

Date: 2021-09-17

Subject: **Corporate Governance Audit Report**

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Report Number: CAO's Office-2021-1046

Significant Improvement Required**Executive Summary:**

Internal Audit undertook a review of Corporate Governance processes across the organization.

The background, objective, and the audit scope are explained in **Appendix 1**.

During our review, we observed the following strengths across the organization:

- Accountability and transparency requirements under the Municipal Act, 2001 including appointment of Accountability Officers and adoption and implementation of required policies were met.
- The/A Governance structure is defined and in place to support oversight and decision-making. Various committees regularly discuss issues prior to making recommendations to Council. Citizen members form part of the Audit Committee and citizen advisory committees in order to bring different insights and/or skillsets related to the subject matter.
- Budgets, annual reports, including audited financial statements, and strategic documents, including Term of Council Priorities, are created and made publicly available.
- Training is provided to Council members through various workshops and new employees during onboarding.
- Performance appraisals for non-union staff occurs regularly and is aligned with the achievements of Corporate goals.

Internal Audit discussed the following improvement opportunities with Management:

- Implementation of an enterprise risk management (ERM) program;
- Strengthening controls over the Corporate policy framework;

- Establishment of an information management strategy to govern business records and meet Records Retention By-law requirements;
- Reporting to Council over exercise of delegated authorities by Departments;
- Improvement to Code of Conduct for Council Members and coverage for Citizen Members; and
- Streamline a/the process for handling complaints.






Other Matters



In the “Other Matters” section of **Appendix 1**, we noted opportunities and other issues observed in the audit, posing no or low future risk, but which should still be considered by Management:

- Organizational performance measures – there is ongoing development of performance metrics across the organization.
- Employee surveys – there is opportunity to gauge the overall effectiveness of governance controls through surveying employees.

These issues are explained in more detail in **Appendix 1**.

Internal Audit discussed the following improvement opportunities with HR Management:

Process	Finding	Rating
1. Enterprise risk management	There is no overarching enterprise risk management (ERM) framework whereby Council and Management can systematically identify, monitor, and manage the City's key risks.	
2. Corporate policy review	Annual policy reviews with Departments are required to ensure all policies remain up to date and serve as an effective governance tool.	
3. Records management	Compliance to data retention by-law and related legislation not monitored for multiple databases and software applications, used to conduct business activities.	
4. Delegation of powers and authorities	Reporting requirements outlined within the Administrative Authority By-law to inform Council of the exercise of delegated power or duty is not met.	
5. Council Code of Conduct	Acknowledgment forms were not formally signed by Council members during 2019 orientation session. There is currently no review frequency for the Code of Conduct, which was last updated in 2016.	

6. Code of Conduct for citizen appointees	There is no Code of Conduct specific to citizen members serving on committees or boards outlining their rights and obligations.	
7. Complaints policy	The City currently has multiple avenues to accept complaints from employees and the public. There is no overarching policy that addresses how complaints are received, investigated and reported.	
These issues and associated management action plans are explained in more detail in Appendix 1 . These issues are rated as per criteria explained in Appendix 2 .		

Conclusion:

Significant Improvement is Required by management to strengthen oversight of corporate governance.

The overall report rating is determined as per the criteria for audit report rating explained in **Appendix 3**.

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Attachments:

Appendix 1: Corporate Governance Audit 2021 Report

Appendix 2: Criteria for Evaluating Audit Findings

Appendix 3: Criteria for Audit Report Rating