

AUDIT COMMITTEE TELECONFERENCE

May 7, 2018 (2:00 PM – 3:00 PM ET)

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*Approved* MINUTES

Committee Members in attendance			
T. Brookes, Chair	D. Chui		S. Vieweg
Committee Members sending regrets			
J. Boudreau			
Guests			
Staff			
J. Monterrosa	M. McCourt		

	Item
1	<p><b>Opening of meeting and approval of agenda</b></p> <p>The Chair opened the meeting at 2:00 pm. Agenda was approved.</p>
2	<p><b>Approval March 21, 2018 minutes</b></p> <p>The committee noted a change to the date of the meeting that will be corrected, and the minutes were approved.</p>
3	<p><b>Review of fraud awareness and protection</b></p> <p>Jorge described the internal controls that mitigate fraud risk and the annual audit that would identify areas of concern if fraud was detected.</p> <p>The executive team reviews these areas in their weekly meetings through our risk register.</p> <p>Staff updated the committee on review on cyber insurance by noting that the process had begun. A committee member agreed to provide a report to staff that outlined their work on cyber security. Staff agreed that this would be very beneficial as we continue the process.</p> <p>The chair requested that staff provide the committee with a timeline for completion of the cyber insurance policy. Staff agreed that this would be provided very soon.</p>

4	<p><b>Rationale for level of LOC</b></p> <p>The committee discussed the \$500,000 line of credit and how it was established in 2016. The committee asked staff to put together an analysis over the past 2-3 years showing an average of monthly expenses to support and justify that the current limit is still accurate.</p> <p>The committee also felt that if the line of credit was to be used that there should be a procedure in place to approve having these funds accessed. They recommended that the president be made aware of the withdrawal or approve the use.</p> <p>Staff noted that board approval for use was given when the motion to approve having the LOC was made in 2016. The use of the LOC would also be clearly seen on the balance sheet at any point after use.</p>
5	<p><b>Review of the proposals for the next 5-year cycle- external auditors</b></p> <p>In January the audit committee had reviewed the RFP for auditors that would be sent out, detailing the criteria that is required from an audit firm. They committee was satisfied with it and the proposals were sent to 5 firms.</p> <p>Staff presented the committee with the RFP's that were received from the potential accounting firms and highlighted the criteria highlights for each firm. Staff walked the committee through each firm's experience and qualifications.</p> <p>Some of the committee felt that a briefing note on each firm should have been provided with the meeting documents. Staff said that this could be done in the future.</p> <p>The committee then discussed the staff recommendation of KPMG returning as our firm. The committee discussed the content of the annual audit report that the chair would be giving at the annual meeting this month. Committee members will assist the chair in preparing the report. It was agreed that the recommendation of the audit firm to the board would be a short statement noting the firm being recommended.</p> <p>The committee approved recommending to the board the appointment of KPMG as our auditing firm for the next 5-year cycle.</p>
6	<p><b>Adjournment</b></p> <p>The meeting was adjourned at 3:10 pm.</p>