

KPMG Audit Findings – Progress To-date

1.0 Governance (pages 11-20)

Recommendation	Current Status
<p>1.1 Set a clear and consistent “Tone from the Top”.</p> <p>1.2 Review the current structure of the relationships between Council and Administration.</p>	<p>The Audit & Budget Committee has supported pursuit of governance training for Council.</p> <p>A Terms of Reference document was developed to enable the search for a vendor to facilitate an effective and appropriate governance training program built upon leading practices in adult education. The RFP closed on April 1. Administration is currently reviewing the one submission received to determine if it meets the evaluation criteria as set out in the RFP. The evaluation will be presented to Council in order to determine the next steps.</p>
<p>1.3 Develop consistent information to be provided by Administration to Council.</p>	<p>This will be addressed as part of the new CAO Bylaw.</p>
<p>1.4 Council clearly define its expectations for the External Audit function.</p>	<p>Council will have an opportunity to discuss its expectations with the external auditing firm when they review the Management Letter In-Camera at the Audit and Budget Committee on April 21, 2015.</p>
<p>1.5 Develop and document a process to support Administration’s annual representations with respect to internal controls.</p>	<p>Additional discussions were undertaken with KPMG in order to implement for the 2015 year end process.</p>
<p>1.6 Council clearly define its expectations for the Municipal Auditor function.</p>	

2.0 Council Policies (pages 21-31)

Recommendation	Current Status
<p>2.1 Implement a whistleblower policy.</p>	<p>Draft being reviewed with Executive Directors prior to E-review and review by the CAO. To Council prior to summer recess.</p>
<p>2.2 Review and update Delegation Order on a regular basis to ensure it remains current.</p>	<p>Under review.</p>
<p>2.3 Review and update existing Code of Conduct Policy to reflect leading practices.</p>	<p>Review is in progress to ensure it aligns with our Corporate Values and reflects leading practices. E-review anticipated for June 1. To Council prior to Summer recess.</p>
<p>2.4 Implement an employee performance management policy and procedure.</p>	<p>E-review scheduled for April 24. Review has been completed with Executive Directors and CAO. Targeted for May 26 Council meeting.</p>

2.5 Implement a Severance Policy and Procedure.	Human Resources will be reviewing the draft Policy with Executive Directors on April 16. Anticipate presenting it to the CAO May 1 and Council on June 9.
2.6 Implement a “Learning For All” policy and procedure.	E-review completed. Waiting for feedback from CUPE, Executive Directors and Legal Services. Once received it will be reviewed with the Executive Directors and then the CAO. Targeting the May 12 Council meeting.
2.7 Implement a policy covering attendance at political fundraisers for elected officials and employees and update the current procedures to include additional guidance.	Scheduled for April 14 Council meeting.
2.8 Implement the Grant Procedure.	Council approved the Community Investment Program Policy FIN220 on June 24, 2014. The Internal Auditor reviews on an ongoing basis for compliance.
2.9 Review all policies and procedures for gaps noted in this report.	Once the policies and procedures that were identified in the audit are completed, Administration will be reviewing existing policies and procedures on an ongoing basis to determine where updates are needed and where new policies and procedures need to be created.
Additional Policies requested by the CAO: 1. Public Participation – Engagement 2. Groundbreaking/Ribbon Cutting	 E-review in progress. Draft being developed.

3.0 Organization Review – Communications and Public Affairs (pages 32-36)

Recommendations	Current Status
3.1 Develop and document a mandate for the Public Affairs Department.	Completed. As part of the organizational restructuring, the Public Affairs Department was consolidated with the Communications Department as the new Communications and Stakeholder Relations Department. The synergy between these two departments will be improved as a result of this consolidation. Recruitment for a Director has been ongoing; however, it is anticipated that the position will be filled by early May. The new Department mandate will be updated along with the mandates for all other departments which are currently being reviewed by the CAO. Once the review is completed, they will be distributed to Council for information and posted on our website for the general public’s information.

4.0 Honorariums (pages 37-42)

Recommendations	Current Status
4.1 Develop and implement a formal honorarium policy and procedure.	E-review has been completed. Report will be coming to the May 5 ABC and to Council May 12.
4.2 Use a consistent form for approval of honorariums. 4.3 Develop and implement regular monitoring of honorariums.	Form for approval of honorariums and monitoring of honorariums will be addressed as part of the Administrative Procedure that will be developed to support and guide implementation of the Honorarium Policy.

5.0 Land Acquisitions and Expropriations (pages 43-49)

Recommendations	Current Status
5.1 Municipality to document its policies and procedures for land acquisitions and expropriations. 5.2 Retain all documentations in land acquisitions and expropriation files. 5.3 Mandate the use of the "Land Administration Transaction Request" form. 5.4 Include documentation of conflict of interest and related party checks in the land acquisition and expropriation files.	Policies and procedures have been documented and the recommendations incorporated. E-review is completed and reviewed with the Executive Directors. Comments will now be reviewed with Legal Services and the CAO for final review April 20. June 9 Council meeting targeted.
5.5 Consider implementing a data processing patch in SAP to track land acquisitions and expropriations.	We have had discussions in the past with respect to implementing a patch in SAP. We are implementing Open Text (a file management system) to assist with the tracking as well as discussions with Information and Advisory Services with respect to a program to house Land Administration spatial and aspatial data.

6.0 Travel and Living Expenses (pages 50-63)

Recommendations	Current Status
6.1 Determine whether or not a Fly-In-Fly-Out policy is required and if so implement a policy and procedure.	Policy developed and discussed with Executive Directors and the CAO. E-review is scheduled for April 10. May 12 Council meeting targeted.
6.2 Implement a policy and procedure for temporary housing.	Executive Directors and the CAO have reviewed draft policy. E-review scheduled for April 10. Targeted for May 12 Council meeting.

6.3 Implement a policy and procedure for taxable benefits.	Completed. Approved by Council March 10, 2015
6.4 Review all taxable benefits related to fly-in-fly-out arrangements.	Review of current taxable benefits ongoing.
6.5 Update the Delegation Order and LEG-050 for the gaps noted in the report.	Under review.
6.6 Utilize the Municipal Auditor to perform sample testing over self-approval of expense reports.	Ongoing.
6.7 Retain appropriate evidence of approval of expense reports.	Continue to reinforce and train staff relative to following documented procedures.
6.8 Reinforce the requirements of the existing Expense Policy to all employees.	Continue to reinforce and train staff relative to following documented procedures.
6.9 Reinforce the requirement to submit copies of receipts with expense reports.	Continue to reinforce and train staff relative to following documented procedures.
6.10 Regularly monitor taxable benefits.	Incorporated into Administrative Procedure – Taxable Benefits
6.11 Consider implementing an automated approval workflow for expense reports.	This item will require SAP resources and therefore would be prioritized against other SAP projects.
6.12 Update the Delegation Order to require all expenses be approved by a more senior employee.	No update required. The existing Policy FIN180 stipulates that a more senior employee is to approve expenses. All of the Executive Directors expenses are currently approved by the CAO and the CAO's expenses approved by the Chair of ABC.

7.0 Consultants and Contractors (pages 64-67)

Recommendations	Current Status
7.1 – 7.3 Reinforce requirements of the standard operating procedures and Delegation Order related to vendor performance, change orders and contract close out to all employees.	Continue to reinforce and train staff relative to following documented procedures. In addition, there is a Capital Projects Framework project that includes reviewing the “cradle to grave” process for capital projects delivery. The noted audit recommendations will be included as part of this review for potential enhancement.
7.4 - 7.5 Reinforce the requirements for change orders, including evidence of approval, to all employees.	Continue to reinforce and train staff relative to following documented procedures. In addition, there is a Capital Projects Framework project that includes reviewing the “cradle to grave” process for capital projects delivery. The noted audit recommendations will be included as part of this review for potential enhancement. As an interim measure, Executive Directors are reviewing non-competitive selections for adherence to New West Trade Partnership Agreement legislation. Supply Chain Management is also developing enhanced reporting for Executive Directors.

8.0 Tenders and Proposals (pages 68-73)

Recommendations	Current Status
8.1 Review PUR-100, Procurement Policy, in accordance with the mandatory review dates.	Will be brought forward for approval on or before the third quarter 2015. No significant changes to the existing policy anticipated since public procurement is guided by the Agreement on Internal Trade and the New West Trade Partnership Agreement.
8.2 Reinforce the requirement to complete a “Non-competitive Selection Business Case” to all employees.	Continue to reinforce and train staff relative to following documented procedures. As an interim measure, Executive Directors are reviewing non-competitive selections for adherence to New West Trade Partnership Agreement legislation. Supply Chain Management is also developing enhanced reporting for Executive Directors.
8.3 Amend policy FIN 190 to include a minimum number of bids.	Administration has reviewed the matter with KPMG and they have concurred that there is no need to amend the Policy. A BN will be provided to Council explaining the rationale as to why there is no need to amend Policy FIN 190 relative to a minimum number of bids as the Municipality would be in contravention of the New West Trade Partnership Agreement.
8.4 Update FIN 190 to include a minimum categorical requirement for proposal submissions.	Administration has reviewed the matter with KPMG. A minor wording change may be included in the policy update that addresses the ability of the Municipality’s Supply Chain Professional to ensure that the procurement process is adaptable to the various procurement activities undertaken.