

Invitation to Tender FA201508-001
INTERNAL AUDIT



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1. Introduction

Telefilm is looking for a consulting firm to act as internal auditor for the organization.

This document constitutes an invitation to tender for the selection of the consulting firm. The mandate will be granted for a five-year period starting on April 1, 2016.

In addition to preparing a multi-year plan and updating it at the start of each fiscal year, the firm selected will be responsible for conducting the audit mandates and presenting the results to the Audit and Finance Committee. The partner in charge of the portfolio will attend the various meetings of the committee in order to support its initiatives. This individual must also be available on an ad hoc basis to support management and members of the Audit and Finance Committee in carrying out their duties.

First, this document briefly describes Telefilm's existing environments. Next, it describes the specific context of the project, as well as its main deliverables. Lastly, the constraints and requirements regarding the proposals are presented, followed by the appendices.

2. Telefilm and its environments

2.1 Business environment

Telefilm Canada is a Crown Corporation reporting to Parliament through the Minister of Canadian Heritage. Telefilm's vision is: audiences everywhere demanding screen-based content created by Canadians – accessible anywhere, anytime and on any platform.

Our mission

Telefilm's mission is to foster and promote the development of the Canadian audiovisual industry by playing a leadership role through financial support and initiatives that contribute to the industry's commercial, cultural and industrial success.

What we do

Telefilm comprises a team of 180 employees dedicated to the success of the Canadian audiovisual industry. On behalf of the Government of Canada, as a Crown Corporation, we support dynamic companies and creative talent by providing financial assistance for Canadian film projects and showcasing the success and talent of the Canadian audiovisual industry in regional, national and international festivals, markets and events.

Moreover, the Corporation is working to implement its new strategic plan, [Inspired by Talent. Viewed Everywhere](#), which includes six priorities:

- Industry recognition: promoting the value of Canadian content;
- Marketing practices: encouraging innovation to reach audiences;
- Market intelligence: deciding with meaningful metrics;
- Industry funding: diversifying sources;
- Ecosystem of companies: delivering together; and
- Organizational excellence: performing in a changing environment.

Finally, the Corporation administers funding programs for the Canada Media Fund (CMF) and is also responsible for making recommendations to the Minister of Canadian Heritage and Official Languages regarding projects eligible for recognition as audiovisual treaty coproductions. Its head office is in Montreal, and it serves its clientele from four offices in Vancouver, Toronto, Montreal and Halifax.

- The Montreal office is the largest, with 140 users.¹
- Next is the Toronto office, with approximately 40 users,
- Followed by the Vancouver office, with 12 users, and
- The Halifax office, with 4 users.

Since its last corporate plan, Telefilm has extensively streamlined its service offer by going from 37 funding programs to fewer than 10. This has enabled the organization to enjoy significant savings that were either re-injected into our programs or absorbed by budget cuts. More than \$4 million has been reinvested over the past three fiscal years.

This streamlined approach has also allowed us to better meet major changes in our industry. These changes and the work done with the industry have helped us reach a customer service level above 80%.

You can find further information by visiting our website at the following address: [Telefilm Canada](#).

¹ Includes permanent and temporary employees, as well as consultants.

2.2 Legal framework

Telefilm is a Crown Corporation subject to the [Telefilm Canada Act](#), as well as to certain provisions found in Part X of the [Financial Administration Act](#) (FAA). Under section 131 of the FAA, Telefilm must keep accounts and records, maintain financial and management control and information systems, and apply management practices.

To this end, Telefilm must ensure that:

- its assets are safeguarded and controlled;
- its transactions are in accordance with the relevant provisions of the FAA and its regulations, its act of incorporation and its by-laws, and that they comply with the instructions it was given;
- its financial, human and physical resources are managed economically and efficiently, and that its operations are carried out effectively.

In addition, at least once every 10 years, Telefilm shall cause a special examination to be carried out to determine if the systems and practices were, in the period under examination, maintained in accordance with FAA requirements. Note that the Auditor General of Canada conducts the special examination.

In this regard, Telefilm performs internal audits of its operations in order to monitor the aforementioned considerations in compliance with the applicable legal framework.

Moreover, as a federal Crown Corporation, and while this is not a binding obligation, Telefilm strives to implement Treasury Board of Canada Secretariat policies, such as the:

- [Policy on Internal Audit](#);
- [Directive on Internal Auditing in the Government of Canada](#); and
- [Internal Auditing Standards for the Government of Canada](#).

Furthermore, in accordance with the *Telefilm Canada Act*, the Auditor General of Canada examines Telefilm's accounts and financial operations each year as part of the annual audit of Telefilm's financial statements and submits its independent auditor's report. To this end, the Auditor General of Canada relies as much as possible on internal controls, information systems, Telefilm's data systems and internal audit work.

Lastly, Telefilm has defined in the charter of its Audit and Finance Committee² the roles and responsibilities of the internal audit services.

2.3 Information systems

Telefilm devotes considerable attention to its information systems, which have greatly contributed to achieving the organization's results. The work environment is almost entirely electronic. About five years ago, the Corporation began to implement process controls to ensure that all process transactions are compliant.

An IT master plan was submitted two years ago in order to guide the organization in rewriting its operational systems. The project is currently under way, and should be completed by March 2018. The new applications will be implemented gradually. The organization leans gradually towards Cloud Computing in the implementation of its solutions.

The technological solution adopted is the "Appian" process platform. This modern platform enables real-time collaboration among the organization, its partners and its clients.

This approach will also be more precise, and allow for more detailed management of our activities. The implementation aims to streamline our processes, which should result in application development and maintenance savings, greater flexibility and an improved client experience.

Here is the list of the main information systems currently used:

Operational system: SineWeb / System developed internally – Java technology

SineWeb is the operational system used to enter the funding applications received. All management and tracking of these applications is done via SineWeb. The normal lifespan of an application is three to seven years. Telefilm acts as an investor for some of its funding programs. The sharing of benefits can be done

² See Appendix 2 for more details

over very long periods (more than 20 years). Bidirectional interfaces enable the exchange of information between SineWeb and Oracle Financials.

Financial system: Oracle Financial

The Oracle Financials environment of Telefilm is used by the Finance department, which is located in Montreal and employs 14 people. The current product version of Oracle Financials is 11.5.10.12.

Most of the transactions processed by the financial software package come from the operational system (SineWeb).

EIS: IBM/Cognos

The EIS, or Enterprise Intelligence System, is a complete BI solution that supports the organization's operational, administrative and decision-making requirements. It comprises a normalized warehouse containing several internal data sources (primarily SineWeb and Oracle Financial), as well as external data sources, denormalized datamarts, data cubes and, lastly, the Cognos 10 BI suite for analyzing and creating standard and ad hoc reports.

PWGSC

All accounting transactions for the Telefilm entity are communicated bi-directionally with PWGSC's systems. PWGSC is a separate entity in our financial environment, with its own accounting records and charter.

Information on transactions from accounts payable, accounts receivable, general ledger and payroll is sent and received electronically as needed.

A monthly reconciliation is done between the transactions recorded at PWGSC and those recorded by Telefilm.

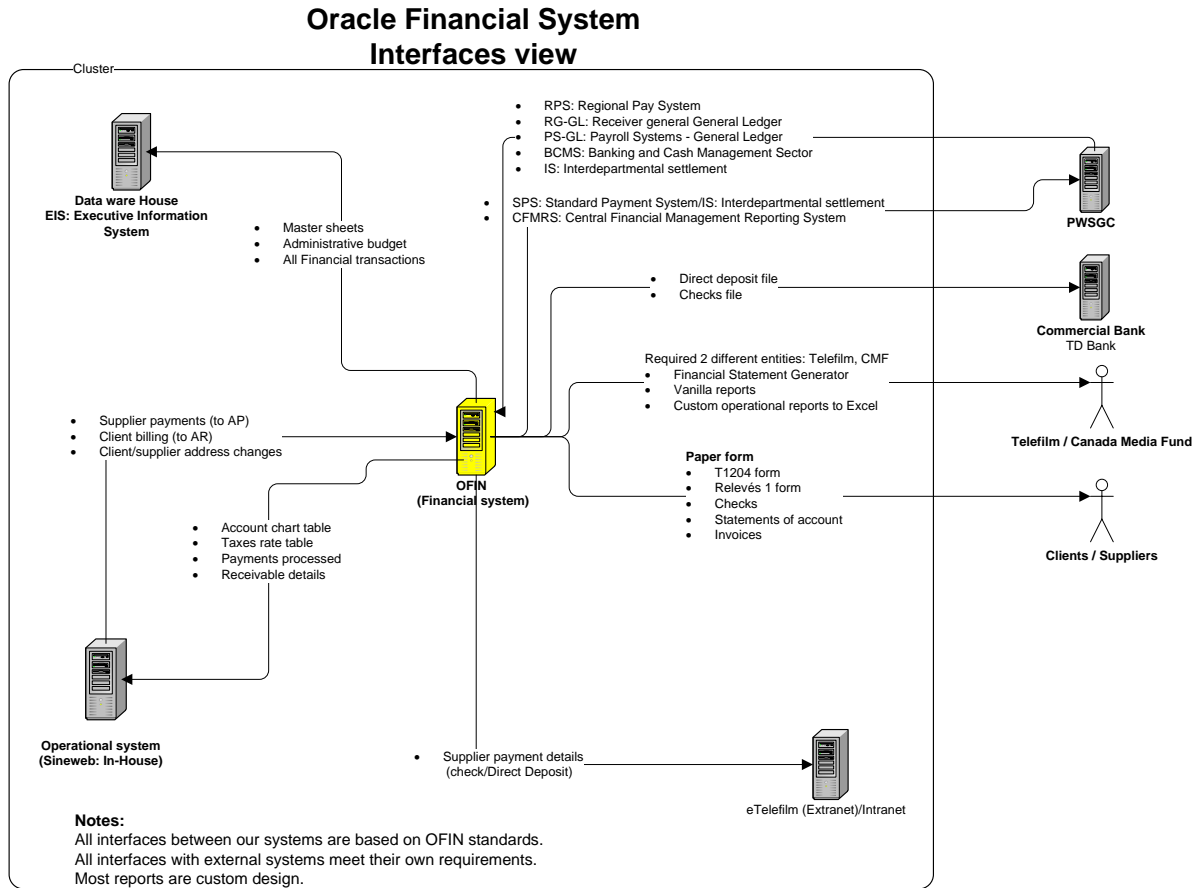
Screens and reports integrated into Oracle Financials were developed by PWGSC's cluster group.

Since Telefilm does not have a bank account, payments are issued from an interface with PWGSC.

Overview of financial figures

2013-2014 In millions of dollars	Telefilm Canada	Canada Media Fund
Funding Programs	92.2	354.5
Operating and Administrative Expenses	25.8	-
Government Funding and Revenues	122.2	-

Diagram of Financial System Interfaces



Human resources management system: ADP/HR.net

This system allows for the management of all functions related to human resources, except for payroll, which is processed from the system provided by the Canadian government. This system is currently being migrated to PeopleSoft and will be in place by April 2016.

Document management system: OpenText/Livelink

This system supports the management of administrative documents, but also serves as the document vault of the operational system (SineWeb).

Travel reservation – expense account: HRG – MasterCard (common solution in the Canadian government)

This system allows for the management of travel reservations and expense accounts in compliance with the regulations issued by the Treasury Board Secretariat.

3. Description of mandate

Telefilm is looking for an internal audit consulting firm to help support the Audit and Finance Committee in its responsibilities. The Audit and Finance Committee is a sub-committee reporting to the Board.

In 2007, in preparation for a first special examination report from the Office of the Auditor General of Canada, to which all Crown Corporations are subjected, Telefilm formalized its internal audit program. Several supporting mandates were carried out in order to bolster the governance structure, the management of corporate risks and the primary audit controls for each sector.

In the June 2010 report submitted by the Auditor General, she identified no significant recommendations ([Special Examination Report](#)).

Given the size of our organization and the numerous areas of expertise required, the internal audit function has always been outsourced. As a Crown Corporation, Telefilm must comply with official languages policies. Accordingly, the proposed resources will have to be bilingual.

The service agreement between the Canada Media Fund and Telefilm Canada provides for a certain number of audits to be performed by the Canada Media Fund's internal auditor. In addition, the Office of the Auditor General of Canada acts as external auditor for Telefilm. To maximize efficiency and respect the time constraints of the different participants, it is essential that the mandates and schedules of all those involved be coordinated.

The internal auditor will have to reassure management as well as the Board that:

- the regulatory and legislative frameworks are respected;
- the governance structure respects best practices;
- the control environments are adequate and efficient;
- the risks are dealt with as effectively as possible;
- the recommendations are satisfactorily implemented within the required time periods;
- the assets are safeguarded and controlled;
- the resources are managed economically and efficiently, and that the operations are carried out effectively.

3.1 Scope of mandate

The mandate is for a period of five years. An additional extension of up to five years may be negotiated between the parties at the end of the mandate.

4. Preparation and submission of tender of services

The information that follows is intended to standardize the presentation of tenders to ensure a simple and efficient process.

4.1 Tender of services

4.1.1 Main section

In this section, the vendor must present its proposed solution for satisfying the requirements listed.

For each of the following deliverables, the vendor must describe the methodology and approach it will use. The vendor must also present, in the form of a project plan, the major activities, the type of resources proposed for the activity, the number of hours, the hourly rate and the total cost of the activity. The vendor must also include the resources and time required from Telefilm, without, however, associating a cost.

All documentation must be produced in French. Telefilm will be responsible for the translation and related costs. If other fees apply, they must be identified beforehand.

Work process:

- A) Development of a five-year audit plan
Provide a sample document (template)
- B) Update of audit plan for each fiscal year

Audits:

- C) Typical audit mandate
Provide a sample document (template)

Follow-up:

- D) Mandate for follow-up on implementation of recommendations
Provide a sample document (template)
For this item, you must also indicate the suggested frequency.

4.1.2 Rules for submission

The offer of services and reference materials may be written in either of Canada's official languages.

4.1.3 Detailed cost structure

The vendor must provide a fee structure for each type of resource identified in the work plans (section 4.1.1). In addition to the hourly rate, the vendor must indicate the number of years of experience and the level of expertise (e.g. certification) of identified resources. The vendor may submit a uniform cost for the first three years or indicate the annual indexation percentage. For years 4 and 5, the fee structure may be renegotiated, but the rates must respect the CPI inflation rate for the corresponding year. The fee grid should not include the applicable taxes.

The annual budgetary envelope will be negotiated with the vendor each year, depending on available budgets and corporate priorities.

4.1.4 Additional information required in the proposal

The vendor must:

- Demonstrate its understanding of the invitation to tender;
- Demonstrate its capacity to carry out the work;
- Submit the partner's CV. The partner is one of the key elements of the selection. In the event that the partner is not available, Telefilm reserves the right to terminate the contract;
- Submit the CVs of three senior resources. The resources must be available based on the choice of mandates for the first year of the contract. In the event that a resource leaves the firm, the latter must propose an equivalent resource:
 - IT: governance, control environment
 - compliance, electronic process, control system
 - governance, risk management;

- Provide three client references / mandates of similar type and size, including a description of the mandate. One of these references must come from a federal government agency;
- Present its company in an appendix, including information on the vendor's company, its services, its experience with this type of mandate and its areas of expertise;
- Submit a working methodology.

4.1.5 Other required documents

- A signature authorization letter to indicate that your company's representative is authorized to sign on behalf of the company, and thus authorized to submit a proposal on behalf of the company
- All brochures and supporting documentation on products and services
- Your company's most recent financial statements
- Any additional information relevant to the submission

4.2 Evaluation process

Once the tenders are received, Telefilm will determine to what extent each proposal satisfies the requirements of the invitation to tender document. The proposal will then be reviewed to ensure that it complies with Telefilm's basic requirements.

Should Telefilm require clarifications on any information provided in the proposal, these clarifications shall become an integral part of the proposal.

4.2.1 Main criteria for evaluating tenders

- Compliance with basic requirements
- Understanding of mandate
- Experience/expertise of partner in similar mandates
- Level of agreement of general, functional and technical requirements
- Quality of comments
- Proposed resources
- Compliance with constraints, requirements and standards
- Experience of vendor with similar mandates
- Costs
- Proposed methodologies
- Interviews with the firm
- Bilingualism

The evaluation process will allow Telefilm's selection committee to retain, among the respondents, the vendors that qualify for preselection. Discussions and/or presentations will be planned with the vendors, as needed, to support the tender submitted and assist the selection committee in the final evaluation of the tenders.

Telefilm reserves the right to conduct an investigation of the potential vendor to confirm or clarify any information provided or to gather further evidence of its financial and technical capabilities, including, but not limited to, meetings and visits with the vendor's existing clients.

5. Constraints and requirements

5.1 General information

Our invitation to tender process allows all vendors to demonstrate their capacity and expertise to deliver the service on time and on budget and with the quality expected by Telefilm.

Vendors interested in submitting an offer of service must also demonstrate their capacity to deliver the services in Telefilm's premises at the Montreal head office. Certain mandates may necessitate a presence in one or more regional offices. All deliverables must be written in French.

5.1.1 Prerequisites

- The vendor must hold direct offices (and not associated offices) in Montreal and Toronto.
- The vendor must commit to provide bilingual resources.
- The vendor must have a pool of 100 employees or more based in the greater Montreal area and surroundings with expertise in: governance, IT, risk management, human resources, process-based management and corporate dashboard.
- The proposed partner must have expertise in the federal government sector; expertise at the cultural level would be an asset.
- The firm, partner or proposed resources must not be in conflict of interest with the organization or with a client or partner of the organization.
- The vendor must provide security screenings for the proposed resources or have them comply with Telefilm's security screening process.

5.1.2 Confidentiality

The content of the invitation to tender and all supporting materials are the property of Telefilm and must be treated in a confidential manner. Each vendor agrees not to disclose any information, in whole or in part, without prior written permission from Telefilm.

Moreover, the vendor acknowledges that Telefilm is a government agency subject to the *Access to Information Act* and the *Privacy Act*.

5.1.3 Requests for additional information

Any additional requests for information must be sent by e-mail to: Appel2@Telefilm.ca.

The answer will also be sent to you by e-mail. Any questions and answers related to this invitation to tender will be communicated to all vendors.

5.1.4 Notice of intent to respond

All vendors are required to indicate their intent to respond to Telefilm at the e-mail address listed above by the date indicated in the "Schedule" section. The notice of intent to respond must include the following information:

- Intent to respond (yes or no)
- Company name
- Name of contact person
- Telephone number of contact person
- E-mail address of contact person

Each vendor must appoint a person who will be the sole point of contact during the entire invitation to tender process. Any communications from Telefilm will be sent to this person.

5.1.5 Phase 1 - Qualification documents

Once vendors have communicated their intent to respond to the invitation to tender, they are required to submit the required documents to the e-mail address listed above in accordance with the schedule in section 5.1.9.

5.1.6 Phase 2 - Individual meeting with shortlisted vendors

Following the identification of shortlisted vendors, Telefilm will invite them to come present their proposals. The proposed partner for the mandate must be accompanied by one of the three consultants identified in section 4.1.4.

5.1.7 Modification of invitation to tender

Telefilm reserves the right to modify this invitation to tender, and to clarify or correct one or more sections. These modifications may include clarifications made following a request for information from one of the vendors involved in the selection process.

Vendors will be notified of any modifications by way of an addendum, which will be incorporated into the invitation to tender document and form an integral part of it.

5.1.8 Submission of tender

Vendors must prepare a single tender in compliance with the requirements of this invitation to tender document. By sending their tender, vendors acknowledge having read the invitation to tender documents and accept the clauses, terms and conditions therein.

Vendors must submit their proposal by e-mail to the e-mail address listed above, and must also be prepared to present their tender if Telefilm specifically requests it.

The subject line must clearly indicate "Invitation to Tender FA201508-001."

5.1.9 Schedule

Assuming that normal conditions prevail, Telefilm expects to comply with the schedule listed below. Any changes to these dates will be communicated to all participants responding to the invitation to tender.

Activity	Date
Launch of invitation to tender	October 1, 2015
Receipt of notice of intent to respond	October 9, 2015
Submission of tender of services	November 5, 2015
Preselection	November 13, 2015
Meeting with shortlisted vendors	Week of November 16-20, 2015
Selection for recommendation	November 24, 2015
Approval by Audit and Finance Committee	December 2015 or January 2016
Start of mandate	April 1, 2016

5.1.10 Withdrawal of a tender

Vendors may withdraw their tender in person or by registered letter, at any time prior to the deadline set for the receipt of tenders, without affecting their right to submit a new tender within the prescribed period.

5.1.11 Validity of tenders

The tender submitted must remain valid for a period of 120 days following the deadline set for the receipt of tenders.

5.1.12 Ownership of tender

The tender submitted, as well as related documents, shall remain the exclusive property of Telefilm, and shall not be returned to the vendor.

5.1.13 Awarding of contract

The successful vendor shall be the one that demonstrates the best value. The vendor will be asked to sign Telefilm's standard contract. All terms of the contractual agreement that the partners must enter into must be to Telefilm's complete satisfaction. A copy of the standard contract can be found in Appendix 4.

5.1.14 Responsibility and costs incurred by the vendors

All costs, charges, expenses, etc., direct and indirect, incurred and/or paid by the vendors in order to participate in this invitation to tender are the sole and entire responsibility of the vendors.

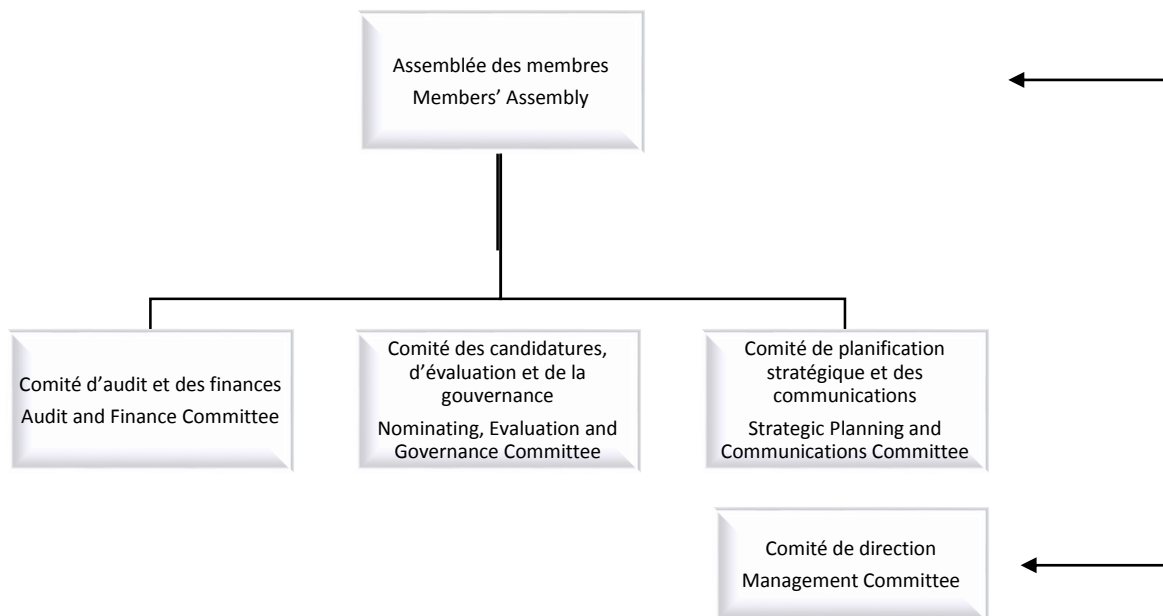
5.1.15 Rights reserved

Telefilm reserves the right to:

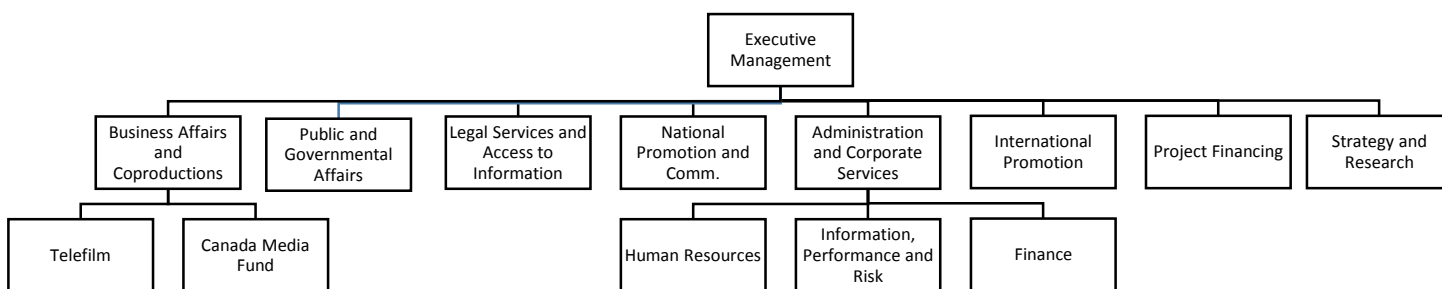
- make modifications to the invitation to tender documents before the deadline for submitting tenders and, as needed, modify the deadline for submitting tenders. As mentioned in the "Modification of invitation to tender" section, all modifications shall become an integral part of the invitation to tender documents, and shall be sent in writing to all vendors concerned;
- accept none of the tenders received, without justification or obligation to the vendors. Accordingly, participation in this invitation to tender process in no way obligates Telefilm to enter into a business agreement with the vendor;
- accept any tender it receives after the stated deadlines;
- choose vendors that it believes to be qualified for a competitive tender, negotiate with them and finalize negotiations without incurring liability;
- negotiate different business conditions with the best vendors;
- contact any vendor to obtain corrections and clarifications to a submitted tender, if necessary, in order to make a fair comparison of all the proposals submitted;
- withhold information relating to the final selection process; and
- conduct an investigation of the potential vendor to confirm or clarify any information provided or to gather further evidence of its financial and technical capabilities, including, but not limited to, meetings and visits with the vendor's existing clients.

APPENDIX 1 – Governance Structure

Board of Directors and its sub-committees



Organizational Chart of Sectors



APPENDIX 2 – Audit and Finance Committee Charter

TELEFILM CANADA
CHARTER OF THE AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee (the "Committee") assists the members of Telefilm Canada (as defined in the *Telefilm Canada Act*) (the members, collectively referred to below as "the Board") in matters pertaining to the production of financial information, the monitoring of risk management and internal controls and the supervision of Telefilm Canada's auditors.

MEMBERSHIP AND QUORUM

- The Committee's members must include at least three Board members, each of whom must be independent of Telefilm Canada's management.
- The Executive Director attends Committee meetings, with the exception of meetings held *in camera*.
- All Board members, even if they are not Committee members, may attend Committee meetings, with the exception of meetings held *in camera*; all Board members receive timely notification of meetings, agendas and all other documents pertaining to Committee meetings.
- Telefilm Canada's auditors receive notification of Committee meetings and may attend such meetings, with the exception of meetings held *in camera*.
- Committee members appoint a Committee Chair from among themselves; the Chair must have financial expertise, in compliance with applicable Treasury Board policies.
- All Committee members must be financially literate, in compliance with applicable Treasury Board policies.
- Committee membership is reviewed annually or in the event of a vacancy.
- Quorum is achieved at Committee meetings when a majority of Committee members in office are in attendance.

FREQUENCY AND CALLING OF MEETINGS

- Committee meetings are held at least twice a year and as needed.
- Committee meetings may be called by the Committee Chair, a Committee member, the Chair of the Board or Telefilm Canada's auditors.

RESPONSIBILITIES

The Committee's responsibilities include the following, among others:

A. Regarding the production of financial information

- To review Telefilm Canada's annual operating and administrative budget.
- To review, with Telefilm Canada's management and auditors, Telefilm Canada's audited annual financial statements and its annual report on operations and activities.





- To review, with Telefilm Canada's auditors, the Auditor General's report on Telefilm Canada's audited annual financial statements.
- To review, with Telefilm Canada's management and auditors, Telefilm Canada's interim financial statements, on a biannual basis.
- To review, with Telefilm Canada's management and auditors, the quality and relevance of accounting principles and policies employed in the preparation of Telefilm Canada's financial statements and underlying assumptions, as well as proposed modifications to these statements and assumptions.
- To review the results of all Telefilm Canada audits, major problems raised by auditors during the auditing process, and management's response or action plan relative to all letters containing recommendations from the auditors as well as all major recommendations contained therein.
- To recommend that a special audit be conducted when such an audit is required or desirable. To review the audit plan and auditors' report following such an audit and to make recommendations to the Board on this matter.

B. Regarding the monitoring of risk management and internal controls

- To review the assessment and management of risks that may affect Telefilm Canada's activities, as well as controls and protocols to mitigate those risks.
- To verify the quality and integrity of Telefilm Canada's financial information communications process and internal controls, by conducting discussions with Telefilm Canada's management and auditors.
- In accordance with applicable laws, to establish procedures for the confidential receipt, retention and treatment of complaints or concerns of employees and others, received by Telefilm Canada, regarding accounting, internal accounting controls, auditing, integrity matters or wrongful behaviours and to require that all such matters be reported to the Committee, together with a description of the resolution of the complaints or concerns.
- To ensure that all policies relating to auditing and financial issues are properly applied, and to ensure that Telefilm Canada follows applicable laws and regulations.

C. Regarding the supervision of auditors

- To ensure that Telefilm Canada's auditors report directly to the Committee.
- To supervise communications with internal and external auditors.
- To monitor the performance of the internal auditing operation, its responsibilities, staffing, budget, and remuneration.
- To conduct an annual review of the internal auditing plan before its approval by the Board, and to ensure that internal auditing is conducted annually.
- To discuss with Telefilm Canada's auditors the quality and not just the acceptability of Telefilm Canada's accounting principles, including: i) all critical accounting policies and practices in use; ii) other treatments of financial

information that have been discussed with management, the scope of their use and the treatment favoured by the auditors; as well as iii) any other material written communications between Telefilm Canada and its auditors (including, if such is the case, instances of disagreement with management as well as all other auditing problems or difficulties and the manner in which management followed up).

D. Regarding the Committee's performance evaluation

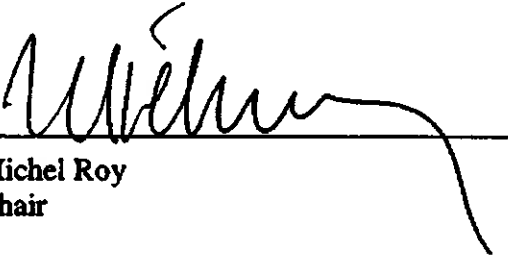
- > To ensure that Committee members conduct an annual evaluation of the Committee's performance and effectiveness.

COMMITTEE OPERATIONS

- The Committee Chair submits to Board members a biannual or quarterly report on the Committee's activities, the frequency of which is determined by Board members.
- The Secretary of Telefilm Canada or the person designated by him attends the meetings of the committee, except the meetings held *in camera*, and is responsible for the drafting of the minutes of such meetings.
- As required, the Committee may hire independent advisers to help the Committee fulfill its responsibilities, set the fees and terms of service for such advisers, and approve payment of such fees by Telefilm Canada.
- None of the provisions in the present mandate are intended to broaden the scope of accountability standards provided for in the legislative or regulatory requirements that apply to Board or Committee members. Although the Committee is endowed with a specific mandate and its members may have financial experience or expertise, it is not up to the Committee to plan or carry out audits or to determine if Telefilm Canada's financial statements are complete and accurate or that they meet generally accepted accounting principles. These matters are the responsibility of management, internal auditors and external auditors.
- The Committee's monitoring responsibilities were not established in order that the Committee could independently determine whether i) management had applied adequate accounting principles, had produced adequate financial information, or had put in place adequate internal controls; or whether ii) Telefilm Canada's financial statements were compiled and, if need be, audited in compliance with generally accepted accounting principles or generally accepted auditing standards.
- Committee members are entitled, in the absence of information to the contrary, i) to trust the integrity of the persons and organizations who provide them with information; and ii) to trust the accuracy and completeness of information supplied.

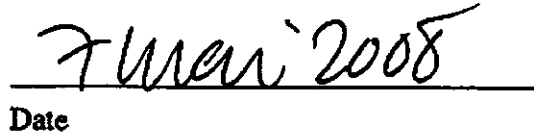
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Charter of the Audit and Finance Committee adopted by the Board at the meeting held on
April 24th, 2008



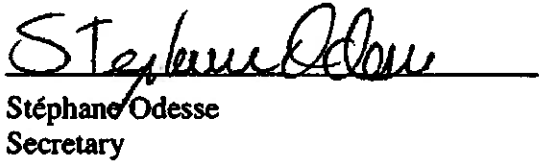
Handwritten signature of Michel Roy in black ink, written over a horizontal line.

Michel Roy
Chair



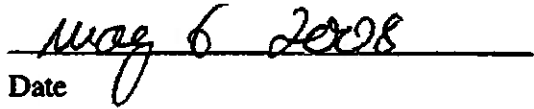
Handwritten date "7 May 2008" in black ink, written over a horizontal line.

Date



Handwritten signature of Stéphane Odette in black ink, written over a horizontal line.

Stéphane Odette
Secretary



Handwritten date "May 6 2008" in black ink, written over a horizontal line.

Date

APPENDIX 3 – List of Audit Mandates Performed

This section describes the audit mandates carried out in the past three years.

2013-2014

1. Compliance With Coproduction Treaties
2. Development Program of Canada Feature Film Fund
3. Enterprise Risk Management (ERM) Master Plan
4. Organizational Efficiency Review

2014-2015

1. Strategic Planning Process
2. Production Program
3. Production Capacity of Information Technology Department
4. Follow-up of Previous Mandates

2015-2016

1. Contract Management
2. Staffing Process
3. Information Security Governance
4. Follow-up of Previous Mandates

APPENDIX 4 – Telefilm Canada’s Standard Contract

Service Agreement signed in “city” this “date” (hereinafter the “Agreement”)

Between: **Telefilm Canada**, a Crown Corporation duly established under the *Telefilm Canada Act*, as amended, having its head office at 360 Saint-Jacques Street, Fifth Floor, Montreal, Quebec, H2Y 1P5, represented by Denis Pion, Director, Administration and Corporate Services duly authorized hereby as representing the Corporation (hereinafter “**Telefilm**”).

And: “**Company name**,” a company duly incorporated under the “*name of Act: Quebec Companies Act / Canada Business Corporations Act / other business incorporation Act*,” having its head office at “*street address, city, province, postal code*,” represented by “*Representative name*,” duly authorized hereby as representing the company (hereinafter the “**Contractor**”).

In consideration of their respective obligations, the Parties agree as follows:

1. Services Supplied

1.1. Services. The Contractor agrees to supply and diligently perform for Telefilm, according to industry standards and to Telefilm’s satisfaction, internal audit services, as more fully described in Appendix A hereto if applicable, (the “**Services**”) for the duration of and under the terms set forth in the Agreement.

2. Term and Termination

2.1. Term. Subject to section 2.2 hereof, this agreement takes effect on “*contract start date*” and ends on “*contract end date*.” Any renewal of the Agreement after expiry of the term is subject to negotiation between the two Parties and must be evidenced in writing.

2.2. Termination. Notwithstanding section 2.1 hereof, Telefilm may terminate the Agreement upon the occurrence of any of the following events:

- a) if the Contractor fails to remedy a breach of any of its contractual obligations under the Agreement or under any other agreement with Telefilm, including the unauthorized assignment of the Agreement, within [5] days of receipt of written notice to this effect from Telefilm;
- b) without notice or delay, if the Contractor becomes insolvent or bankrupt, or reorganizes its business within the meaning of the *Bankruptcy and Insolvency Act* (Canada), or if it takes steps or steps are taken against it for its winding-up or dissolution, or if a receiver or trustee is appointed for the Contractor’s property;
- c) without notice or delay, in the case of fraud, wilful misrepresentation or gross negligence by the Contractor;
- d) at Telefilm’s discretion, by giving the Contractor [30] days’ written notice;

in which case Telefilm’s obligations and responsibilities to the Contractor shall be limited to the amount owed to the Contractor as at the effective date of the termination, without other compensation.

3. Cost of the Services

3.1. Consideration. In consideration of the Services rendered, Telefilm agrees to pay to the Contractor a total amount of “insert amount”, plus all applicable taxes, according to the schedule of work (the “Schedule”) appearing in Appendix A hereto. Each payment (or the sole payment, as the case may be) shall be payable by Telefilm in accordance with the Schedule within 30 days of receipt of a detailed invoice to this effect.

3.2. [Insert or delete as needed] Expenses. Telefilm agrees to pay the reasonable and admissible portion of expenses incurred by the Contractor for travel outside the Metropolitan Montreal area undertaken at Telefilm’s request. Telefilm shall be responsible for coordinating the Contractor’s business travel, including planes, hotels and ground transportation. The expenses shall be reimbursed on the basis of the policies and

procedures in force at Telefilm. The Contractor must provide Telefilm with a copy of the bills for expenses for which reimbursement is claimed. Overtime must be authorized beforehand by Telefilm.

3.3. Payment by direct deposit. The Contractor authorises Telefilm to make all payments due under this Agreement by way of direct deposit into the Contractor's bank account as specified in Appendix B and acknowledges being solely responsible for the accuracy of the banking information provided to Telefilm. The Contractor guarantees being the beneficiary of the bank account specified in Appendix B and undertakes to inform Telefilm as soon as possible in writing of any changes to this banking information. Telefilm shall incur no liability for any delay, inconvenience, expense or other loss arising as a result of incomplete or incorrect information provided by the Contractor. A notice via email will be sent by Telefilm to the following email address [insert email address] to confirm that the transaction has been processed.

3.4. No Benefits. The Contractor, its employees, agents, representatives and mandataries may not claim or require from Telefilm, including but not limited to, any of the following: vacation pay, sick leave, maternity/paternity leave, insurance and invalidity plans, pensions, health care, dental care or any other benefit available to Telefilm employees.

4. Representations and Warranties

The Contractor represents and warrants the following:

4.1. It is a duly incorporated company existing under its Act of incorporation, it is in compliance with all applicable laws governing its existence, the Contractor has the authority and capacity to sign the Agreement, which has been duly authorized, the Agreement is enforceable against it, and the signature of the Agreement and the performance of the related obligations do not violate its statutes, its regulations or any act, contract or agreement by which it is bound.

4.2. It is in accordance and in compliance with, and agrees to respect, all laws, regulations, ordinances, decrees or other binding statutory instruments affecting or governing the Contractor and the Services, and agrees moreover to respect all Telefilm policies, guidelines, rules and internal procedures.

More specifically, the Contractor working on Telefilm premises agrees to comply with the Occupational Health and Safety Policy and health and safety rules in the Contractor's dealings with Telefilm but shall not be entitled to the benefits and compensation set out in the policy, which are reserved exclusively to Telefilm employees.

The Contractor working on Telefilm premises also agrees to comply with the policy on Respect in the workplace: preventing and settling harassment. Telefilm shall be entitled to terminate the Agreement if, in Telefilm's opinion, the Contractor's behaviour constitutes harassment within the meaning of the policy.

4.3. It has the necessary qualifications, the expertise, experience, human resources and material required to provide the Services consistent with the terms and conditions of the Agreement, it holds all necessary permits, licences and authorizations, as applicable, and it is in good standing with all regulatory bodies in its field.

5. Indemnification

5.1. The Contractor assumes all risks and responsibilities involved in performing the Services, including responsibility for the acts and omissions of persons in its employ, and it must take all measures necessary to avoid causing any damage to Telefilm or to third parties. To this end, the Contractor agrees to indemnify and hold harmless Telefilm from and against all claims, demands, complaints, actions, causes of action and responsibility of any sort, for any damages, losses, costs, injuries, property damages, resulting from any act or omission by the Contractor or by persons employed or engaged by it, in connection with the Services and the Agreement, including the fees, expenses and judicial and extrajudicial costs incurred by Telefilm.

6. Telefilm's Right to Audit

6.1. Telefilm shall, at any time during the term of the Agreement and for three years after the expiry of the term, have access to the documentation needed to verify any matter relating to the Agreement (among other things any invoice, report or part of accounts concerning the Services), and the Contractor agrees, upon request by Telefilm, to deliver to Telefilm copy of this documentation or of any other pertinent documentation relating to the Services.

7. Ownership and Confidentiality

- 7.1. Ownership and Assignment of Rights.** In exchange for the consideration set forth in section 3 above, the Contractor, its employees, agents, representatives and mandataries hereby assign and agree to assign to Telefilm all rights, titles and interests that they own or could own in relation to the Services. The Contractor agrees to sign and, as applicable, to have its employees, representatives or mandataries sign, at Telefilm's request, any document deemed necessary by Telefilm to establish ownership.
- 7.2. Conflict of interest.** The Contractor agrees to disclose to Telefilm, without delay, any situation or event having the effect of placing it directly or indirectly in a situation of real or apparent conflict of interest with Telefilm or a Telefilm client. The Contractor agrees to be bound by the provisions of the Policy on Conflict of Interest and Post-Employment that is part of the Code of Conduct for Telefilm Canada, as these provisions can be adapted if necessary by Telefilm. By signing the Agreement, the Contractor warrants that the Contractor has read and understood Telefilm's Policy on Conflict of Interest and Post-Employment and agrees to comply with it and recognizes that compliance with its terms and requirements is an essential condition of the Agreement.
- 7.3. Confidential Information.** The Contractor acknowledges that, under the Agreement, certain confidential information relating to the operations and business of Telefilm and its clients could be conveyed to it. Any information, verbal, written, printed, graphic, computerized or in any form or on any support whatsoever, be it in draft or final form, which is supplied to the Contractor, or to which the Contractor has access, constitutes confidential information ("Confidential information") and remains the exclusive property of Telefilm or of its clients, as the case may be. Therefore, the Contractor agrees that no Confidential information that may be conveyed to the Contractor or to which it may have access will be disclosed to any person, business or corporation whatsoever at any time during and following the term of the Agreement without the prior written authorization of Telefilm. Moreover, the Contractor agrees not to use said Confidential information for its own profit, nor to allow anyone to use said Confidential information at any time during and following the term of the Agreement. In addition, the Contractor must not permit the reproduction, in any form, of the Confidential information, in part or in whole, without first obtaining written authorization from Telefilm and taking all appropriate measures to keep the information confidential. The Contractor agrees to bind in writing its personnel and other mandataries involved in performing the Services by these confidentiality obligations.

The Contractor acknowledges that the disclosure of Confidential information can cause considerable harm and irreparable damage to Telefilm, which may not be possible to compensate sufficiently through the award of monetary damages. Therefore, in addition to any other remedy available at law or in equity, Telefilm shall be entitled to obtain injunctive relief or other just and equitable redress in the circumstances, without proof of actual damages.

The Contractor acknowledges responsibility for the Confidential information, books, material, reports, computerized reports, invoices, client lists and any document giving client names and addresses, as well as any equipment belonging to Telefilm that the Contractor may have in its possession by virtue of the Agreement.

Upon the termination or cancellation of the Agreement, the Contractor agrees to deliver forthwith to Telefilm, including but not limited to, the Confidential information and any material, books, reports, computerized reports, invoices, client lists and other documents, as well as any copies, on any support whatsoever, belonging to Telefilm that the Contractor may have in its possession by virtue of the Agreement, and/or, upon request by Telefilm, destroy the Confidential information in the Contractor's possession.

- 7.4. Web Disclosure.** The Contractor consents and authorizes Telefilm to disclose certain elements of the Agreement on its website, as needed, among other things the name of the Contractor, the type of services, the total amount of the consideration and the term.

8. Other

- 8.1. Independent Entrepreneur.** The Agreement does not constitute and shall not be construed as an agency, partnership or employment relationship between the Parties, each one acting as an independent entrepreneur. The Contractor shall be solely responsible for the manner and way in which the Services are performed.
- 8.2. No Waiver.** The failure by Telefilm to insist on the complete performance of any of the undertakings or obligations contained herein or to exercise any of its rights provided for herein shall not be construed as a future waiver of such right or of the complete performance of such undertaking or obligation. No waiver by Telefilm shall be valid unless set forth in writing and such waiver shall apply only to the rights and circumstances expressly mentioned therein.

- 8.3. Assignment. The Contractor may not assign to anyone its rights and obligations under the Agreement nor delegate the performance of any of its duties thereunder without Telefilm's prior written consent.
- 8.4. Amendment. The Agreement may not be amended, changed or modified except by agreement in writing executed by both parties.
- 8.5. Severability. The invalidity of a provision or part of a provision of the Agreement shall not nullify the other provisions or part of provisions, which shall remain in force, in whole or in part.
- 8.6. Further Assurances. The Parties agree to do and sign or cause to have done or signed from time to time, all other deeds, documents, instruments or things that Telefilm may reasonably request for the purpose of giving effect to the Agreement.
- 8.7. Laws. The Agreement shall be subject and interpreted according to the laws of the Province of Quebec and the courts of the Province of Quebec shall have exclusive jurisdiction to resolve any dispute between the Parties.

IN WITNESS WHEREOF, the Parties have executed the Agreement as of the date first given herein.

TELEFILM CANADA

By:

Name:
Title:

And by:

Name:
Title:

"CONTRACTOR NAME"

By:

Name:
Title:

INTERVENTION

[Complete this section to bind a specific employee of the Contractor to the contract's obligations, notably the confidentiality and indemnification provisions, and/or if the Services are apt to create property rights for the Contractor or the Contactor's employees or representatives]

Intervening herein, "*Name of person rendering the services,*" (hereinafter "the Intervener") acknowledges having read the Agreement and having understood its nature and scope, and agrees to comply with the terms and obligations thereof, notably with regard to obligations related to confidentiality and indemnification. The Intervener hereby assigns and agrees to assign to Telefilm all rights, titles and interests that he or she owns or could own in relation to the Services and the work performed, and agrees to sign upon request by Telefilm any document deemed necessary by Telefilm to establish ownership.

Signed on _____

"Name and title of natural person (or Contractor employee/representative) rendering the Services"

APPENDIX A

DESCRIPTION OF THE SERVICES

The Services to be provided by the Contractor include, among other things, the following duties and responsibilities:

“to complete”

The Contractor agrees to comply with the following timeframe during the term of the Agreement:

“to complete – if there is no timeframe, indicate NIL”

CONSIDERATION

[to complete, add lines as needed]

MILESTONES AND/OR DELIVERABLES [if payable according to milestones, indicate the dates; if payable according to deliverables, insert a brief description of the deliverables and the dates]		PAYMENT AMOUNTS (payable consistent with subsection 3.1) [if predetermined amounts, specify; if not, mention supporting invoice]
Description [write N/A if not applicable]	Date	
Total [maximum] amount: *In no case may the total consideration for the Services exceed the total amount, unless the Parties have concluded a written agreement to this effect.		“insert total amount, which must match subsection 3.1”

BANKING INFORMATION FOR DIRECT DEPOSIT

Name of financial institution _____

Name of branch or branch address _____

X	X	X
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Transit No.

--	--	--

Institution No.

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Account No.