



MINUTES of the meeting of the Toronto Global Audit and Finance Committee
held at 225 King Street West, Suite 901, Toronto, Ontario
on Monday, November 20, 2017 at 4:00 p.m.

Present:	Satish Rai	-	Committee Chair
	Nitin Kawale	-	(via teleconference)
	Sriram Iyer	-	(via teleconference)
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, TPLC
	Ellen Mitchell	-	Governance Secretary, Toronto Global
	Nicole Guy	-	Recording Secretary, MinuteTakers (via teleconference)
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 4:04 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 September 5, 2017 that were distributed prior to the meeting.

On Motion by N. Kawale and seconded by S. Iyer it was,
RESOLVED THAT the Minutes of the Audit and Finance Committee meeting of September 5, 2017 be accepted as presented. Motion carried.

3. SHARED SERVICES AGREEMENT UPDATE

T. Lennox provided an update, with highlights noted as follows:

- (a) *Overview* – There is an agreement with the Toronto Port Lands Company to provide all administrative and back of house work for Toronto Global, including W. Young's services as CFO. The City of Toronto will be winding up or merging TPLC into a new agency called the Toronto Realty Agency, which is expected to come into effect on January 1, 2018. Concern was expressed that despite implications of this change on the Shared Services Agreement, little communication has been received regarding this matter. T. Lennox is following up to obtain information on this issue, and will provide updates to the Committee going forward.

- (b) *In House Services* – A member suggested investigating costs to hire in-house staff to complete work currently included under the Shared Services Agreement with TPLC. It was pointed out that, while estimates of the cost are known, Toronto Global's business structure has been based around this work being outsourced, the current funding envelope was not designed to take on these duties especially considering the complicated financial and accounting arrangements we have with three levels of government. TPLC has the experience and expertise to deal with this side of our business.
- (c) *Termination* – It was clarified that the termination of the Shared Services Agreement requires 90 days' written notice. To date, no notice or indication of intent to terminate the Agreement has been received.

4. 2017 Q2 FINANCIAL REPORT

W. Young presented the second quarter financial report and variance report for information. Highlights of discussion were noted as follows:

- (a) *Interest Rates* – W. Young provided an update on the operating account interest rate. A balance of \$5,000 will receive prime minus 2.5%, and over \$1,000,000 will receive prime minus 2.0%. The account is currently earning approximately 1.0% interest.
- (b) *Hiring Costs* – A Member inquired into staff costs. It was clarified that hiring has been more difficult than expected, and Knightsbridge has been engaged to assist with recruiting for required positions. There has been an increase in interest in working for Toronto Global, and it is expected that remaining positions will be filled shortly.
- (c) *Variance Report* – Most Amazon-related costs will likely show in the third quarter report, and are largely not represented in this report. It was clarified that the final costs related to the Amazon bid are slightly above the range approved by the Board, which was a budget of \$250,000. Many of the materials collected for the bid can be repurposed in other ways, providing additional value for funds spent on this project. W. Young clarified that the variance in Shared Services costs and Travel expenses are related to timing.

The report was received as presented.

5. WHISTLEBLOWER POLICY

T. Lennox presented the policy for review, with highlights as follows:

- (a) *Whistle-blower Contact* – A Member suggested that the policy include a call out to either the Chair of the HR & Governance Committee and/or Chair of the Audit Committee with the board member's email address for employees rather than Management. It was clarified that the email address should be the HR & Governance Committee's Chair.
Action: Governance/HR Committee Chair email to be included in the policy rather than Management.

- (b) *Next Steps* – The HR and Governance Committee will review this policy and approve it at their next meeting in January 2018. **Action: T. Lennox to forward this Committee's comments to the HR and Governance Committee with the drafting changes.**

6. INSURANCE POLICY OVERVIEW

W. Young provided a coverages overview, with discussion highlights noted as follows:

- (a) *Current Coverages* – The policy provides Employment Practices Liability and Directors & Officers Liability coverage up to \$2,000,000 each. Business Travel Accident coverage has also been included at up to \$500,000, due to frequent international missions; a Member suggested looking into the cost of implementing the International SOS application for traveling staff members. **Action: W. Young to provide a breakdown of the Side A, Side B and Side C coverage for Directors and Officers and will review the possibilities of using the national SOS service.**
- (b) *Property Coverage* – The property is currently insured by the previous leaseholder, Invest Toronto. However, as part of the final transition, coverage for the property will soon be transferred to Toronto Global.

7. TRANSFER & TRANSITION AGREEMENT WITH INVEST TORONTO

T. Lennox provided a review of the transition process to date, and updated members regarding the final stage of transition. Highlights of discussion were as follows:

- (a) *Invest Toronto* – Assets and current obligations, primarily office equipment, are being purchased from Invest Toronto. The final agreement outlines the transition and asset costs, as well as \$68,000 being paid by Invest Toronto to Toronto Global as part of this transition.
- (b) *GTMA* – Transition arrangements with the GTMA do not include any significant assets or monetary value, but a formal written agreement may be required.

On Motion by S. Iyer and seconded by N. Kawale it was,
RESOLVED THAT the Finance and Audit Committee hereby recommends to the Toronto Global Board of Directors that the final transition agreement with Invest Toronto be approved. Motion carried.

8. NEW / OTHER BUSINESS

- (a) *2018 Meeting Dates* – A proposed meeting schedule for the Audit and Finance Committee was presented for review and approval. The dates currently proposed are January 15 and March 9, 2018. W. Young recommended that an additional date be scheduled for early June 2018, to review the 2017/2018 Audit. **Action: June 2018 date to be added to the Committee calendar.**



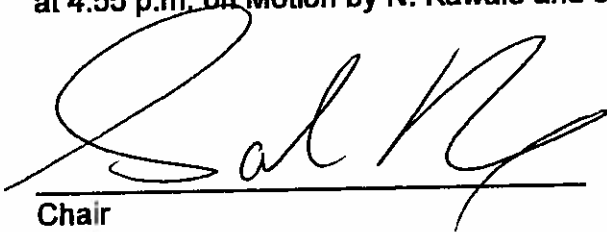
- (b) *Work Plan* – The proposed Work Plan will be distributed to all members for review, then discussed and approved at the next Committee meeting. **Action: Work Plan to be distributed via email.**

9. **DATES OF NEXT MEETINGS**

The next meeting of the Finance & Audit Committee will be held at 4:00pm on Monday, January 15, 2018 at the Toronto Global offices (225 King St W, Suite 901, Toronto).

10. **ADJOURNMENT**

There being no further business, the meeting was concluded for an in-camera session at 4:55 p.m. on Motion by N. Kawale and seconded by S. Iyer.



Chair

March 29/18