

ADDENDUM #1

1. We understand from the Board Report that “recent events” resulted in the need for the special review and forensic audit. Were there any concerns raised regarding the expenses of specific individuals? If so, can you provide the nature of concerns and the number of individuals?

Response: This is broader than simply reviewing the expenses of any one individual. The TNRD would like an examination of the expenses of all senior management/management with corporate issued credit cards. The nature of the concerns include things such as, the type of expenses claimed, the amount of expenses claimed, the appropriateness of expenses claimed, supporting documentation and the accuracy of information included in the expenses claimed.

2. The RFP refers to “a review of all management and Board of Director expenses and expense reporting (over a five year period)”. How many individuals are involved and does it include management and Directors that are not currently serving as well?

Response: This would include approximately 30 (current and former) members of management and approximately 30-35 (current and former) Board members (Directors). It should be noted that Directors expenses are submitted via per diem forms.

3. Approximately, how many management/Director expense transactions occurred annually over the desired period of review? If the volume of such transactions is significant, would TNRD be open to a risk based sampling approach of reviewing such expenses?

Response: With respect to Director (Board Member) expense transactions these are in the form of per diem documents submitted after their attendance at a Board or committee meeting, an event/conference or business meeting. The number of expense transactions per Board member per year would be approximately 20-30. The number of management expense transactions annually varies but we would estimate approximately 2,000 transactions per year. The TNRD may be open to a risk based sampling approach in the review of some of the expenses.

4. With respect to the review of contracting and purchasing practices, is it the TNRD's desire to investigate specific concerns that have been raised with respect to potential misappropriation, policy violations or fraud such as conflicts of interest, contract splitting or phantom vendors or is the purpose more of an analysis of the contracting purposes and practices to identify potential risks and benchmark against better practices?

Response: The intent is to identify any concerns with respect to past contracting and purchasing practices as well as an analysis of current practices and processes to identify areas for improvement that align with best practices.

5. Regarding the review of current policies and processes to identify areas for improvement, is that specific to fraud risks (for example having a whistleblower policy) or is the scope intended to be more broad in nature (for example general policies, such as related to travel, accommodation, etc.)? Is the review specific to the policies and processes applicable to management and the directors, or throughout the organization?

Response: The scope is intended to be broad in nature to identify any gaps in or improvements to processes or policies related to things like travel, accommodation, business expensing, staff recognition, conferences and events etc.) The review would be applicable to policies and processes throughout the organization.

6. Is the review limited to contracting and purchasing practices, general financial management or across the board policies and practices and if so, could this include operational policies and processes like operations and management?

Response: The review is limited to contracting and purchasing practices and general financial management.