

**Audit Committee Meeting
Report No. 11**

June 3, 2014

A regular meeting was convened at 4:30 pm, Tuesday, June 4, 2014, TLC Office, 60 St. Clair Ave. E, 2nd floor, Suite 201, Toronto, Ontario, with Steven Zakem presiding as Chair.

The following members were in attendance: David Crombie

The following members participated via telephone connection: Chris Bolton

Also in attendance: Paula Jesty of Deloitte Chartered Accountants.

Also in attendance via telephone connection: Lisa Kivlichan

1. Call to Order

The meeting was called to order by David Crombie, (Acting) Chair presiding.

2. Approval of the Agenda

D. Crombie, seconded by C. Bolton, moved: **That the agenda be approved as distributed.**

3. Declarations of Possible Conflict of Interest

There were no declarations of possible conflict of interest.

4. 2013-201

ensure an understanding of the audit that will be undertaken, the following highlights were provided:

- Audit Scope – To provide an audit opinion
- Area of Materiality – use of 3 percent of expenses
- If any corrected or uncorrected amounts at year end, the audit team will reconcile it.
- Audit Risks as noted on page 4 – From an accounting perspective, auditor is required to review if there is any management bias and that there are no attempts to fraudulently impact financial statements
- Fraud Risks – Auditor is required to ask Committee if they are aware of or have any concern regarding fraudulent risk within the corporation. It was noted, in the past there have been no significant fraud risks. When the audit is complete all risks will be discussed with the Committee.
- Internal controls as identified on page 2 – assessment to ensure necessary controls are in place at TLC to mitigate risk
- Communication Requirements – List of 24 communication requirements as identified in Appendix 1 in which auditors are required to communicate with the committee and through plan document.

P. Jesty noted that given the TLC abides by the Public Sector Auditing Practices (PSAP), the approach that will be undertaken is in keeping with the approach used during the past few years.

D. Sage question with the change of leadership from the former CEO to the current, if there is any pre or post checks to be undertaken or should TLC be doing anything differently. From Deloitte's perspective they are looking to see that the corporation's process is sound and that someone has taken over the role and responsibilities of the former CEO.

S. Zakem thanked P. Jesty of Deloitte for her ongoing commitment to presenting a comprehensive plan for the audit that will be undertaken.

D. Crombie seconded by C. Bolton, moved:

- a) That Deloitte Chartered Accountants be reaffirmed as the audit firm for the TLC for the financial year of the Corporation ending August 31, 2014;**
- b) That an approximate fee of \$17,500 for this audit be approved; and**
- c) That the proposed Audit Plan for 2013-14, as presented by Deloitte Chartered Accountants be approved.**

The motion was carried.

5. Private Matters

No matters private matters for discussion

6. New Business

Nil

7. Adjournment

At 4:39 p.m., on a motion of C. Bolton, seconded by D. Crombie, the meeting adjourned.