Minutes of Meeting
of the Audit Committee
of the Independent Electricity System Operator

October 24, 2017, 8:30 a.m.
16th Floor, 120 Adelaide Street West, Toronto, Ontario

Attendees

Carole Workman *(Chair)*
Cynthia Chaplin
Susanna Han
Christopher Henderson
Tim O'Neill
Deborah Whale
Peter Gregg

Regrets

None

Members of Staff in Attendance

Kimberly Marshall	Lia Kosic
John Rattray	
Julia McNally	Bill Pettitt
Susan Nicholson	Sorana Ionescu
Glenn McDonald	Darren Finkbeiner

By Invitation

Mr. Jacques Levesque, Transform Management Consulting Inc.	Mariano Ortego – Partner, Assurance, pwc
Mr. Matthew Betik, KPMG (portion of meeting)	Johanna Sun - Director, Risk Assurance Services, pwc

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Minutes

Ms. Carole Workman chaired the meeting and Mr. John Rattray acted as Secretary.

Constitution of the Meeting

The Chair noted that due notice of the meeting had been given, a quorum of members of the Audit Committee ("Committee") were present, and that, accordingly, the meeting was duly and properly constituted. The Chair welcomed Mr. Jacques Levesque, of Transform Management Consulting Inc., to observe the Committee meeting as part of his Board evaluation.

Conflicts

The Chair enquired whether any Committee member had a conflict of interest to report. No conflict was reported.

Approval of the Proposed Agenda

The Chair reviewed the Agenda with the Committee, which was found to be satisfactory. On motion duly made and seconded, the following resolution was unanimously carried,

BE IT RESOLVED THAT the Agenda of items for consideration at this meeting of the Committee is hereby approved.

CONSENT AGENDA ITEMS:

On motion duly made and seconded, the Committee unanimously approved the Consent Agenda as amended and in so doing the following resolution was unanimously carried,

Approval of Minutes

BE IT RESOLVED THAT the Minutes of the Meetings of the Audit Committee of the Independent Electricity System Operator held on August 29, 2017; and the Special Meetings of the Audit Committee held on September 27, 2017 are hereby approved.

CORPORATE FINANCIAL REPORTING

2017 Year-End Audit Plan

Mr. Matthew Betik of KPMG joined the meeting.

An Agenda Item Summary titled 2017 "Audit Plan from KPMG, dated September 27, 2017", and a Report titled "Independent Electricity System Operator, Audit Planning Report For the year ended December 31, 2017", dated October 3, 2017 had been provided to the Committee for review prior to the meeting. Mr. Betik reviewed highlights of the planning report, including the risk-focused nature of the audit; the nature of the relationship between the auditors and the Audit Committee; the reliance on the work of other firms such as AON Hewitt; the rationale for the proposed materiality threshold; and major areas of audit focus. Mr. Betik affirmed the independence of the auditor. The Committee questioned Mr. Betik regarding the process used to develop the materiality threshold; the tests being undertaken in relation to market accounts; the volume of incremental work to audit transfers under the Fair Hydro Plan; and the approach to auditing pension and benefits.

Following discussion, on motion duly made and seconded, the Committee approved the 2017 Audit Plan as proposed.

Mr. Matthew Betik of KPMG left the meeting.

Audit Committee Charter - Non Audit Services

[redacted]

[redacted]

BUSINESS PLAN

2018 – 2020 Business Plan Update

[redacted]

INFORMATION TECHNOLIGY (IT)

IT Systems Planning

[redacted]

THIRD PARTY AUDITS

[redacted]

[redacted]

INTERNAL AUDIT

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Other Business

There was no other business brought before the Committee.

Conclusion

There being no further business, the meeting was concluded.

Approved by the Committee on the 5th day of December 2017.

Chair	Secretary