

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 Tuesday, August 25, 2009 at 8:00 a.m., local time.

PRESENT: Janet Graham, Chair  
Kevin Garland  
David Johnson

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; Robert Siddall, Chief Financial Officer; Lisa Taylor, Corporate Controller; Sandra Tran, Director, Finance & Enterprise Risk Management; David Kusturin, Vice President Program Management and Tracy Watt, Administrative Assistant.

Also in attendance were Paula Jesty 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.

The Chair declared that a quorum of Committee Members was present and that notice of the meeting having 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. Minutes – May 28, 2009**

The minutes of the public portion of the May 28, 2009 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 May 28, 2009 be and are hereby approved.

### **2. Interim Financial Statements**

The first quarter interim Financial Statements were tabled. There were no comments or concerns expressed and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Financial Statements for the period ended June 30, 2009 be and are hereby approved for recommendation to the Board on September 9, 2009.

### **3. Management Discussion and Analysis**

The 2008/09 Management Discussion and Analysis (“MD&A”) document was tabled. Robert Siddall advised that a typical Annual Report includes an MD&A as well as the Financial Statements, among other elements. He advised that in response to the Provincial Deputy Minister’s request to find efficiencies in the production of an Annual Report the

Corporation opted to produce an MD&A that will be posted on the corporate Website along with the Financial Statements in lieu of an Annual Report. He advised that this option allows the Corporation to comply with the Deputy Minister's request to reduce expenditures associated with the production of an Annual Report and provides a more fulsome analysis of the Corporation's activities for the year. He further advised that the external auditor reviewed the document and no inconsistencies were identified.

A fulsome discussion ensued and concern was expressed regarding the verbosity and negative tone (in parts) of the document. It was agreed that the document must provide an accurate representation of the Corporation's financial status as well as potential risks facing it, however, it was suggested that the document be reorganized and further edited to ensure it provided a balanced report on the affairs of the Corporation. Deloitte & Touche LLP ("Deloitte") supported this approach.

It was agreed that Management would edit the document based on the comments as noted and would circulate the document to the Committee via email for approval prior to the September 9, 2009 Board meeting.

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

Trevor Ferguson presented the results of Deloitte's review of the Interim Financial Statements of the Corporation for the period ended June 30, 2009. He provided an overview of the review scope and the status of the engagement and findings advising that after review of the Q1 2010 Interim Financial Statements, "Deloitte was not aware of any material modification that needs to be made to be in accordance with Canadian generally accepted accounting principles."

The external auditors' report was accepted by the Committee.

#### **5. 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.

#### **6. Employee Expense Policy**

The Employee Expense Policy, replacing the existing policy, was tabled and accepted with comments from Committee members noted.

## **7. Government Audit – Transitional Sports Fields Project**

The Audit Report on the Transitional Sports Fields Project was tabled along with Management’s response to the report. There was concern expressed over Recommendation #2 which states that the Corporation should advise the federal Toronto Waterfront Revitalization Initiative (“TWRI”) Secretariat in advance when the amended value of a contract is going to exceed the initial contract by half the original amount. Robert Siddall advised that the Corporation’s current policy is to advise governments in advance or as soon as possible when a contract amendment would result in the contribution agreement limit/budget being exceeded and that quarterly updates are provided to governments on a project’s progress, including highlighting any issues related to budget, scope and schedule.

David Kusturin advised that in this particular case, the Corporation advised the federal TWRI Secretariat of the contract amendment and budget overrun issues upfront and did not execute the contract amendments until additional funding had been secured from all three orders of government.

It was agreed that Management’s response to the Audit Report should reflect the above mentioned comments regarding the Corporation’s process around contract amendments.

## **8. Capital Project Cost Report**

David Kusturin tabled the Capital Project Cost Report advising that it reflects the current project commitments and percentage completion status for all projects as at June 30, 2009.

Management was asked to provide clarification on the “total approved funding” status depicted by the green, yellow and red coloured dots and that a legend be included on future updates.

The Capital Project Cost Report was accepted by the Committee.

## **9. Conclusion of the Public Portion of the Meeting**

There being no further business other than matters to be considered in-camera, the Chair indicated that in-camera matters involving advice from legal counsel were then to be considered. The meeting then continued as an in-camera meeting.

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Chair

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Secretary to the Meeting