



**Minutes of the Meeting of the Audit and Risk Management Committee
Build Toronto Inc.**

March 22, 2011

The meeting began at 11:04 a.m.

Declarations of Interest under the Municipal Conflict of Interest Act and the Ontario Business Corporations Act.

No interests were declared.

ARM2011-2-1 Approval of the Public Minutes of the Previous Audit and Risk Management Committee Meeting of January 18, 2011

The Audit and Risk Management Committee had before it the Public Minutes of the January 18, 2011, Committee meeting.

On motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee approved the Public Minutes of January 18, 2011.

ARM2011-2-2 External Auditor Independence

The Audit and Risk Management Committee had before it a report (March 10, 2011) from the Chief Financial Officer & Senior Vice President, Build Toronto, entitled "External Auditor Independence Policy".

The Committee Chair confirmed that the External Auditor Independence Policy will eventually be a public document. The CFO verified that the policy, which had been reported on at the January 2011 Audit and Risk Management Committee Meeting, ensures that the External Auditor is independent. With suggestions from the Financial Advisor to the Committee having been incorporated into the document, the document has been sent to PricewaterhouseCoopers LLP (PWC) for comment. The CFO reported that the document ensures that the Audit and Risk Management Committee, on behalf of the Board, engages the External Auditor and approves of their fees, and that the Committee Chair has the ability to direct up to \$25K in work fees to the External Auditor if required, on an ad-hoc, pre-authorized basis. The policy

will be reviewed annually, possibly in conjunction with audit planning, and the CFO confirmed the Committee would be advised of PWC's feedback.

The President and CEO (CEO), Build Toronto, recommended that the Committee request detailed information from the External Auditor, including a proposal in terms of a budget for the year, a breakdown by hourly level within the organization, and internal rates. This would allow Build Toronto the opportunity to reflect upon charges and rates at year end, with a potential for cost-savings.

The CFO noted that it is a one year term of engagement being proposed, therefore there will be an opportunity to re-negotiate fees in the future when the External Auditor approaches Build Toronto to renew. This engagement is independent of the City's external auditor engagement.

On motion by Bruce Bowes, seconded by Mike Williams, the Audit and Risk Management Committee resolved to adopt and recommend approval of the Auditor Independence Policy to the Build Toronto Board of Directors.

ARM2011-2-3 Semi-Annual Reporting: Code of Conduct Whistleblower Policy

The Audit and Risk Management Committee had before it a report (March 10, 2011) from the Senior Vice President – Corporate Affairs, Build Toronto, entitled “Semi-Annual Reporting – Whistleblower Policy”.

The Committee Chair established this item was being brought forward as per the Audit and Risk Management Committee timetable, as semi-annual reporting is required on the Code of Conduct Whistleblower Policy.

The Senior Vice President – Corporate Affairs (SVP-CA), Build Toronto, reported that shortly following Build Toronto Board of Director approval of the policy, a Build Toronto Staff Meeting was held wherein employees received, reviewed, and discussed the document with Management. The SVP-CA reported that as of January 1, 2011, the internal annual Performance Appraisal process requires that all employees review and sign-off on the document for file. There is 100% compliance at present; all employees, consultants and sub-tenants (World Green Building Council employees working onsite at Build Toronto) have executed and returned the document, confirming their compliance with the policy. The SVP-CA advised all employees understand the requirements within the policy, which is very clear on appropriate expenditures and activities. New employees are required to sign and return the Code of Conduct statement as part of the hiring agreement. To date neither the Committee Chair nor the SVP-CA had received inquiries on the policy, neither formal (in writing) nor informal (implied or suggested). The Committee Chair commended Management for their work.

The CEO informed the Committee that he had requested a meeting with the City Auditor General (AG) and that the AG advised Management and the Financial Advisor to the Committee that he will be visiting Build Toronto in the near future for general discussion purposes.

On motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee received, for information the report (March 10, 2011) from the Senior Vice President – Corporate

Affairs, Build Toronto, entitled "Semi-Annual Reporting – Whistleblower Policy", and that the report be brought forward to the Build Toronto Board of Directors for information.

ARM2011-2-4 Approval of the In-Camera Minutes the Previous Audit and Risk Management Committee Meeting of January 18, 2011

The Audit and Risk Management Committee had before it the confidential Minutes of the January 18, 2011, Committee meeting, on matters to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as they relate to the security of the Corporation's property.

At 11:29 a.m., on motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee resolved to close part of the meeting to the public to consider the confidential Minutes of the January 18, 2011, Committee Meeting, on matters that are to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as they relate to the security of the Corporation's property.

The Audit and Risk Management Committee resumed its public session at 12:57 p.m.

At 12:57 p.m., on motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee resolved to adopt the recommendations from its closed session and direct that these matters remain confidential in accordance with By-law No. 1 of the Corporation, as they relate to the security of the Corporation's property.

ARM2011-2-5 Investment Policy for Cash Reserves

The Audit and Risk Management Committee had before it a confidential report (March 10, 2011) from the Chief Financial Officer & Senior Vice President, Build Toronto, entitled "Investment Policy for Cash Reserves", on a matter to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as it relates to the security of the Corporation's property.

At 11:29 a.m., on motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee resolved to close part of the meeting to the public to consider the aforementioned confidential report (March 10, 2011) from the Chief Financial Officer & Senior Vice President, Build Toronto, on a matter that is to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as it relates to the security of the Corporation's property.

The Audit and Risk Management Committee resumed its public session at 12:57 p.m.

At 12:57 p.m., on motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee resolved to adopt the recommendations from its closed session and direct that these matters remain confidential in accordance with By-law No. 1 of the Corporation, as they relate to the security of the Corporation's property.

ARM2011-2-6 Build Toronto Insurance Program

The Audit and Risk Management Committee had before it a confidential report (March 11, 2011), from the Chief Financial Officer & Senior Vice President, Build Toronto, entitled "Build Toronto Insurance Program", on a matter to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as it relates to the security of the Corporation's property.

At 11:29 a.m., on motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee resolved to close part of the meeting to the public to consider the aforementioned confidential report (March 11, 2011) from the Chief Financial Officer & Senior Vice President, Build Toronto, on a matter that is to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as it relates to the security of the Corporation's property.

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ARM2011-2-7 Enterprise Risk Management Framework Update

The Audit and Risk Management Committee had before it a confidential report (March 14, 2011), from the Chief Financial Officer & Senior Vice President, Build Toronto, entitled "Enterprise Risk Management Framework ("ERM") Update", and a confidential report from PricewaterhouseCoopers LLP entitled "Building Real Value Together, Enterprise Risk Management: Update and Workshop Results", on matters to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as they relate to the security of the Corporation's property.

At 11:29 a.m., on motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee resolved to close part of the meeting to the public to consider the aforementioned confidential reports from the Chief Financial Officer & Senior Vice President, Build Toronto, and PricewaterhouseCoopers LLP, on matters that are to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as they relate to the security of the Corporation's property.

The Audit and Risk Management Committee resumed its public session at 12:57 p.m.

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ARM2011-2-8 Discussion Paper on Risk and Control Environment Framework

The Audit and Risk Management Committee had before it a confidential report (March 10, 2011) from the Chief Financial Officer & Senior Vice President, Build Toronto, entitled "Discussion Paper on Risk and Control Environment Framework", on a matter to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as it relates to the security of the Corporation's property.

At 11:29 a.m., on motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee resolved to close part of the meeting to the public to consider the aforementioned confidential report (March 10, 2011) from the Chief Financial Officer & Senior Vice President, Build Toronto, on a matter that is to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as it relates to the security of the Corporation's property.

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ARM2011-2-9 Other Business

The Audit and Risk Management Committee received verbal updates on various matters for which no motions were required.

At 11:29 a.m., on motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee resolved to close part of the meeting to the public to consider the aforementioned confidential report (March 10, 2011) from the Chief Financial Officer & Senior Vice President, Build Toronto, on a matter that is to be considered in the closed part of the meeting under By-law No. 1 of the Corporation, as it relates to the security of the Corporation's property.

The Audit and Risk Management Committee resumed its public session at 12:57 p.m.

At 12:57 p.m., on motion by Mike Williams, seconded by Bruce Bowes, the Audit and Risk Management Committee resolved to adopt the recommendations from its closed session and direct that these matters remain confidential in accordance with By-law No. 1 of the Corporation, as they relate to the security of the Corporation's property.

Adjournment

The meeting adjourned at 12:58 p.m.

Attendance:

TIME	11:04 a.m. to 11:29 a.m. Public Session	11:29 a.m. to 12:57 p.m. In-Camera Session	12:57 p.m. to 12:58 p.m. Public Session
<i>Chair, David Barry</i>	X	X	X
Bruce Bowes	X	X	X
Councillor Doug Ford <i>Ex-Officio</i>	Regrets	Regrets	Regrets
Mike Williams	X	X	X

X Members were present for some or all of the time indicated.

Also Present:

Ian MacKellar, Financial Advisor to the Audit and Risk Management Committee
J. Lorne Braithwaite, President & Chief Executive Officer
John Macintyre, Senior Vice President - Corporate Affairs
Winston Young, Chief Financial Officer & Senior Vice President

X Members were present for some or all of the time indicated.

Recording Staff: Millie Minas, Recording Secretary



Committee Chair

Senior Vice President, Corporate Affairs