

## MEETING OF THE AUDIT COMMITTEE THE INDEPENDENT ELECTRICITY SYSTEM OPERATOR

**Tuesday, June 13<sup>th</sup>, 2017**

8:00 a.m. – 8:30 a.m. Light Breakfast in 16<sup>th</sup> Floor Boardroom  
120 Adelaide Street West, Toronto, Ontario

8:30 a.m. – 11:00 a.m. Audit Committee Meeting

### Highly Confidential

| Item                                                                   | Presenter                        | Time       | Target Time | Action      |
|------------------------------------------------------------------------|----------------------------------|------------|-------------|-------------|
| <b>INTRODUCTORY ITEMS</b>                                              |                                  |            |             |             |
| 1. Approval of the Proposed Agenda                                     | Carole Workman                   | 5 Minutes  | 8:30 – 8:35 | Decision    |
| 2. Declaration of Potential Conflicts                                  | Carole Workman                   | 5 Minutes  | 8:35 – 8:40 | Information |
| 3. Approval of Minutes                                                 | Carole Workman                   | 5 Minutes  | 8:40 – 8:45 | Decision    |
| - April 11, 2017                                                       |                                  |            |             |             |
| - May 9, 2017                                                          |                                  |            |             |             |
| - May 17, 2017                                                         |                                  |            |             |             |
| <b>CORPORATE FINANCIAL REPORTING</b>                                   |                                  |            |             |             |
| 4. Review Performance and Recommend Reappointment of External Auditors | Susan Nicholson                  | 5 Minutes  | 8:45 – 8:50 | Recommend   |
| 5. Q1 2017 Results vs. Budget                                          | Lia Kasic                        | 5 Minutes  | 8:50 – 8:55 | Discussion  |
| <b>PENSION/TREASURY</b>                                                |                                  |            |             |             |
| 6. 2017 Pension Actuarial Valuation                                    | Anthony Martinello<br>AON Hewitt | 10 Minutes | 8:55 – 9:05 | Recommend   |
| 7. 2017 Pension Contribution, SERP Allocation, and SERP Reserve Policy | Anthony Martinello               | 5 Minutes  | 9:05 – 9:10 | Recommend   |
| 8. Treasury Policy                                                     | Anthony Martinello               | 5 Minutes  | 9:10 – 9:15 | Recommend   |
| 9. Fair Hydro Credit Facility                                          | Anthony Martinello               | 5 Minutes  | 9:15 – 9:20 | Recommend   |
| 10. Update Bank Authorized Signature List                              | Anthony Martinello               | 5 Minutes  | 9:20 – 9:25 | Recommend   |

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|-----------------------------------------|------------------------------------------|------------|---------------|-------------|
| <b>RISK MANAGEMENT</b>                  |                                          |            |               |             |
| 11. Market Renewal Risk Update          | Alexander DeAngelis<br>Shawn Cronkwright | 10 Minutes | 9:25 – 9:35   | Discussion  |
| <b>BREAK</b>                            |                                          | 10 Minutes | 9:35 – 9:45   |             |
| <b>INTERNAL AUDIT</b>                   |                                          |            |               |             |
| 12. Internal Audit (IA) Update          | Julia McNally                            | 20 Minutes | 9:45 – 10:05  |             |
| a. 2017 Audit Plan Progress Update      |                                          |            |               | Discussion  |
| b. Enforcement Audit                    |                                          |            |               | Discussion  |
| <b>OTHER ITEMS</b>                      |                                          |            |               |             |
| 13. Accounting Policy Update            | Kim Marshall<br>Susan Nicholson<br>KPMG  | 25 Minutes | 10:05 – 10:30 | Discussion  |
| <b>IN-CAMERA</b>                        |                                          |            |               |             |
| 14. Accounting                          | Kim Marshall                             | 10 Minutes | 10:30 – 10:40 | Discussion  |
| Internal Audit                          | Julia McNally                            | 10 Minutes | 10:40 – 10:50 | Discussion  |
| Legal                                   | John Rattray                             | 10 Minutes | 10:50 – 11:00 | Discussion  |
| <b>CONSENT AGENDA ITEMS</b>             |                                          |            |               |             |
| 15. - Q1 Statutory Statements           |                                          |            |               | Information |
| - Procurement Update                    |                                          |            |               |             |
| - Introduction to Monthly Market Report |                                          |            |               |             |
| - 2018 – 2020 Business Plan Update      |                                          |            |               |             |
| - 2017 Forecast vs. Budget              |                                          |            |               |             |
| - Fair Hydro Communication Strategy     |                                          |            |               |             |
| - Treasury Update                       |                                          |            |               |             |
| - Pension Update                        |                                          |            |               |             |