

Calgary Metropolitan Region Board  
**Governance Committee Meeting Agenda**  
 May 13, 2022 – 9:00 AM, Go-To Meeting

**Meetings are recorded & live-streamed**

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**The purpose of this meeting is to convene, discuss and make decisions regarding recommendations to be made to the Calgary Metropolitan Region Board.**

- |  |         |          |
|--|---------|----------|
| 1. Call to Order & Opening Remarks   | Clark   |          |
| 2. Land Acknowledgment   | Brown   |          |
| 3. Adoption of Agenda<br><b>For Decision:</b> Motion to adopt and/or revise the Agenda   | All     |          |
| 4. Approval of Minutes (Attachment)<br><b>For Decision:</b> Motion that the Committee approve the Minutes of February 25, 2022 meeting                                 | All     | <b>3</b> |
| 5. Q1 Actuals (Attachment)<br><b>For Recommendation:</b> Motion that the Committee receive for information and recommend for review by the Board the 2022 Q1 Actuals   | Copping | <b>6</b> |
| 6. Financial Controls Overview (Attachment)<br><b>For information:</b> Motion that the Committee receive for information an overview of financial controls of the CMRB | Copping | <b>8</b> |
| 7. Committee Representatives (Verbal)<br><b>For Information:</b> Motion that the Committee consider appointing different representatives to each committee             | Thorn   |          |
| 8. Roundtable  | All     |          |
| 9. Next Meeting: Thursday July 28, 2022  | Clark   |          |
| 10. Adjournment  |         |          |

Governance Committee Members:

Mayor Peter Brown (Airdrie) Vice Chair  
 Councillor Gian-Carlo Carra (Calgary)  
 Mayor Jeff Colvin (Chestermere)  
 Mayor Jeff Genung (Cochrane)

Reeve Delilah Miller (Foothills)  
 Councillor Kelly Killick-Smit (High River)  
 Mayor Tanya Thorn (Okotoks)  
 Councillor Kevin Hanson (Rocky View)

Upcoming Meetings:

Board Meeting	Friday May 27 @ 9:30 AM Friday June 17 @ 9:30 AM	TBD Mount Royal University
Land Use & Servicing Committee	Thursday June 9 @ 9:00 AM	GoTo Meeting
Governance Committee	Thursday July 28 @ 9:00 AM	GoTo Meeting

Minutes of the Meeting of the Governance Committee  
of the Calgary Metropolitan Region Board on  
February 25, 2022, by Go-To Meeting

**Delegates in Attendance:**

Councillor Tina Petrow – City of Airdrie  
Councillor Raj Dhaliwal – City of Calgary  
Mayor Jeff Colvin – City of Chestermere  
Mayor Jeff Genung – Town of Cochrane  
Reeve Delilah Miller – Foothills County  
Councillor Jamie Kinghorn – Town of High River  
Mayor Tanya Thorn – Town of Okotoks  
Councillor Kevin Hanson – Rocky View County

**CMRB Administration:**

Greg Clark, Chair  
Jordon Copping, Chief Officer  
Liisa Tipman, Project Manager-Planning  
JP Leclair, GIS Analyst  
Shelley Armeneau, Office Manager

**1. Call to Order**

Chair Greg Clark called the meeting to order at 9:00 AM.

**2. Approval of Agenda**

**Moved by** Mayor Thorn, **Seconded by** Mayor Genung, accepted by Chair.

**Motion:** That the Committee approve the agenda.

**Motion carried unanimously.**

**3. Approval of Minutes**

**Moved by** Councillor Hanson, **Seconded by** Reeve Miller, accepted by Chair.

**Motion:** That the Committee approve the Minutes of the December 16, 2021 meeting, adding Jordon Copping to the attendance list.

**Motion carried unanimously.**

**4. 2021 Draft Audited Financial Statements**

Calvin Scott from AVAIL LLP presented to the Committee and advised they are bringing forward a clean opinion, with nothing significant to note. No illegal acts or fraud, no disagreements with management, and no difficulties encountered during the audit. He thanked the CMRB Administrative team for their cooperation. The Committee did not require a closed session. A question was asked about the internal controls of CMRB and Jordon confirmed the processes.

Calvin provided a copy of the internal controls document to Jordon for circulation to the Committee. A suggestion was made to bring the internal processes policies to the next Governance Committee for the benefit of those new members.

**Moved by** Councillor Petrow, **Seconded by** Councillor Kinghorn, accepted by Chair.

**Motion:** That the Committee recommend for approval by the Board the 2021 Audited Financial Statements.

**Motion carried unanimously.**

## 5. Vice Chair Selection

Mayor Peter Brown was nominated for Vice Chair by email to the Chief Officer by Reeve Amber Link on January 28, 2022. No additional email nominations were received by the Chief Officer, and no nominations were received from the floor.

**Moved by** Councillor Hanson, **Seconded by** Councillor Kinghorn, accepted by Chair.

**Motion:** That the Committee elect Mayor Peter Brown as Vice Chair of the Governance Committee.

**Motion carried unanimously.**

## 6. Q4 Actuals

Jordon Copping reviewed the Q4 actuals and notes.

**Moved by** Councillor Petrow, **Seconded by** Mayor Thorn, accepted by Chair.

**Motion:** That the Committee receive for information and recommend for review by the Board the 2021 Q4 Actuals.

**Motion carried unanimously.**

## 7. Annual Report

Jordon Copping reviewed the Annual Report. A couple of grammatical errors were identified, and a suggestion was made to add a footnote to page 19 of the Report to clarify the number of IREFS. These changes will be made prior to the Annual Report going to the Board. Members felt it was important to circulate hard copies of the Annual Report to all council members and Chair Clark directed Jordon to identify the cost and, if not prohibitive, circulate copies to all councils.

**Moved by** Mayor Genung, **Seconded by** Councillor Hanson, accepted by Chair.

**Motion** that the Committee recommend to the Board approval of the Annual Report.

**Motion carried unanimously.**

**8. Next Meeting Friday May 13, 2022.**

**9. Adjourned @ 9:50 AM.**

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**CMRB Chair, Greg Clark**

DRAFT

<b>Agenda Item</b>	<b>5</b>
<b>Submitted to</b>	<b>Governance Committee</b>
<b>Purpose</b>	<b>Present to the Governance Committee for Recommendation</b>
<b>Subject</b>	<b>CMRB 2022 Q1 Actuals</b>
<b>Meeting Date</b>	<b>May 13, 2022</b>
<i>That the Committee receive for information and recommend for review by the Board the 2022 Q1 actuals</i>	
<p>Background</p> <ul style="list-style-type: none"> <li>The CMRB has been funded by the Government of Alberta through the Alberta Community Partnership grant program.</li> </ul>	
<p>Attachments</p> <ul style="list-style-type: none"> <li>Q1 Actuals</li> </ul>	

## 1. Introduction

CMRB Administration has compiled the Q1 Actuals for review by the Governance Committee.

## 2. Recommendation

That the Governance Committee receive for information and recommend for review by the Board the 2022 Q1 Actuals.

	2022 Budget	2022 Q1 Budget	2022 Q1 Actuals	Q1 Variance
<b>REVENUE</b>				
GoA Grant	\$1,000,000.00	\$0.00	\$0.00	\$0.00
Interest on GIC	\$0.00	\$0.00	\$0.00	\$0.00
Withdrawal from Reserves	\$937,000.00	\$367,000.00	\$268,202.29	\$98,797.71
<b>TOTAL Revenue</b>	<b>\$1,937,000.00</b>	<b>\$367,000.00</b>	<b>\$268,202.29</b>	<b>\$98,797.71</b>
<b>EXPENDITURES</b>				
<u>CAPITAL EXPENSES</u>				
Computers & Hardware	\$6,000.00	\$1,500.00	\$0.00	\$1,500.00
Office Furniture	\$6,000.00	\$1,500.00	\$0.00	\$1,500.00
Phone/Internet Hardware	\$3,000.00	\$750.00	\$0.00	\$750.00
<b>TOTAL CAPITAL EXPENSES</b>	<b>\$15,000.00</b>	<b>\$3,750.00</b>	<b>\$0.00</b>	<b>\$3,750.00</b>
<u>OPERATING EXPENSES</u>				
STAFFING COSTS				
Salary	\$655,000.00	\$169,000.00	\$169,360.50	-\$360.50
Benefits	\$124,000.00	\$31,000.00	\$23,767.73	\$7,232.27
Board Chair	\$110,000.00	\$27,500.00	\$27,060.00	\$440.00
<b>TOTAL STAFFING COSTS</b>	<b>\$889,000.00</b>	<b>\$227,500.00</b>	<b>\$220,188.23</b>	<b>\$7,311.77</b>
OFFICE LEASE	\$87,000.00	\$21,750.00	\$19,732.05	\$2,017.95
OFFICE OPERATING COST				
General Operating Costs	\$36,000.00	\$9,000.00	\$10,469.71	-\$1,469.71
Professional Fees	\$30,000.00	\$7,500.00	\$1,127.50	\$6,372.50
<b>TOTAL OFFICE OPERATION COSTS</b>	<b>\$66,000.00</b>	<b>\$16,500.00</b>	<b>\$11,597.21</b>	<b>\$4,902.79</b>
TRAVEL COSTS	\$30,000.00	\$7,500.00	\$0.00	\$7,500.00
MEETING COSTS				
Meeting Venue/Catering	\$40,000.00	\$10,000.00	\$1,226.15	\$8,773.85
Per Diem	\$55,000.00	\$13,750.00	\$663.63	\$13,086.37
<b>TOTAL MEETING COSTS</b>	<b>\$95,000.00</b>	<b>\$23,750.00</b>	<b>\$1,889.78</b>	<b>\$21,860.22</b>
CONSULTANT COSTS				
Regional Initiatives	\$600,000.00	\$150,000.00	\$12,944.90	\$137,055.10
REF Consultants	\$80,000.00	\$20,000.00	\$1,850.12	\$18,149.88
<b>TOTAL CONSULTANT COSTS</b>	<b>\$680,000.00</b>	<b>\$170,000.00</b>	<b>\$14,795.02</b>	<b>\$155,204.98</b>
CONTINGENCY	\$75,000.00	\$18,750.00	\$0.00	\$18,750.00
<b>TOTAL EXPENDITURE</b>	<b>\$1,937,000.00</b>	<b>\$489,500.00</b>	<b>\$268,202.29</b>	<b>\$221,297.71</b>

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## Notes

1 Salary expenses are higher at the start of the year as CPP and EI are not evenly distributed throughout the year

2 Annual insurance is paid in Q1.

<b>Agenda Item</b>	<b>6</b>
<b>Submitted to</b>	<b>Governance Committee</b>
<b>Purpose</b>	<b>For Information</b>
<b>Subject</b>	<b>Financial Controls Overview</b>
<b>Meeting Date</b>	<b>May 13, 2022</b>
<i>Motion that the Committee receive for information an overview of financial controls of the CMRB</i>	
<p>Summary</p> <ul style="list-style-type: none"> <li>• At the February 25<sup>th</sup> meeting of the Governance Committee, a member raised a question about financial controls. This overview is intended to give the Committee an overview of the controls in place.</li> <li>• The Board approved Policy G-01 Signing Authority at the first meeting of the Board in March 2018. The Signing Authority Policy has been reviewed periodically by the Board and was most recently updated and approved by the Board in April 2020.</li> <li>• The current approved Signing Authority Policy is attached. The policy notes who may approve and sign cheques on behalf of the organization and at what dollar value. Among other things, the policy also dictates at what frequency cheques must be reviewed, and by whom.</li> <li>• In addition to reviewing the finances, the annual audit reviews CMRB control practices to ensure they meet appropriate standards, given the size of the organization.</li> <li>• Additional CMRB operational policies and bylaw can be found on the CMRB website <a href="#">here</a>.</li> </ul>	
<p>Attachments</p> <ul style="list-style-type: none"> <li>• CMRB <a href="#">Signing Authority Policy</a></li> <li>• Audit forms regarding <ul style="list-style-type: none"> <li>○ Entity Level Controls</li> <li>○ Control documentation</li> <li>○ Credit Card and EFT controls</li> </ul> </li> </ul>	



## **1. Introduction**

In a previous meeting, a Committee member expressed uncertainty around Board policies and administrative procedures related to oversight of fiscal expenditures for the organization. This agenda item is brought forward for the information of the Committee.

## **2. Recommendation**

That the Committee receive for information an overview on financial controls of the CMRB.

## Governance Policy G-01 Signing Authority

### Policy Statement

To allow the Calgary Metropolitan Region Board (CMRB) statutory corporation to function effectively, the Board is required to grant signing authority to Board officials.

### Policy Standards

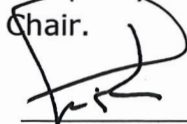
1. The Board grants signing authority to the Chair of the Board, the Vice-Chair of the Board, and the Chief Officer of the Board.
2. Any payment valued at less than \$10,000 shall be approved by one of the approved signing authorities.
3. Any payment greater than \$10,000 shall be approved by two of the approved signing authorities.
4. All other legal documents shall be approved by one of the designated signing authorities.
5. Any cheque payable to the Chief Officer shall be signed by the Chair or the Vice-Chair.
6. Any cheque payable to the Chair shall be signed by the Chief Officer or the Vice-Chair.
7. Any cheque payable to the Vice - Chair shall be signed by the Chief Officer or the Chair.
8. All cheques shall be reviewed quarterly by the Chair and the Vice-Chair of the Board.

### Review

The policy will be reviewed at the discretion of the Board. The Policy was updated in March 2018 and October 2020. This version was approved at the April 24, 2020 Board meeting.

### Effective Date

The policy comes into effect upon passage by the Board and signing by the Board Chair.

  
Chris Sheard, Chair

Nov. 3, 2020  
Date

Agenda Item 6i

## TRANSACTIONAL STREAMS INTERNAL CONTROL QUESTIONNAIRE

**Entity Name:** Calgary Metropolitan Region Board  
**Completed by:** Jordon Copping (Chief Officer)  
**Date completed:** January 28, 2022

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### CHANGES NOTED IN BLUE FONT.

#### Revenues:

Revenues are currently limited to three items:

- Government Grants
  - The grant application is made by the Board
  - If accepted, an agreement is signed between the two parties
  - Once the agreement is signed, the funds are deposited directly in to the bank by the Government
  - Annual reporting is required to be submitted by the Board (from April 1 – March 31 basis)
  - When it hits the bank statement, Shelley codes it to revenue
- Interest on GICs
  - The interest is accrued at this point in time and is simply a journal entry.

#### Expenses:

- As invoices are received, they are scanned in to the system.
- If it's for a reoccurring payment it is matched to the credit card statement.
- If it's for non-recurring, it is scanned in to the system and a cheque is created from QuickBooks at that time.
- The Chief officer reviews the invoice and signs the cheque as approval.
- Given the limited number of transactions, cheques are issued as invoices are received.

#### Payroll:

- All employees are now on salary.
- Ceridian is contracted to do payroll monthly.

## CREDIT CARD AND EFT CONTROL QUESTIONNAIRE

**Entity Name:** Calgary Metropolitan Region Board  
**Completed by:** Jordon Copping (Chief Officer)  
**Date completed:** January 28, 2022

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### CHANGES NOTED IN BLUE FONT.

*Are credit cards used by the organization? - YES*

*What were the total credit card purchases for the year?*

- *\$15,340.94*

### **Credit Card Audit Checklist:**

#### **Policies:**

- **How many credit cards are issued to the organization?**

There are three credit cards

- **What is the limit set on the cards/\$ limit and transaction limit?**

Limits are \$5,000 per card

- **Who are authorized users for the cards; is there a listing maintained?**

Jordon, Shelley, and Lisa

- **Where are the cards maintained?**

Each carries their card on their person

- **Who is authorized to set up a user on a card; is there formal approval of this process?**

The Chief Officer is authorized to set up a card. Currently the Board (through a committee) would need to approve any new cards to be set up.

- **Are the purchase card policy and procedures formally documented (guidelines of when to use; allowable purchases etc.)?**

No specific policies in place. Purchases are limited to budgeted expenditures.

The Chief Officer reviews and approves all of the credit card purchases (just like the rest of the purchases). There is currently no signature indicating approval. The chair reviews and approved all of Jordon's purchases.

- **How are disputed transactions handled/are there policies and procedures in place?**

Any unauthorized (unbudgeted) purchases would be required to be repaid by the employee.

- **Are there policies in place to terminate/deactivate a card?**

No formal policy. It would be dealt with on a case by case basis

- **Are risks associated with the credit cards identified and monitored on a regular basis? If so who monitors this?**

All credit card statements are reviewed and posted monthly. Jordon reviews all statements. Credit card transactions are generally limited to reoccurring transactions and business travel costs.

- **Are there policies and procedures developed on how to handle rewards available on credit cards?**

No polices in currently in place. Currently, any points earned are used to pay off any o/s balances.

**Procedures:**

- **Who maintains the receipts?**

Shelley. All receipts are scanned in to QBO as received.

- **What kind of source documents are appropriate?**

Receipts.

- **Are purchase orders required for credit card purchases?**

No – no purchase orders used.

- **Who reconciles the receipts to the statements/are receipts attached to the credit card statement?**

Shelley.

- **Is there approval for payment of the monthly statement? Is there regular and timely review (monthly) of credit card payments?**

Credit cards are paid by cheque each month. The statements are reviewed as received by Jordon and are approved by Jordon. Jordon's cc expenses are approved by the Board Chair.

***Are EFT/Online transactions used by the organization? YES***

***What were the total EFT/Online transactions for the year?***

**EFT/Online Transactions Checklist:**

**Policies:**

- **Who is authorized to set up/edit EFT/Online Transactions; is there an approval of the set up in place; are there standard request forms in place to initiate a transaction (documentation); is there an authorized list maintained for vendors?**

Jordon has the authority to set up EFTs with the approval/consent of the Board chair. An official list is not kept but it's currently only two reoccurring transactions – payroll & rent.

- **Are banking agreements and authorized individual listings maintained and kept up to date (terminated employees)?**

No terminated employees as in first year of operations. Banking agreements are kept.

- **What type of transactions are allowed to be paid by EFT/Online?**

Payroll and rent.

- **Are there EFT limits set?**

Yes.

- **Are there EFT policies and procedures formally documented?**

Not currently.

**Procedures:**

- **What type of source documents are required?**

Agreement in place (rent), monthly approval (Ceridian).

- **How are transactions reviewed and approved within the system?**

Shelley reviews monthly while posting. Jordon approve monthly.

- **Who records the EFT transactions in the accounting software?**

Shelley.

- **Is there a regular and timely review (monthly) of EFT/Online payments?**

Yes. Shelley reviews as they hit the statement. Approved by Jordon monthly.

## GENERAL ORGANIZATIONAL CONTROLS QUESTIONNAIRE

**Entity Name:** Calgary Metropolitan Region Board  
**Completed by:** Jordon Copping (Chief Officer)  
**Date completed:** January 28, 2022

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This form should be filled out by both Management and those charged with governance (i.e. the Audit Committee, or Board if no Audit Committee exists). Please identify and describe general business and/or organizational controls.

### CHANGES NOTED IN BLUE FONT.

#### CONTROL ENVIRONMENT

- 1. Describe how the Board communicates the need for integrity and ethical values to management, and how management communicates the need to employees. Consider what constitutes acceptable/unacceptable workplace behaviour.**

The CMRB has policies governing Conflict of Interest, Procurement and Confidentiality which communicate the need for integrity and ethical behavior on behalf of members of the Board, staff and contractors working for the Board.

The Board stresses working together for the betterment of the Region and models that behavior in Board and Committee meetings.

CMRB administration is a small team, with five employees. All employees are professional and respectful in their approach to, and execution of, their jobs with a desire to deliver outstanding service to the public, stakeholders and the ten member municipalities.

- 2. Describe how senior management demonstrates a commitment to integrity and ethical values?**

Senior management discusses the need for integrity in staff decisions and actions and the need to not only be impartial staff of the Board, but to be seen as impartial staff of the Board.

Integrity and ethical decisions are discussed in all aspects of our operations including working with the ten member municipalities, procurement and working with external stakeholders.

- 3. Is there a formal code of ethics or written policy manual? Please describe.**

There is no formal code of ethics. There are five policies currently enacted, which coupled with the Calgary Metropolitan Region Board Regulation and Section 17 of the Municipal Government Act, govern the actions of the Board and Staff.

Management has developed of developing a Code of Conduct for both Board members and Staff.

**4. Describe the process followed by the Board for providing oversight/accountability to senior management. (Also describe what reporting is required to financial institutions, regulatory bodies, etc.).**

There is a Governance Committee of the Board meets on a quarterly basis, at minimum, to provide guidance and oversight on the issues outlined in the Terms of Reference listed below.

**Authority** The Governance Committee is established by the Board and reports to the Board through the Committee Chair. The Committee Chair shall provide leadership to the Committee members in fulfilling the mandate set out in these Terms of Reference.

**Purpose** The purpose of the Governance Committee (“the Committee”) is to provide a focus on governance that will enhance the Board’s performance.

**1. Responsibilities of the Governance Committee** The Governance Committee shall oversee, and provide advice and direction, to the Board in three primary areas:

- i. Board governance and operations
- ii. Finance
- iii. Human Resources.

As well, the Committee will be responsible for such other matters as may be assigned to them from time to time. The Committee Chair shall work with the Chief Officer and the Board Chair in planning Committee meetings and agendas.

**2. Governance Duties** With assistance from the Board Chair and the Chief Officer, the Committee shall review and recommend to the Board:

- a. Policies and procedures by which the Board operates
- b. Roles and responsibilities for the Board Chair and Chief Officer
- c. The Terms of Reference for all standing committees.

**3. Finance Duties** With assistance from the Board Chair and the Chief Officer, the Committee shall monitor the financial affairs of the Board, including the preparation of financial statements and annual audits, and shall make such reports and recommendations to the Board as it considers appropriate.

The CMRB is required to deliver an Annual Report, including audited financial statements, to the Minister of Municipal Affairs no later than 120 days after the year end.

**5. Describe the policies and procedures in place to minimize the potential for management override. Consider documentation required for senior management-initiated journal entries, estimates, accounting policy changes and exceptions made to established internal controls.**



The CMRB is a unique organization, receiving funding in large tranches from the government, which is documented and reported on to the Governance Committee and the Board.

The initiation of payments is made by the Office Manager. In the event that the payment is greater than \$10,000, sign off (or approval) is required from both the Chief Officer and the Board Chair as per Governance Policy G-01.

Detailed quarterly financial statements give the Board a very clear understanding of the revenues and expenditures of the CMRB.

Given the recent creation and small nature of the CMRB, there are currently no other policies/ procedures in place to minimize the potential for management override.

**6. Describe the policies and procedures followed by the audit committee/board of directors to:**

- **Participate with management in identifying and addressing organizational risks. (i.e. business risks, industry risks, control risks, fraud risks, etc.)**

The Board and Committees of the Board oversee the major work of Administration required to deliver the Growth and Servicing Plans. This includes providing input on, and the eventual approval of, the Work Plan to develop the Plans, giving authorization to develop RFP's and members of the Board will provide direct input on the selection of major planning consultants.

- **Minimize the risk of management override.**

Signing or approval is required from both the Chief Officer and the Board Chair to enter into a contract or authorize an expense greater than \$10,000. Given the small size of the Administration and the startup nature of the organization, management works closely with the Board and Committees, giving quarterly financial updates and answering questions from Board and Committee members.

- **Monitor the effectiveness of internal control.**

The Chief Officer meets with the Governance committee to report on and seek approval for: the Budget, quarterly financial reports and the development of policies governing the Administration and Board members.

- **Ensure the audit committee is independent from management?**

Management reports to the Governance Committee who provides oversight of the audit function. Management accepts direction from members of the Committee at the Committee meetings which occur quarterly or on an as needed basis.

- **Ensure there is sufficient financial expertise on the committee?**

By regulation the Board is comprised of the Mayors or Reeves of the ten member municipalities. The current Governance Committee has three members who are/ have been mayors or Reeves with experience providing financial oversight.

**7. What procedures are (would be) followed by management/audit committee when (if) they become aware of:**

- **Internal control deficiencies or overly aggressive accounting policies?**

Investigation of the issue by the management or the Board chair with sufficient external expertise/ support to conduct a thorough investigation of the issue.

- **Fraud?**

Investigation of the issue by the management with oversight of the Governance Committee or the Board chair with sufficient external expertise/support to conduct a thorough investigation of the issue as required.

Referral to the appropriate authorities for further investigation as warranted.

**8. How does management act to remove or reduce incentives or temptations that might motivate employees to engage in dishonest, illegal or unethical behaviour?**

CMRB Administration is a small organization and only the Chief Officer has the authority to enter into contracts on behalf of the organization. The Chief Officer and the Board Chair must both give approval in order to enter into contracts/ make payments which are greater than \$10,000.

The conflict of interest policy details what is acceptable behavior for employees and members of the Board. Given the small nature of the Board there is direct reporting to the Board or Committees on RFP values, successful proponents for RFPs and, quite often, direct reporting to the Board/ Committee members by the consultants on the work they are doing.

This creates a very transparent workplace which, in concert with the Conflict of Interest policy, reduces incentives for staff to behave in dishonest, illegal or unethical behavior.

**9. Describe the organizational structure and lines of reporting, and the process for changing the structure when appropriate. Consider whether internal control and segregation of incompatible duties are adequately addressed.**

Given the small size of Board Administration the organization is relatively flat with four staff reporting directly to the Chief Officer. At present there is no need for a change to this structure.

With respect to segregation of incompatible duties, the small team makes this somewhat challenging, however, in terms of financial reporting, the Office Manager is responsible for bookkeeping, initiating payment of bills and reconciling monthly bank statements. The Chief Officer provides oversight of these actions and has the authority to sign off on payments which are less than \$10,000.

An external accountant provides advice and guidance on bookkeeping, budgeting and preparing quarterly statements.

**10. Describe the process for allocating resources to employees/employee groups so that they can perform their assigned tasks. Consider funding, personnel and training.**

The mandate and the purpose of the CMRB is outlined in the regulation with two primary roles currently identified. First, development of a Growth and Servicing Plan and second, reviewing Statutory Plans against a Regional Evaluation Framework (REF).

What will be included in the Plans is detailed in the regulation and through direction from Committees and the Board. This direction sets the stage for allocating resources of the CMRB to ensure the plans are developed and finished no later than December 31, 2020.

Management has provided confidential estimates of consultant costs to the Board members for review.

All staff are focused on the delivery of these plans and on providing the administrative support necessary to deliver the plans.

**11. Describe HR policies such as hiring, compensation, performance evaluations, terminations and discipline to ensure that appropriate people are hired.**

Given the small team, and the recent creation of the CMRB, there are currently no formal HR policies in place. Attached is the employment contract which each employee of the CMRB has signed.

**RISK ASSESSMENT**

**1. Describe management's process for assessing risk, including:**

- **Business risks that would prevent achievement of goals.**

Team meetings drawing on the experience and expertise of CMRB administration, coupled with consultation with Board/ Committee members and municipal administrations

- **Significant business process risk. Consider all major processes.**

Timing is one of the most significant process risks for CMRB to deliver on its goals. These have been evaluated through creation of a detailed work plan, which is currently being vetted through the member municipalities. The plan leaves flex time to account for delays or missed milestones by contractors.

- **Risk that the financial statements may be materially misstated.**

This risk is minimal given the nature of the organization. Management has a contracted accountant to provide guidance on best accounting practices, provide internal verification for Budget and Quarterly documents.

2. **Describe the process in place to identify new risk factors that could impact the entity. Consider rapid growth, new operations, acquisitions/divestitures, new IT and control systems, new financial reporting requirements and changes in key personnel.**

As stated before, the main risk to achieving the current goals of the organization is time to develop the plans. This risk is being mitigated through the use of professional consultants and through scope management for the Plans.

As the organization matures and different business lines are decided upon by the Board, new risk identification procedures will be developed.

## **INFORMATION AND COMMUNICATION**

1. **Describe the information systems used to provide management with reports on performance compared to established objectives (i.e., budgets, profit targets and other financial and operating goals). Consider key performance indicators and the actions taken on exceptions.**

As has been previously stated, the current goals of the organization are to build a strong and globally competitive Region and to implement the Growth and Servicing Plans once approved by the Minister.

Given the nature of the organization, and its recent formation, there are no KPIs developed. These will be developed as part of the implementation of the Growth and Servicing Plans.

Limiting spending to the approved budget level, or below, is the bar by which financial objectives are measured. It is the goal of Administration to deliver the Plans in the most cost-effective way, being prudent stewards of public funds.

2. **How is this information used by management to monitor identified risks and the effectiveness of internal controls?**

Management provides detailed quarterly updates to the Board and Committees on the financial status of the CMRB. In addition, management provides regular updates to the Board/ Committees as appropriate on the status of work which has been directed by the Board/ Committee.

## **FINANCIAL REPORTING PROCESS**

- 1. Describe procedures for recording journal entries and other non-recurring adjustments to the annual/quarterly/monthly financial statements. Consider initiation, authorization, recording and processing.**

For smaller or monthly expenses, the Office Manager is responsible for entering expenses into Quickbooks and drafting a cheque for review and signature by the Chief Officer.

For larger invoices the Chief Officer and the responsible Project Manager review the invoice for accuracy and give approval for the invoice to be processed. The Office Manager enters the expense into Quickbooks and drafts a cheque for signature by the Chief Officer.

The Office Manager reconciles the monthly bank statements and these reconciled statements are reviewed by the Chief Officer.

- 2. Describe the process for developing significant accounting estimates. Consider:**

- **Capital asset amortization**

Straight line over useful estimated life of assets. Full year of amortization in year of purchase.

- **Determining doubtful accounts**

None – all funding prepaid by the Government.

- **Inventory valuation**

N/A – No inventory

- **Accrued liabilities**

The accrued liability is LAPP. The CMRB is a recently approved member of the Local Authorities Pension Plan. The nature of the approval process allowed the CMRB to begin withholding contributions after the application was accepted by the LAPP and so the CMRB has been accruing both employee and employer contributions to the LAPP since May of 2018. These were calculated based on the official contribution rates and have been held in the CMRB account until they can be remitted to the LAPP.

- 3. Describe the procedures followed for drafting the financial statements and related disclosures.**

Avail LLP will draft the financial statements. They will then be reviewed and approved by management, followed by the Governance Committee and then the Board.

Quarterly reporting - expenses are entered into QuickBooks as they are paid and each quarter these expenses are used to develop the quarterly reports which are approved by the Governance Committee and then the Board.

### **MONITORING**

- 1. Describe the policies and procedures in place to ensure physical assets (inventory, capital assets) are protected (i.e. assets are compared periodically to amounts recorded in the accounting records).**

Given the limited nature of physical assets and the nature of the CMRB operations the procedure for ensuring physical assets are protected is a visual verification of computers and office furniture during each work day and participated in by each staff member.

- 2. Describe management's process for taking appropriate action with respect to identified control deficiencies (i.e. previous management letter comments from the auditor).**

### **CHANGES**

- 1. Describe any major changes in your systems or operations during the year.**

None