

**Toronto  
Port  
Authority**



**Administration  
Portuaire  
de Toronto**

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November 11, 2009

Ms. Sheila Fraser  
Auditor General of Canada  
240 Sparks Street  
Ottawa, Ontario  
K1A 0G6

Dear Ms. Fraser:

Re: Toronto Port Authority

I write to you today to follow-up on a letter I wrote to you on August 21, 2009, regarding the Toronto Port Authority (the "TPA") and certain complaints that had been raised with you by a disgruntled group of TPA Directors in correspondence dated June 10, 2009 and June 26, 2009. As you may recall, the core of the complaints by the disgruntled group surrounded expenses incurred by current and former TPA staff, among other issues. In that letter, I provided a copy of a "reporting letter" that TPA auditor Deloitte LLP addressed to the TPA Board of Directors on June 23, 2009, which reported that: "The [management] trips had been pre-approved through the Budget process and the expense incurred is correctly recorded in the records of the TPA." In that same letter, Deloitte LLP also advised the following regarding TPA management hospitality expenses: "We observe that the process of payment of these invoices followed during the year was in accordance with the hospitality policy in place during that time."

In your reply correspondence of September 8, 2009, you advised that you did not have a "mandate" to audit the TPA. This was unfortunate news. As the TPA has nothing to hide and has done its best to be as open and transparent as possible, your inability to review these accusations has given TPA detractors the luxury of claiming that there remain unanswered questions regarding the financial, operating and governing affairs of the TPA.

Over the past few weeks, since we received your letter, the disgruntled group (two of which are no longer TPA Directors as a result of the expiry of their three-year terms) has continued its public attacks against the former TPA Chief Executive Officer and the agency as a whole. This has attracted substantial attention, including questions in the House of Commons repeating requests that you conduct an audit of the TPA.

On behalf of the TPA Board of Directors, I respectfully ask that you accept our invitation to audit the TPA at the earliest opportunity. We welcome external reviews, as was most recently evidenced by the clean audit opinion provided by independent auditor Deloitte LLP's review of the TPA 2008 financial statements. Notwithstanding this clean independent corporate audit, as stewards of public assets, the TPA Board of Directors believes it is in the public interest that the Auditor General provide a second independent, objective, fact-based review that all stakeholders may rely upon.

If you are unable to accept this invitation due to your Parliamentary mandate, we would ask that you agree to receive and review a special audit that we will have conducted by an independent, arms-length third party accounting firm (other than the existing TPA auditor Deloitte LLP). The mandate of this audit review would be as broad as is necessary for this independent accounting firm to address all of the accusations raised in the two letters you received from the disgruntled Directors, along with any other matters that have been raised subsequently.

Thank you, in advance, for your consideration of these requests.

Respectfully,

TORONTO PORT AUTHORITY



Mark McQueen  
Chairman