a.m. the Committee **RESOLVED** to go into Closed Session to address two topics following from the discussion of the Enhanced Governance & Risk Management Framework.

The first involved personal matters about an identifiable individual (COTA s. 190(b)) and the second involved information explicitly supplied in confidence by the province of Ontario (COTA s. 190(h)). The Chair indicated that it was now in order for members of the public to leave the meeting.

#### 6. Motion to Resume Open Session

In accordance with Section 190 of COTA and By-Law No. 2 of the Corporation, and the Closed Session discussion having been completed, **ON MOTION** duly made by Jeanhy Shim and seconded by Janet Rieksts-Alderman and carried, at 10:35 a.m. the Committee **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for members of the public to return to the meeting.

## **Public Session**

### **7. Motions Arising during the Closed Session**

There were no resolutions passed by the Committee relating to discussions in the Closed Session.

10:40 a.m. Geoff Rodrigues, Engagement Partner, MNP joined the meeting.

### **8. Enhanced Governance & Risk Management Framework (continued)**

Lisa Taylor engaged the Committee in a discussion of three options for risk oversight by Board committees: i) the FARM Committee remains responsible for both enterprise and project risk governance; ii) the FARM Committee retains responsibility for enterprise risk and a new Capital Risk Committee, responsible for project risk governance, is created; and iii) same as option ii) except that the new Capital Risk Committee would be a sub-committee of the FARM Committee.

On balance, the Committee favoured option i), supported by the expectation that the proposed enhancements to project governance (PMO and a Capital Peer Review Panel) would be implemented within 6 months. The discussion by the FARM Committee of options for risk oversight will be taken into account in the review and restructuring of board committees that is under way by the Chairs Committee.

### **9. Introduction to MNP Internal Audit Team**

MNP is engaged to perform a peer review of the Corporation's enterprise risk register and to develop a 2-year, risk-based internal audit plan. Phil Racco, Risk Subject Matter Expert, Jason Ducharme, Quality Assurance Partner, and Geoff Rodrigues, Engagement Partner, all of MNP, presented an introduction of the MNP Internal Audit Team, and provided an overview of the scope, timeline and steps involved in the engagement, the results of which will be presented to the Committee at the next meeting on March 8.

### **10. Termination of the Meeting**

There being no further business, **ON MOTION**, duly made by Janet Rieksts-Alderman, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the meeting be terminated at 11:10 a.m. local time.

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Committee Chair

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Secretary