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Date January 7, 2019

To Bruce Grundon, Director-Bus Program, Capital Projects Group, Metrolinx

Copy Mary-Frances Turner, President, YRRTC
 Paul May, Vice President Project Implementation, YRRTC
 Dale Albers, Chief Communications Officer, YRRTC
 Noeline Chipun, Manager-Finance, Budgets and Capital Projects, YRRTC
 Narendra Shah, Manager-Finance, Governance and Compliance, YRRTC

From Michael Cheong, Chief Financial Officer, York Region Rapid Transit Corporation (YRRTC)

Subject Quality Compliance Audit, Metrolinx Master Agreement – Schedule “G” and “G1”, Communications Protocols

We have received the report for the Quality Compliance Audit, Metrolinx Master Agreement – Schedule “G” and “G1”, Communications Protocols Audit conducted by the Metrolinx Capital Projects Group on November 28, 2018.

Background

On September 19, 2018, Metrolinx notified YRRTC that Quality Compliance Audits were to be conducted on an additional two protocols of the Metrolinx Master Agreement as part of their ongoing audit work plan:

1. Schedule “I”, Amended Cost Confidence Process – completed on November 27, 2018
2. Schedule “G” and “G1”, Communications Protocols – completed on November 28, 2018

Back in 2017, Quality Compliance Audits were conducted without any findings, on three key protocols of the Metrolinx Master Agreement:

1. Procurement Protocol – completed on April 18, 2017
2. Administrative and Financial Protocol – completed on September 12, 2017
3. Real Estate Protocol – completed on November 15, 2017

Summary of the results of the Quality Compliance Audits on the Metrolinx Master Agreement and Key Protocols conducted to-date are outlined in **Appendix 1**.

The scope of the Schedule “G” and “G1”, Communications Protocols audit focused on:



- YRRTC's compliance with the procedures and processes as outlined in the protocol
- YRRTC's compliance with the MX-YRRTC Joint Communications Working Group, project specific communications, major announcements/events including media releases and events, incident management/crisis plan, communications during exceptional events

We have reviewed the attached report and are pleased that the Quality Compliance Audit, Metrolinx Master Agreement – Schedule “G” and “G1”, Communications Protocols was conducted with no major findings.

Results

The Quality Compliance Audit was carried out with one minor finding in auditing areas as per the audit scope, observations and samples:

- 0 Major Corrective Action and Preventive Action (CAPA) issues for non-conformance
- 1 Corrective Action and Preventive Action (CAPA) issues for non-conformance
 - There was a minor non-compliance finding identified – Schedule “G” and “G1”, Communications Protocol requires that the MX-YRRTC Joint Communications Working Group report to the Program Executive Group and the designated co-chairs of the MX-YRRTC Joint Communications Working Group take turns attending the Program Executive Group.
- 0 Minor Opportunity for Improvement

Additional Comments

- The YRRTC team was cooperative and well prepared for the audit
- The YRRTC team provided evidence in a timely manner
- The documents provided were organized and properly labelled

YRRTC Management Response

YRRTC is in agreement of the minor non-compliance finding identified. YRRTC is of the view that the Communications Protocol is not part of the Program Executive Group's scope in section 2.5 of the Master Agreement, but instead part of the scope of the Senior Staff Working Group's scope in paragraph (iii) of the section 2.6(a) of the Master Agreement which YRRTC currently complies with. We wish to confirm if Metrolinx shares the same view.

We would like to thank you and your staff for your time and collaboration during the audit.

Sincerely,

Michael P. Cheong, MBA, CPA, CMA
Chief Financial Officer

Appendix 1 – Summary of the results of the Quality Compliance Audits on the Metrolinx Master Agreement and Key Protocols conducted to-date

Metrolinx Master Agreement – Key Protocols	Completed	Results	Date of Audit
Schedule A-1 Procurement Protocol	✓	No findings	Apr.18, 2017
Schedule B – Real Estate Protocol	✓	No findings	Nov.15, 2017
Schedule C – Description of Projects			
Schedule D – Administrative and Financial Protocol	✓	No findings	Sep.12, 2017
Schedule E – Third Party Agreements			
Schedule F – Excluded Assets			
Schedule G and G1 – Communications Protocols	✓	Minor finding	Nov.28, 2018
Schedule H – Capital Cost Eligibility Criteria			
Schedule I – Amended Cost Confidence Process	✓	No findings	Nov.27, 2018
Schedule J – Access and Operating Principles			
Schedule K – Project Charter Template			