



MINUTES of the meeting of the Toronto Global Audit and Finance Committee
held at 225 King Street West, Suite 901, Toronto, Ontario
on Tuesday, June 12, 2018 at 2:00 p.m.

Present: Satish Rai, Committee Chair
Nitin Kawale (via teleconference)
Sriram Iyer

By Invitation: Toby Lennox - Chief Executive Officer, Toronto Global
Terrie O'Leary - Exec. VP, Business Strategy & Operations, Toronto Global
Winston Young - Chief Financial Officer, Toronto Global
Leslie Sutherland - VP Human Resources & Governance, Toronto Global
Ellen Mitchell - Governance Secretary, Toronto Global
Nicole Guy - Recording Secretary, MinuteTakers Inc. (via teleconference)

Guest: Auditor - Ernst & Young, Joyce W. Yu
Auditor - Ernst & Young, Diana M. Brouwer

Regrets: Mark Cohon, Board Chair
Janet Ecker, Vice Chair

1. **CALL TO ORDER**

- (a) *Notice and Quorum* – Proper notice having been given and there being a quorum present, S. Rai called the meeting to order at 2:03 p.m. and presided as Chair.
- (b) *Conflict of Interest Declaration* – No conflict of interest was declared under the *Municipal Conflict of Interest Act* and the *Ontario Business Corporations Act*.

2. **APPROVAL OF PREVIOUS MINUTES**

The Chair asked for any errors or omissions in the Minutes of the Audit and Finance Committee meeting dated March 29, 2018 that were distributed prior to the meeting.

The Minutes were received as presented.

3. **FINANCIAL UPDATE**

- (a) *2018 Draft Audited Financial Statements* – Representatives from Ernst & Young presented the draft audited statements for information. Materiality is increasing as the organization grows, and is currently \$120,000. It was noted that T2 and T1044 tax forms have not yet been filed and should be brought up to date.

- (b) *2018 Auditors Report* – It was noted that the audit is largely complete, and is currently an unqualified opinion based on the work to date. Committee members were requested to report any concerns regarding irregularity or potential fraud or other matters that will impact the Audit; none were noted.
- (c) *Accounting Services* – Concern was expressed regarding emerging issues in the delivery of administrative and accounting services due to the transitioning of TPLC into CreateTO. T. Lennox and L. Sutherland advised that Management will be conducting a review of the delivery of services pursuant to the Shared Services Agreement and will review whether the Company has the capacity to bring certain responsibilities in-house, as well as looking at external opportunities, to ensure all financial and administrative matters are appropriately addressed.

Staff were excused to allow the Committee to meet with the Auditors for a brief in-camera session. The meeting resumed at 2:27 p.m.

- (d) *Financial Statements* – W. Young provided an overview of the audited statements for information. It was noted that the total expenses are close to the \$6 million that was projected at the last reforecasting. A Member inquired why the amount for commitments, as reported in Note 11, is decreasing; it was clarified that this is related to the office lease which is expiring in 2020. Upon inquiry, it was clarified that the Company does require more space and is currently investigating opportunities for the future.
- (e) *Variance Schedules* – W. Young outlined the variance schedules attached to the financial statements, noting that in general, expenses were very close to forecast. The two largest expense variances relate to staffing and the Amazon bid. It was noted that some of the provincial funding to Toronto Global had been applied toward consulting costs associated with preparing the Amazon bid, as this project was done in cooperation with the province.

The Committee resolved that the Audited Financial Statements and Auditors Report be recommended to the Board of Directors for approval.

The Auditors were thanked for their presentation and departed the meeting at 2:50 p.m.

- (f) *Appointment of Auditor for 2018/2019* – Discussion ensued regarding re-appointment of Ernst & Young. W. Young noted that \$27,500 has been quoted for next year; a comparison quote from another firm is pending. As a result, the recommendation to the Board of Directors concerning the appointment of the auditors for subsequent years will be brought back to the next Committee meeting. Concern was expressed regarding the format of the Auditor's Report, which combines the key audit plan and report in a single package, but it was noted that they had worked well with the team and the Committee is confident in their results.

4. **2017/2018 ANNUAL REPORT**

T. O'Leary presented the 2017/2018 Annual Report for review, with highlights of discussion noted as follows:

- (a) *Overview* – T. O'Leary noted that the report focuses strongly on FDI attraction efforts and presents a clear visual identity for Toronto Global. Final editing of the report is in progress in preparation for approval and public release. An in memoriam for Chairman Roger Anderson of Durham Region will also be included.
- (b) *Distribution and Application* – The report will be distributed electronically; a Member suggested identifying a key contact along with the release to enable interested parties to easily contact the agency. The report was created in cooperation with the same firm that is assisting with Toronto Global's social media strategy. They will also take parts of this report, such as success stories, and apply them in other areas.

5. **NEW / OTHER BUSINESS**

- (a) *Work Plan* – The completed Work Plan was presented for review.

6. **DATE OF NEXT MEETING**

The next meeting of the Audit and Finance Committee will be held on Thursday, September 6, 2018 at 1:00 p.m. at the Toronto Global office.

7. **ADJOURNMENT**

There being no further business, the meeting was concluded at 3:07 p.m. for an in-camera session.

A handwritten signature in blue ink, appearing to read "Sally", written over a horizontal line.

Chair