



August 24, 2007

Mr. Jeff Garrad  
CFO  
BC Olympic Games Secretariat  
7<sup>th</sup> Floor, 3585 Gravelley Street  
Vancouver, BC V5K 5J5

Dear Jeff:

**Re: IAAS Report on VANOC's Business Plan**

Thank you for sharing the report prepared by the Internal Audit and Advisory Services (IAAS) branch respecting VANOC's Business Plan version 2. As you know, our staff spent considerable time with the review team to ensure that they were able to effectively fulfill their mandate in reporting back to the Secretariat.

You have asked that we provide our comments on this report and we do so below. We have chosen to focus only on issues of substance that reflect on our overall plan and not on some specific and otherwise immaterial issues.

Overall, we are pleased that the report recognizes the fundamentally sound practices that were employed in the development of the business plan and budget. Extensive planning and research went into the plan and we believe this is well reflected in the output. As noted in the final paragraph of the Executive Summary, we look forward to working with the federal and provincial Secretariats in ensuring that a practical solution is found to address the budget change approval process going forward.

With respect to comments concerning Games revenue, we believe that the level of committed revenue to date is relatively high, in comparison to past games at a comparable point in time. Of course, there are uncertainties and we expect these to be resolved in due course.

With respect to IOC revenue, we are satisfied with the result of our negotiation respecting revenue from the IOC and feel that the level of documentation properly reflects our agreement. Specifically, the nature of the TOP program is such that the current model is adequate for planning purposes.

Most of the comments on operational matters including transportation, media village, medical services etc. reflect the state of planning at the time the report was prepared. In all of these areas, we continue to develop plans and reduce uncertainties respecting planning assumptions. The maintenance shop referred to in the Sport section has now been resolved within the budget.

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*Exalter l'âme de la nation et inspirer le monde entier grâce à l'organisation et à la tenue de Jeux olympiques et paralympiques extraordinaires qui laisseront un héritage durable.*

Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC)  
Comité d'organisation des Jeux olympiques et paralympiques d'hiver de 2010 à Vancouver (COVAN)

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On page 23, the report refers to a meeting between VANOC and the federal Minister of Finance. This is incorrect as the meeting occurred with staff members of the Ministry of Finance, not with the Minister.

Section 5.1 deals with the required elements of the Business plan, per the MPA. While we appreciate the commentary provided, it is important to note that we communicated with our Board of Directors and the federal and provincial secretariats in advance of the plan to ensure that they would be satisfied with the plan as devised. The MPA itself is not definitive in its description of the requirements and we believe that the plan is suitable given the state of planning to date.

We look forward to continue our good relationship with the provincial secretariat and will continue to participate fully in any future reviews.

Yours truly,

John McLaughlin, CA  
Executive Vice President and CFO