



Board Meeting – December 7, 2017
Item 8a)ii – FARM Report- Appointment of Enterprise Risk Advisor
and Internal Auditor
Susie Henderson

Agenda Item	Item 8a)ii Board Meeting December 7, 2017
Purpose	For the Board of Directors to approve the appointment and compensation of MNP LLP as the Corporation’s Enterprise Risk Advisor and Internal Auditor. The compensation proposed for this mandate is set out in the Confidential Attachment attached as Appendix I at the end of this Board Book, which is provided only to the Board of Directors and staff.
Key Message	<ul style="list-style-type: none"> • 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. • MNP LLP was the successful proponent in a competitive procurement involving firms under our Risk, Governance & Controls Advisory Services Vendor of Record.
Areas of note/ Key issues	<ul style="list-style-type: none"> • The MNP LLP contract and compensation would normally be approved by FARM. FARM was unable to meet in advance of this meeting so these matters are being brought to the Board for approval. The proposed compensation of MNP LLP for this assignment has been reviewed with management by Susie Henderson and Jeanhy Shim and they are satisfied with the proposed compensation. • Waterfront Toronto conducted a competitive procurement using its Risk, Governance & Controls Advisory Services vendor of record and received responses from three of five firms solicited: <ul style="list-style-type: none"> (a) Ernst & Young; (b) MNP LLP; and (c) Turner & Townsend. PricewaterhouseCoopers LLP and KPMG LLP did not submit a response. • 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"> (a) Project experience (20%); (b) Personnel (10%); (c) Approach & Methodology (20%); and (d) Pricing (50%). • Based on the above evaluation the preferred proponent was MNP LLP. • 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).
Expected Outcome	<p>Approval of the MNP LLP contract and compensation by the Board.</p> <p>Proposed Motion: Moved by (name of proposer) and seconded by (name of seconder) that the Board of Directors approves the appointment of MNP LLP as the Corporation’s Enterprise Risk Advisor and Internal Auditor as proposed to the Board and authorizes management to execute the related agreements and that the compensation for this mandate is approved as set out in the Confidential Attachment.</p>
Key Takeaways/ Next Steps	<ol style="list-style-type: none"> 1. Appointment of Enterprise Risk Advisor and Internal Auditor and associated fees. 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.