

2014 Halifax Commonwealth Games Candidate City Society
Introduction to the Audit Committee

December 2006

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I. 2014 Halifax Commonwealth Games Candidate City Society

Mission

The Society exists to prepare a winning proposal for the right to host the 2014 Commonwealth Games.

The Bid Process

The countdown is on! Here are the steps leading up to the announcement of the elected host city on November 9, 2007.

Stage One – Domestic Bid: In 2005, Halifax competed against Hamilton, York Regional Municipality and Ottawa in the domestic phase. On December 15, 2005, Halifax was chosen by Commonwealth Games Canada to represent Canada in the international competition to stage the 2014 Commonwealth Games.

Stage Two – International Bid: In this phase, Canada (represented by Halifax) is competing against Scotland (represented by Glasgow) and Nigeria (represented by Abuja). On November 9, 2007, the 71 Commonwealth nations and territories will vote on the host city for the 2014 Commonwealth Games at a meeting of the Commonwealth Games Federation's General Assembly in Sri Lanka.

Between now and November 9, 2007, there is much to be done including:

- The Games budget, submitted to the government funding partners in late November 2006, is awaiting approval by the government funding partners.
- The Detailed Bid Book and Games budget are due to the Commonwealth Games Federation by May 9, 2007.
- A Commonwealth Games Federation Bid Evaluation Commission site visit will occur between June and August of 2007.
- The final Bid Book and Games budget is due to the Commonwealth Games Federation by October 9, 2007.
- A final presentation and vote is to take place on November 9, 2007.

Funding

The primary financial partners for the Bid process are the Government of Canada, the Province of Nova Scotia and Halifax Regional Municipality (HRM). The bid is also receiving support from the private sector.

The funding partners and Commonwealth Games Canada (who holds the Canadian rights) will negotiate and sign a Multi-Party Agreement (MPA) that outlines their individual contributions, obligations, and responsibilities related to the Games and its legacy.

Ideally, this MPA will be signed by May 9, 2007 when the Detailed Bid Book and Games budget are due to the Commonwealth Games Federation. At a minimum, the MPA will be signed by

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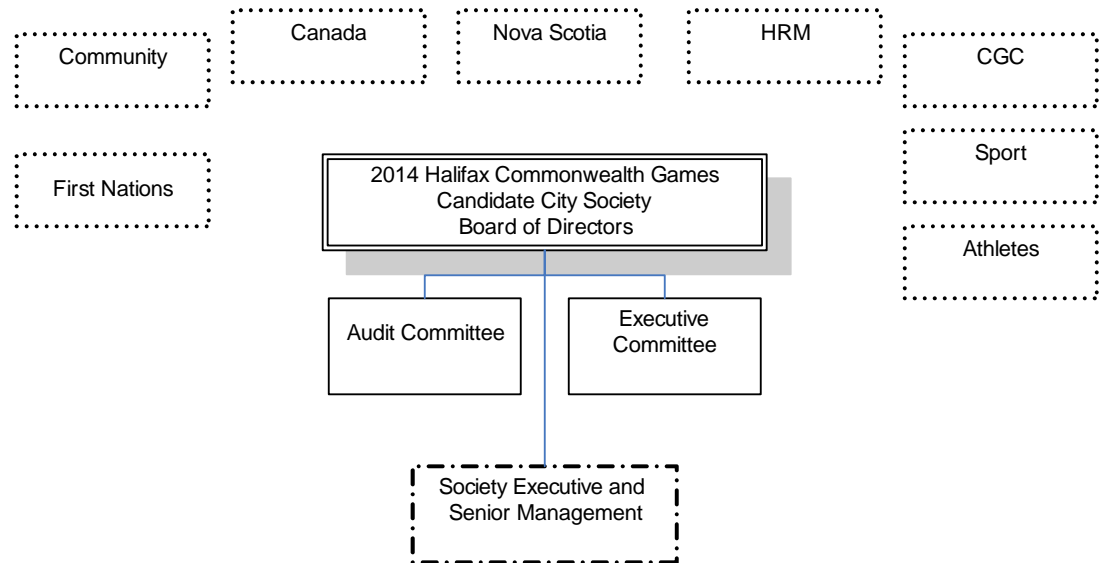
October 9, 2007, the date when the final Bid Book and Games budget are submitted to the Commonwealth Games Federation.

II. Governance of the Society

2014 Halifax Commonwealth Games Candidate City Society Board of Directors

The Society is governed by an 19-member Board of Directors representing Commonwealth Games Canada (CGC), the Province of Nova Scotia, HRM, regional sports associations, athletes, First Nations, and the corporate community.

The Society's Board of Directors is responsible for ensuring the Society conducts the bid and budget preparation in a fiscally and socially responsible manner that respects the needs and concerns of the funding partners and stakeholders.



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Executive Committee

The Executive Committee is a sub-committee of the Society Board of Directors that provides ongoing advice to Executive and Senior Management of the Society in the planning and execution of the Games bid. The Executive Committee consists of 6 members of the Board, along with the Society CEO and the Bid Director, who serve as ex-officio members of the Committee. The Board members of the Committee represent the Nova Scotia and HRM governments, CGC, the sport community and the community.

Audit Committee of the 2014 Halifax Commonwealth Games Candidate City Society

The Audit Committee of the 2014 Halifax Commonwealth Games Candidate City Society is a sub-committee of the Society Board of Directors. It is comprised of 4 Directors of the Society and 3 representatives from the business community, with the Committee Chair and the Committee Secretary elected by the Committee members. All Committee members are appointed by the Board of Directors. The Audit Committee interacts and communicates with Society management, staff, advisory groups, external stakeholders and external auditors as required to conduct its duties, but maintains independence from these entities, and reports only to the Board of Directors of the Society, except as otherwise directed by the Board.

The Audit Committee's role is to assist the Board of Directors in fulfilling its oversight responsibilities in relation to the protection of the financial assets of the Society and of the Society's reputation. The Committee executes its role by conducting such reviews, inquiries, and interviews that it deems necessary to ensure the integrity of financial reporting, financial management policies, and internal controls, and reports to the Board on its findings and recommendations from these activities.

The Audit Committee is not responsible for ensuring the appropriateness of the Bid Book or the Games budget, but instead is intended to assist the Board of Directors in ensuring that appropriate governance was performed related to the Society's role in preparing the Bid Book and Games budget.

Executive and Senior Management

The Executive and Senior Management of the Society are full-time managers who are responsible for working with staff and stakeholders to plan and prepare the Games bid. The management team is lead by the CEO, who is supported by a team of 5 senior managers. The CGC Bid Director also sits as a member of the Senior Management Team.

Funding Partners

Each of the funding partners is expected to undertake its own assessment of the Games plan and related financial impacts on behalf of their respective stakeholders. For example, the Province and HRM have already undertaken to have an economic impact study related to the Games prepared and the Federal government has undertaken a similar study.