

Status Report on Action Plans to Address Previous Audit Recommendations

Presented To:	Audit Committee
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Meeting Date:	June 22, 2021
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Type:	Correspondence for Information Only
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Prepared by:	Ron Foster Auditor General
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Recommended by:	Auditor General
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Report Summary

This report provides information regarding the status of management's action plans to address previous audit recommendations.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)


This report demonstrates that our actions align with the values in our strategic plan.

Financial Implications

There are no direct financial implications associated with this status report.

Background

By-law 2015-217 requires the Auditor General's Office to prepare annual status reports on completed audits to support accountability for results.

Status Report on Action Plans to Address Previous Audit Recommendations		
	Presented To:	Audit Committee
	Presented :	Tuesday, June 22, 2021
	Report Date:	Tuesday, June 9, 2021
	Type:	Report

Background

The Auditor General's Office monitors the status of management's action plans to address previous audit recommendations. In accordance with By-law 2015-217, annual status reports are provided to Council to support accountability for results. The summary below identifies the status of responses and action plans as at May 31, 2021.

Self-Assessment Follow-Up Report Compiled by Auditor General's Office

The appendices attached to this report contain detailed self-assessment reports for the following audit reports:

- Long Term Financial Planning
- Performance Audit of Risk Management Processes
- Value-For-Money Audit – Paramedic Services
- Value-For Money Audit – Fire Services
- Performance Audit of Capital Budgeting Process
- Performance Audit of Facilities Management
- Governance Audit of Greater Sudbury Community Development Corporation (GSCDC)
- Governance Audit of Greater Sudbury Police Services Board (GSPS)
- Performance Audit of Roads Infrastructure Maintenance Processes
- Performance Audit of Winter Maintenance Programs for Roads
- Governance Audit of the Downtown Sudbury Business Improvement Area
- Governance Audit of the Greater Sudbury Public Library
- Performance Audit of the Asset Management Program
- Cash Controls at the Citizen Service Centre at Tom Davies Square
- Cash Controls at the Downtown Transit Terminal
- Performance Audit of Fleet Services
- Performance Audit of Compensation Management Processes
- Performance Audit of Wastewater Services Section
- Performance Audit of Service Contract Management Processes

SUMMARY OF STATUS OF MANAGEMENT'S ACTION PLANS AT MAY 31, 2021

Audit Report	Audit Report Issued	Action Plans Carried over	Fully or Substantially Implemented	Action Plan Partially Implemented	Little Action Taken
Long Term Financial Planning	2016	3	2	1	0
Performance Audit of Risk Management Processes	2017	3	2	1	0
Value For Money Audit – Paramedic Services	2017	1	0	1	0
Value For Money Audit – Fire Services	2017	2	0	2	0
Performance Audit of Capital Budgeting Process	2017	1	0	1	0
Performance Audit of Facilities Management	2018	2	1	1	0
Governance Audit of GSCDC	2018	8	1	7	0
Governance Audit of GSPS	2018	2	0	2	0
Performance Audit of Roads Infrastructure Maintenance	2019	4	0	4	0
Performance Audit of Winter Maintenance Roads	2019	2	0	2	0
Governance Audit of Downtown Sudbury BIA	2019	2	0	2	0
Governance Audit of GS Public Library	2019	4	0	4	0
Performance Audit of Asset Management Program	2019	2	0	2	0
Cash Controls at Citizen Service Centre in TDS	2020	2	0	2	0
Cash Controls at the Downtown Transit Terminal	2020	2	1	1	0
Performance Audit of Fleet Services	2020	5	1	4	0
Performance Audit of Compensation Mgt. Processes	2020	4	0	3	1
Performance Audit of Wastewater Services Section	2020	4	1	3	0
Performance Audit of Service Contract Mgt. Processes	2021	2	0	2	0
Total		55	9	45	1
Percentage		100%	16%	82%	2%

Conclusion

A number of the above action plans have been delayed by the pandemic. This report indicates that 16 percent of the plans have been fully or substantially completed, 82 percent have been partially implemented whereas little action has been taken to address 2 percent of the recommendations.

Another status report will be provided to Audit Committee a year from now.

AUDIT Follow Up Report

To: Audit Committee

From: Ron Foster, Auditor General

Re: Audit of Long Term Financial Planning

Audit Report released	September 2016
Original # of Observations	5
# of Action Plans Previously Complete	2
# of Action Plans Being Closed Now	2
# of Action Plans on Next Follow Up	1
Status as of May 31, 2021	In progress

Observation and Summary of Progress (Based on Self-Assessment conducted by Corporate Services)	Self-assessed Status
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Observation 2

The City should ensure its boards and wholly-owned corporations have established appropriate LTFPs if they are dependent on the City for financial support of any type.

Original Management Response

Management will work throughout 2017 and 2018 to develop goals and specific action plans to support the achievement of the principles and policies within the revised LTFP once it has been presented to City Council.

**Partially
implemented**

Actions Taken, Results and /or Actions Planned - As of May 31, 2017

The City will request that the Outside Boards and GSHC consider developing Long Term Plans. This does not extend to the GSU or SACDC as these entities do not receive financial support from the City.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

The City recently received the updated Long Term Financial Plan from KPMG that identified the status and forecast of the 12 financial indicators. Staff will be reaching out to our business partners (Conservation Sudbury, Public Health Sudbury & District and Police Services) to encourage them to develop long term plans for their operations.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Staff worked with Conservation Sudbury on their financial plan in December 2018 as part of the 2019 annual budget process. Staff continues to work with the Police Services on their financial needs related to building needs but will encourage them to develop a longer term plan for their operation. Public Health Sudbury and District does not have co-terminus boundaries with the City; as such the City is only one funding partner and they would receive input from all partners. Public Health Sudbury and District's future operating model and the impact on the City is currently unknown. Once this becomes clearer we will reach out to their management team.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

The Police Services has continued to make contributions through its operating Budget to ensure long

term sustainability for fleet replacement, radio equipment replacement, server replacement, and a new police headquarters.

Conservation Sudbury completed a long term asset management plan in 2019 with implementation to commence in 2020. It has also identified strategic issues and opportunities to 2026 as identified on page 496 of the City's 2020 Budget.

Public Health Sudbury and Districts, does not have co-terminus with the City, as such the City is only one of many funding partners. Staff will reach out to their administration once the COVID-19 crisis subsides.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The Police Services continue to make contributions through its operating Budget to ensure long term sustainability for fleet replacement, radio equipment replacement, and server replacement. The Police Services are also increasing their allocation for debt repayment each year in order to fund the amounts required for a future police headquarters.

Public Health Sudbury and Districts, does not have co-terminus with the City, as such the City is only one of many funding partners. Staff will reach out to their administration once the COVID-19 crisis subsides. The Greater Sudbury Housing Corporation plans to develop a long-term financial plan over the next 12 months.

Observation 4

Progress toward the principles and policies within the new LTFP should be reported to Council each year within the annual budgeting process.

Complete

Original Management Response

Management will work throughout 2017 and 2018 to develop goals and specific action plans to support the achievement of the principles and policies within the revised LTFP once it has been presented to City Council.

Actions Taken, Results and /or Actions Planned - As of May 31, 2017

Progress in achievement of the principles and policies identified in the LTFP will be reflected in the 2018 Budget document under the Financial Section of the Overview tab.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

Staff are currently updating the Purchasing By-law to incorporate new thresholds as recommended by KPMG. It is also being updated to include provisions under the trade agreements (CETA & CFTA) and electronic tendering provisions. Improvements have been made in capital budget reporting, which will be formalized in the updated Capital Budget Policy. Staff will also be reviewing other financial policies to ensure alignment with the principles identified in the LTFP.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

A review on the status of the LTFP was included in the Budget Overview section in the 2019 Budget Document on page 25. The section included comments on the actions that Staff have taken in regards to the financial strategies endorsed in the LTFP. The 2019 Budget Document on page 278 in the Capital Budget Section included an update on the actions taken to date related to capital to fulfill the strategies of the LTFP. In addition the impact of, or the impact to, the LTFP was noted throughout the Budget Document.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

In accordance with the principle regarding long term investments identified in the KPMG long term financial plan, Council passed a new Reserves and Reserve Fund By-law, which has consolidated reserve funds and identified minimum balances for these reserve funds.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

In accordance with the principle regarding long term investments identified in the KPMG long term financial plan, Council passed a new Reserves and Reserve Fund By-law, which has consolidated reserve funds and identified minimum balances for these reserve funds.

The 2022 Budget Direction report, which includes a two-year forecast, identifies a contribution of the equivalent of 1% of the anticipated 2022 operating budget in the 2023 Operating Budget Forecast. This contribution will be prorated to the three main reserves of: Tax Rate Stabilization Reserve; Capital Financing General Reserve Fund; and Winter Control Reserve Fund. This allocation will provide Council with the ability to enhance the capital budget as well ensure that there are sufficient funds to meet future service sustainability needs.

Observation 5

Staff should provide Council with current information on the City's financial condition each year with the annual budget and any presentations on major capital project proposals.

Complete

Original Management Response

Previous annual budgets included a section on "Toward Fiscal Sustainability" which was based on the LTFP to illustrate the challenges facing the City along with the key principles and action items.

The annual budget document, as well as the City's annual financial report in conjunction with the City's audited financial statements, has included key financial information such as reserves and reserve funds, total debt, and key performance indicators. Also, the annual capital budget includes an unfunded list that illustrates the significant unfunded capital needs by service area.

Management has implemented several financial policies, processes and by-laws approved by various City Councils to manage the City's financial condition now and for the long-term. This includes the Operating Budget Policy, Capital Budget Policy, Debt Management Policy and the Reserves and Reserve Fund By-Law.

Management agrees with the limited progress made with the infrastructure deficit. Since 2002, management presented various City Councils with an option for a capital levy in accordance with the Observations of the LTFP to assist with the growing infrastructure deficit.

Previous City Councils approved a capital levy in the following years: 2005 of \$3.2M; 2006 of \$3.3M; 2007 of \$0.8M; 2008 of \$3.7M. This was partially offset by a permanent reduction to the capital envelopes of \$5M in the 2010 Capital Budget.

Actions Taken, Results and /or Actions Planned - As of May 31, 2017

Financial indicators will be included in the 2018 Budget as deemed appropriate.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

Financial indicators will be included in all future budget documents and updates of the LTFP.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Financial indicators on financial condition, including commentary were included in the 2019 starting on page 40. These indicators were also included in the update to Council on the LTFP in June 2018 and will be included in the Q3 2019 update.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Financial indicators continue to be provided in the City's budget document and major capital project decisions will be given consideration based on the financial condition of the municipality

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Financial indicators continue to be provided in the City's budget document, City's Annual Report and Long-term Financial Plan Update. Major capital project decisions continue to be given consideration based on the financial condition of the municipality. Asset renewals and replacement are prioritized annually based on the impact of probability and the consequence of failure with the implementation of the Capital Prioritization Tool and identified in the annual budget. Council receives regular updates on the Large Projects, such as the Kingsway Entertainment District, The Junction, and Place des arts.

Re: Performance Audit of Risk Management Processes

Audit Report released	May 2017
Original # of Observations	4
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	2
# of Action Plans on Next Follow Up	1
Status as of May 31, 2021	In progress

Observation and Summary of Progress (Based on Self-Assessment conducted by CAO)	Self-assessed Status
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Observation 2

A risk management process has not been developed to identify a standard approach for risk identification assessment, mitigation and reporting. As a result, responsibilities for risk management are not clear and different approaches to risk management have been adopted within the City.

A formal risk management process should be developed to standardize enterprise risk management (ERM) processes in the City. The ERM process encompasses risk identification, assessment, mitigation and reporting processes to ensure that significant risks are managed effectively.

Complete

Original Management Response

We agree. Management's view is the capacity to understand risk begins with a clear understanding about the services, work processes and projects staff are responsible for delivering. Starting in 2017, an enterprise-wide process and related technology applications will be introduced to facilitate the creation of a "common language" describing the corporation's programs and services. In parallel, Greater Sudbury's participation in the Municipal Benchmarking Network Canada will provide important contextual data to help identify both the factors that influence performance and, where Greater Sudbury may be an "outlier", prompt consideration of whether some change may be needed. These will inform the Executive Leadership Team's judgment in discussions designed to identify and assess risks, which are anticipated to occur as part of the annual business planning process.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

A formal ERM process is well developed at this point and meetings with Executive Leadership Team and Directors have taken place to introduce the concept, tools and scope. The framework and tool are aligned with measurements of risk in our new Asset Management Policy and Capital Budget prioritization tool. The AG has attended Executive Leadership Team, presented the approach and delivered an initial enterprise level risk register for review by ELT based on feedback from ELT and Directors.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

An Enterprise Risk Management policy was approved by Council in September 2018. Processes to support the policy's application have been introduced and informed a discussion about key risks included in the 2019 Budget. Work continues to further develop these processes and build staff's and Council's capacity for maximizing the value of the guidance provided by this policy.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

CGS Management has initiated the development of a comprehensive ERM Program, including reporting to Council. ERM will form an integral part of the City's annual business cycle and will ultimately assist Council in strategic decision-making and budget directions. In November 2019, the Executive Leadership Team approved a framework for the CGS ERM Program and in January 2020, an implementation plan was also approved. An ERM Advisory Committee has been named and work was started to compile a risk register for the organization and to train leadership staff in the principles and implementation of ERM. As a result of the significant resources allocated to the City's COVID-19 Emergency Response, and as reported to Council in a public staff report, this work has been set aside since late February. Staff are evaluating the potential to restart the project in the next few weeks and will keep Council updated on intent and subsequent progress.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

A formal ERM process is now in place and is being actively implemented.

Observation 3

Other than legal risks, Council does not receive an annual report on the major risks faced by the City, how they are currently being managed and what steps, if any, are recommended to further mitigate them.

To complement the periodic reports to Council on significant legal matters, an annual report on non-legal risks should be prepared for Council in conjunction with the annual budget and business plans.

**Partially
Implemented**

Original Management Response

We agree. Discussions about major risks are likely most effective at the start of the annual business planning process. Beginning in 2018, staff will incorporate the recommended report into a meeting about 2019 budget directions.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

A summary was included in the 2019 budget directions and staff continue to work with the AG on reporting relating to the enterprise risk registry. This will be a great asset to assist with upcoming strategic planning with a newly elected Council.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

An Enterprise Risk Management policy was approved by Council in September 2018. Processes to support the policy's application have been introduced and informed a discussion about key risks included in the 2019 Budget. Work continues to further develop these processes and build staff's and Council's capacity for maximizing the value of the guidance provided by this policy.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

CGS Management has initiated the development of a comprehensive Enterprise Risk Management (ERM) Program, including reporting to Council. ERM will form an integral part of the City's annual

business cycle and will ultimately assist Council in strategic decision-making and budget directions. In November 2019, the Executive Leadership Team approved a framework for the CGS ERM Program and in January 2020, an implementation plan was also approved. An ERM Advisory Committee has been named and work was started to compile a risk register for the organization and to train leadership staff in the principles and implementation of ERM. As a result of the significant resources allocated to the City's COVID-19 Emergency Response, and as reported to Council in a public staff report, this work has been set aside since late February. Staff are evaluating the potential to restart the project in the next few weeks and will keep Council updated on intent and subsequent progress.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

An initial risk register will be presented to Finance and Administration Committee in June 2021, in conjunction with the Budget Directions Report. This report sets the stage for the development of the 2022 Municipal Budget and is the appropriate time to provide a risk management context for Council's decision-making process. This practice will continue in future years.

Observation 4

The City has a moderate level of readiness to implement ERM processes as members of the Executive Leadership Team are already employing various risk management techniques within their daily management activities.

An implementation plan that is tailored to the readiness of the City to adopt standardized risk management processes and to integrate them with other management processes should be developed.

Complete

Original Management Response

We agree. The recommended policy will be developed and presented to Council by the Chief Administrative Officer for approval before the end of the third quarter.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

The work to date is on track to meet or exceed this deadline for a presentation of our approach and initial outcomes for Council.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

An Enterprise Risk Management policy was approved by Council in September 2018. Processes to support the policy's application have been introduced and informed a discussion about key risks included in the 2019 Budget. Work continues to further develop these processes and build staff's and Council's capacity for maximizing the value of the guidance provided by this policy.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

CGS Management has initiated the development of a comprehensive Enterprise Risk Management (ERM) Program, including reporting to Council. ERM will form an integral part of the City's annual business cycle and will ultimately assist Council in strategic decision-making and budget directions. In November 2019, the Executive Leadership Team approved a framework for the CGS ERM Program and in January 2020, an implementation plan was also approved. An ERM Advisory Committee has been named and work was started to compile a risk register for the organization and

to train leadership staff in the principles and implementation of ERM. As a result of the significant resources allocated to the City's COVID-19 Emergency Response, and as reported to Council in a public staff report, this work has been set aside since late February. Staff are evaluating the potential to restart the project in the next few weeks and will keep Council updated on intent and subsequent progress.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The ERM Implementation Plan has been developed and actions are now being undertaken in accordance with the plan.

Re: Value-For-Money Audit Paramedic Services

Audit Report released	May 2017
Original # of Observations	2
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	1
Status as of May 31, 2021	In progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by Emergency Services)	

Observation 3

Paramedic Services currently operates from 11 stations, eight of which are cohabitated with Fire services. Condition assessments prepared by CCI in 2013 and 2014 indicate that maintenance programs over the last 20 years have not kept up with the pace of deterioration in the City's stations which on average are over 40 years old. Some maintenance was also postponed pending the outcome of the optimization project that was recently completed.

Coordinate with facilities maintenance and finance staff to develop a multi-year program to catch up on essential station maintenance that has been deferred.

**Partially
Implemented**

Original Management Response

We concur with the Auditor General's recommendation.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

Community Safety are coordinating with facilities staff in carryout building condition assessments and air quality assessments to assist in developing a prioritized plan to catch up on building maintenance requirements.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Paramedic Services continues to operate from 11 stations, eight of which are cohabitated with Fire Services. Building Assets has generated an extensive building condition assessment for all Emergency Service stations. The report includes the year the Emergency Services station was built, the repair costs over the past ten years and a building replacement cost for each station. In addition, Community Safety has posted an RFP to obtain a consultant to produce a comprehensive report and plan for Councils consideration in the revitalization of our Emergency Services stations.

In 2018 Paramedic Services addressed the issues identified in the Designated Substance Survey (DSS) provided by Golder Associates in December 2017. The stations identified that required immediate action were Capreol, Chelmsford and Levack.

Capreol

Paint containing lead was peeling in the stairway. The issue has been remediated by scraping off the loose paint and repainting the affected area. A wall in the basement area had cement board attached to it. The cement board contained asbestos and has been removed. A drain pipe in the garage area contained asbestos. A label has been placed onto the pipe identifying asbestos, in case any work has to be conducted on the pipe.

Chelmsford

Paint containing lead was peeling in the garage area. The issue has been remediated by scraping off the loose paint and repainting the affected area.

Levack

Damaged paint, containing lead, was peeling in the kitchen and bathroom areas. The issue has been remediated by scraping off the loose paint and repainting the affected area.

In November 2018, Building Services and Fire and Paramedic Services, jointly completed Indoor Air Quality testing at all Emergency Services stations. The Final report has recently been received and is currently being reviewed.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

A station rationalization project is currently underway with the objective of addressing long term asset sustainability, identifying and developing various options as it relates to renovating, rebuilding, consolidating or building new facilities. This project is being completed in collaboration with Assets section who have led station site reviews and data gatherings. A series of reports on asset condition commenced in late 2019, the next report is scheduled for the Finance and Administration meeting on June 16, 2020. Additional reports on station location and functionality will follow by the end of 2020.

The issues identified within Designated Substance Survey (DSS) provided by Golder Associates in December 2017 within the 11 stations have been addressed and continue to be monitored during Health and Safety inspections.

In 2018 Indoor Air Quality (IAQ) was conducted to evaluate emission levels from emergency service vehicles at all stations starting with the ten cohabitated stations. As a result of the IAQ a Point of Source Capture System (PSCS) is being tendered for the four city core stations and Val Therese, during 2020. All ambulances will be outfitted to accommodate the PSCS.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

In February of 2021 Council approved securing the services of Operational Research in Health Limited (ORH Ltd) to conduct a station location study. This collaboration was initiated in March 2021. This asset renewal project maintains the objective of addressing long term asset sustainability, identifying, and developing various options as it relates to renovating, rebuilding, consolidating, or building new facilities, health and safety of our staff, trends, and growth patterns. The study will provide options to bridge the growing capital gap and reduce long-term maintenance costs related to facilities. This project has been in partnership with the Building and Assets Section who have led station site reviews and data gatherings. A report to Council is expected in 2021 from ORH Ltd and the General Manager of Community Safety.

In 2018 Indoor Air Quality (IAQ) was conducted to evaluate emission levels from emergency service vehicles at all stations starting with the ten cohabitated stations. As a result of the IAQ a Point of Source Capture System (PSCS) was tendered and awarded for the four city core stations and Val Therese. COVID restrictions have impacted the completion timelines of this project. As of May 31, 2021 the PSCS's have been installed at Van Horne and Long Lake Stations, but are not operational at this time. Within the following year, the three remaining stations will have the PSCS installation completed and all five PSCS will be operational. All ambulances will be outfitted to accommodate the PSCS.

The issues identified within Designated Substance Survey (DSS) provided by Golder Associates in December 2017 within the ten stations have been addressed and continue to be monitored during Health and Safety inspections.

Re: Value-For-Money Audit Fire Services

Audit Report released	May 2017
Original # of Observations	3
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	2
Status as of May 31, 2021	In progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by Emergency Services)	

Observation 1

The GSFS presently operates with 95 career firefighters that are assigned to the Van Horne, Minnow Lake, Leon Avenue and Long Lake Stations. The Val Therese composite station has 9 career firefighters and 18 volunteers. Nineteen other stations operate across the City with 10 to 20 volunteers each.

The City's By-Law 2014-84 establishes and regulates the GSFS but does not set out service level standards to allow management, Council and the public to assess the performance of the City's firefighting services. Most fire services use the standards of the National Fire Protection Association to measure performance.

Significant risks associated with the GSFS' firefighting service arise from the number and location of fire stations and number and mix of firefighters presently assigned to each station.

In 2016, the GSFS conducted a review of risks to people and property in response to IBI's comprehensive review of fire services that identified potential gaps in the existing response capacity of the GSFS outside of the City core. The potential gaps relate to the number and location of stations outside the City core and the level and type of staff in each station. Our review of service levels indicated that 45% of the responses to fire calls from the volunteer stations in 2016 took greater than 9 minutes while 24% of the responses took less than 6 minutes. This compares to 16% and 67% in the City core.

Our review of the skill sets of staff identified gaps in the GSFS' capabilities for technical rescue such as auto extrication, ice and water rescue, confined space, trench and hazardous material (HAZMAT). The depth of expertise in technical rescue currently varies from one community to the next and is not commensurate with the community risk profiles. Staff currently only has an awareness level for HAZMAT response which is insufficient for communities with a large industrial economy and major networks of railways and roads.

Our assessment of the participation rates of volunteer staff in training programs and response rates to fire calls identified significant concerns. The response rates per volunteer in training indicated that the average rate of participation was only 37 percent.

In 2013, the City agreed to pilot the 24-7 hour shift for its career firefighters. We noted that the City has not yet evaluated the effectiveness or efficiency of this shift. Our audit identified risks to both staff and the public from the adoption of this shift as well as concerns about its efficiency between 2300 hours and 0700 hours when the volume of fire calls is significantly lower.

Recommendations:

- i. Establish reasonable and attainable service level targets for responding to fire calls, formalize them within the Establishing and Regulating Fire Services By-law, communicate them to the public and report annually to Council on them;
- ii. Prepare a business case for specialized training and equipment to bolster the GSFS' technical rescue capability as well as HAZMAT response capability;
- iii. Establish minimum participation rates of 65% for volunteers for training to improve their effectiveness;
- iv. Develop revised fire call response protocols and provide improved communications tools to facilitate improvements to call response rates for volunteer staff;
- v. Establish minimum call response rates of 50% for volunteers to improve their reliability and effectiveness; and
- vi. Continue to pilot the 24-7 shift and, in conjunction with staff from Human Resources and Organizational Development, assess its costs and benefits relative to other shifts.

Partially
implemented

Original Management Response

We concur with the Auditor General's (AG's) findings. It should be noted regarding the 24 hour shift recommendation that the fulltime fire firefighters association and fire administration are subject to interest arbitration as per the provisions of the Fire Protection and Prevention Act and as such it would not be prudent to comment on this recommendation.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

- i. The Community Safety Department is continuing to develop for implementation a suite of department business analytics both Fire and Paramedics Services based upon current service levels and regulatory requirements that will provide both situational awareness and performance monitoring capabilities through a set of dashboard metrics and analytic tools. These analytics should be in place by 3rd quarter of 2018. In addition, the Ministry of Community Safety and Correctional Services has adopted Public Reporting regulations that will come into force on January 1, 2020 that mandates specific performance reporting for the fire service. A report on the current enabling by-law and service levels will be developed and presented to the Emergency Services Committee by 3rd quarter 2018. *Any additional resources required to meet regulatory requirements will be identified at that time as well as in the budget for 2019.*
- ii. Any additional training or equipment required to meet regulatory requirements will be identified following the establishment of service level metrics in Q3 of 2018.
- iii. "The City negotiated a minimum training attendance rate of 1 weekly training night per month or 12 per year as part of the 2017-2019 collective agreement with CLAC Local 920 for volunteers. The adequacy of this rate will be reassessed relative to the new regulatory requirements for training that are being phased in commencing July 2019.

- iv. The Fire Service is reviewing fire call response protocols and will make changes in an effort to optimize service levels within current approved budgets. The Fire Service continues to review our communications and paging systems in order to identify opportunities for improvements.
- v. The City negotiated a minimum 25% attendance rate for incidents as part of the 2017-2019 collective agreement with CLAC Local 920. The adequacy of this rate will be reassessed following the establishment of service level metrics in Q3 of 2018.
- vi. The interest arbitration award that the City received last August imbeds the 24 hour shift into the agreement.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

- i. Fire Services will present a report to committee of council on the Establishing and Regulating By-Law in Q3 of 2019. The report will outline current service delivery across the municipality and will provide general costing for enhanced service levels. Utilizing the By-law to recommend inclusion of performance standards and preparing the Fire Service for the reporting requirements of Provincial legislation, which will come into effect in 2020.
- ii. Currently, analytic tools accompany customized data exports which support and drive service delivery. This will measure the formal performance targets which may be set out by the Fire Chief and Council. The reporting of these measures may be made public.
- iii. Council directed funding and support for a HAZMAT response program was approved in the 2019 budget. The delivery of training for responders is in development while resources and supplies to support the program are in the procurement process. HAZMAT operational response is planned for deployment in Q4 of 2019.
- iv. The CLAC collective agreement remains in effect until the end of 2019 with established minimum participation rates of 12 training sessions, approximately one session per month. Discussion of this rate will occur during the bargaining process for a new collective agreement. The current rate does not meet the effectiveness described as being required in this report.
- v. Fire deployment models for response are continually developed, modified, tested, reviewed, and implemented across the Service. Enhancements which allow for proper on-scene resources (manpower or apparatus) are modeled against response data for optimal incident mitigation strategies. Replacement of analog paging with digital systems for volunteers continues across the region. Introduction of real-time data links between communicators and responders is ongoing and systems to engage volunteer responders earlier and request their immediate response status are being tested.
 - vii. The CLAC collective agreement remains in effect until the end of 2019 with established minimum incident participation rates of 25%. Discussion of this rate will occur during the bargaining process for a new collective agreement.
 - viii. The interest arbitration award that the City received August 2017 imbeds the 24 hour shift into the agreement.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

- i. The Municipal Benchmarking Network Canada (MBNC) metrics are utilized to compare Fire Services response data, year over year. Service levels are monitored against comparable jurisdictions and our own previous measurements. These metrics are reported publicly each year. We do not anticipate further action to be taken on this item until the Province determines if they will be legislating new response time standards.
- ii. HAZMAT program was approved by Municipal Council and funding provided. Logistical requirements are being procured following CGS purchasing policies and training requirements with associated programs are under development. Initial awareness training is underway with operational training being setup for the winter of 2020. It is anticipated that Operational HAZMAT response will be implemented by the end of year 2020 in the assigned technical rescue response station(s). This time line could be impacted as a result of COVID-19. No further action to be taken on this item once implemented.
- iii. A minimum participation rate of 25% was negotiated into the previous collective agreement for emergency incidents. Fire Services is currently in negotiations with Volunteer Firefighters, CLAC local 920, for a new collective agreement to replace the current agreement which expired in 2019. No further action can be taken outside of the collective bargaining process.
- iv. Digital paging technologies have been implemented in 75% of all volunteer response stations. Remaining stations will be completed pending further approval of funding by Municipal Council. Additional technologies for advanced data gathering and mobile computer aided dispatch functionality have been tested and will be presented as a business case for the 2021 budget process. No further action can be taken until budget approvals for funding are passed by Municipal Council.
- v. A minimum participation rate for training of 12 – 2 hour 25% was negotiated into the previous collective agreement for emergency incidents. Fire Services is currently in negotiations with Volunteer Firefighters, CLAC local 920, for a new collective agreement to replace the current agreement which expired in 2019. No further action can be taken outside of the collective bargaining process.
- vi. The 24 hour shift was imbedded in the collective agreement between the Sudbury Professional Firefighters Association and the City of Greater Sudbury as per an Arbitration award in 2017. No further action can be taken outside of the collective bargaining process.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

- i. The Municipal Benchmarking Network Canada (MBNC) metrics continue to be utilized to compare Fire Services response data, year over year. Service levels are monitored against comparable jurisdictions and our own previous measurements. These metrics are reported publicly each year.
- ii. HAZMAT program was approved by Municipal Council, funding provided, and implementation over 2020 to the Operational Level was achieved. Continued implementation of resources and training to support the Technical Level of response is currently underway with partial operational response for 2021. The HAZMAT program is ongoing and will maintain an annual training program and certification for Fire Services.

- iii. A minimum participation rate of 25% was negotiated into the previous collective agreement for emergency incidents. Fire Services remains in negotiations with Volunteer Firefighters, CLAC local 920, for a new collective agreement to replace the current agreement which expired in 2019. No further action can be taken outside of the collective bargaining process.
- iv. Digital paging technologies have been implemented in all volunteer response stations. Additional technologies for advanced data gathering, staffing availability, and mobile computer aided dispatch functionality have been tested and may be presented as a business case for the 2022 budget process. No further action can be taken until budget approvals for funding are passed by Municipal Council.
- v. A minimum participation rate for training of 12 – 2 hour sessions and 25% of all emergency incidents - was negotiated into the previous collective agreement. Fire Services is currently in negotiations with Volunteer Firefighters, CLAC local 920, for a new collective agreement to replace the current agreement which expired in 2019. No further action can be taken outside of the collective bargaining process.

The 24 hour shift was imbedded in the collective agreement between the Sudbury Professional Firefighters Association and the City of Greater Sudbury as per an Arbitration award in 2017. No further action can be taken outside of the collective bargaining process.

Observation 2

The GSFS has operated 24 stations across the City with few changes for the last 16 years since amalgamation. Condition assessments prepared by CCI in 2013 and 2014 indicate that maintenance programs and budgets have not kept up with the pace of deterioration in the City's stations which on average are over 40 years old. Our analysis indicated that essential station maintenance has been deferred over the last several years due to budget constraints as well as recommendations to rationalize the number of stations from IBI's comprehensive fire services review. Our analysis indicates that budgets for fleet have also not kept pace with the annual cost increases for front line vehicles which include pumpers, aerials, bush trucks and other rescue equipment.

Research on fire master plans and fire location studies indicated that residents and property owners would very likely benefit from a modest relocations of the stations when they reach the end of their useful lives. Research also indicated that the most effective locations for replacement stations can be determined by modeling techniques which examine actual fire call volumes. Modeling techniques also show the potential benefits to response times that can be achieved by placing stations in alternative locations.

Recommendations:

- a) Coordinate with facilities and finance staff to develop a program for essential station maintenance;
- b) Prepare a business case for a fire station location study to effectively plan for the replacement of stations that are approaching the end of their useful service lives; and
- c) Where budgets are insufficient to maintain existing service levels, prepare a business case for the replacement of front-line equipment that has reached or is about to reach the end of its useful service life.

**Partially
implemented**

Original Management Response

We concur with the Auditor General's observations.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

- a) The coordination with facilities and finance is currently underway as we await the follow-up on building condition assessments including designated substance assessments and air quality testing that will help determine a longer term plan to replace, renew and repair those stations based on priority needs.
- b) As above
- c) The business case for equipment that was tabled as part of the 2018 budget was not approved by Council. The requirements for equipment will be revisited in conjunction with the development of a long- term capital plan.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

- a) The Community Safety Department, in partnership with Buildings and Assets, and Procurement, has posted an RFP seeking a consultant to assist in developing a comprehensive Community Safety Station Revitalization Plan. High level goals and objectives of this revitalization plan include addressing long term asset sustainability, identifying and developing various options as it relates to renovating, rebuilding, consolidating or building new facilities, assessing the current service model against municipal objectives, health and safety of our staff, trends and growth patterns, and finally, presentation to Council with solutions to bridge the growing capital gap and reduce long- term maintenance costs related to facilities. The RFP has closed and a timeline has been established with a goal of project completion in time for budget considerations.
- b) The above report shall provide status of current building stock and provide options or recommendations to be considered. Council will direct the Community Safety Department in moving this forward once it has been presented and discussed.
- c) Business cases are submitted to the newly developed Capital Prioritization process with several being accepted and moved forward for front line equipment requiring replacement. On order are two tanker apparatus and one ladder apparatus with allocation for one additional pumper apparatus. In addition, there was funding allocated for a new water rescue craft and HAZMAT response resources. Future requests shall follow a model which will replace front line equipment in a methodical manner.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

- a) A station rationalization project is currently underway with the objective of addressing long term asset sustainability, identifying and developing various options as it relates to renovating, rebuilding, consolidating or building new facilities, assessing the current service model against municipal objectives, health and safety of our staff, trends and growth patterns, and finally, presentation to Council with solutions to bridge the growing capital gap and reduce long- term maintenance costs related to facilities. This project has been a collaboration with the Building and Assets section of the corporation who have led station site reviews and data gatherings. A series of reports on asset condition commenced in late 2019.

The next report is scheduled for the Finance and Administration meeting on June 16, 2020, additional reports on station location and functionality will follow in 2020.

- b) Front line equipment business cases have been presented and approved for Fire Pumpers and Tankers in 2019 and 2020. These units have a multi-year plan approved by council and are on track for planned replacement as required due to age. Remaining front line units will have business plans presented during future budget deliberations commencing in 2021, these include Support units and operational small fleet. Rescue water craft has been approved and ordered with delivery in spring of 2021. Ladder apparatus, three pumpers, and two additional tankers remain on target for delivery in 2020.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

- a) In February of 2021, Council approved securing the services of Operational Research in Health Limited (ORH Ltd) to conduct a station location study. This collaboration was initiated in March 2021. This asset renewal project maintains the objective of addressing long term asset sustainability, identifying, and developing various options as it relates to renovating, rebuilding, consolidating, or building new facilities, health and safety of our staff, trends, and growth patterns. The study will provide options to bridge the growing capital gap and reduce long-term maintenance costs related to facilities. This project has been in partnership with the Building and Assets Section who have led station site reviews and data gatherings. A report to Council is expected in 2021 from ORH Ltd and the General Manager of Community Safety.
- b) Business plans presented during current and future budget deliberations commencing in 2022 follow standardization models and calculated annual capital requirements. These include Pumpers, Tankers, and Support units and operational small fleet. Specialized equipment, spare Ladder truck, and technical response capital needs will be addressed through the prioritization process moving forward.

Re: Performance Audit of Capital Budgeting Process

Audit Report released	October 2017
Original # of Observations	2
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	1
Status as of May 31, 2021	In progress

Observation and Summary of Progress (Based on Self-Assessment conducted by Corporate Services)	Self-assessed Status
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Observation 1

During the annual capital budgeting process, insufficient funding is allocated to the capital envelopes to maintain the City's tangible capital assets which have an estimated replacement cost of \$7.2 billion. Funding levels for the reserves also do not cover the replacement costs of these assets. As a result, the City will be required to issue debt or employ alternative financing techniques to replace its aging tangible capital assets which have deteriorated significantly over the years. Unless steps are taken to extend their lives, over 40% of these assets will be approaching the end of their useful service lives over the next 10 years.

According to KPMG, an estimated infrastructure funding gap of \$3.1 billion will exist by 2026. Approximately \$1.9 billion is required to replace the tangible capital assets that are presently operating beyond their useful lives and an additional \$1.2 billion of investment will be needed by 2026. To address these gaps, KPMG recommended that the City implement a 2% special levy, rationalize its service levels and tangible capital assets and use debt to finance major capital projects.

Our audit indicated that the funding gap has been growing for some time because of insufficient funding of annual capital budgets relative to current levels of service. Despite periodic as well as small annual increases to capital budgets, the City's tangible capital assets have continued to age and deteriorate to the point that higher taxes and debt are likely required to maintain the City's current level of services.

Our analysis indicated that raising taxes via a special annual levy is unlikely to raise sufficient funds to meet the \$3.1 billion of infrastructure funds that KPMG projected would be required by 2026. As shown below, less than one tenth of the required funds would be raised by a 2% annual special levy. Given the size of this funding gap, raising taxes and issuing debt or employing alternative financing techniques such as public private partnerships to replace the City's aging assets will not resolve this growing problem on their own.

Special Levy	10 Years	20 Years	30 Years	40 Years
2%	0.30 billion	1.28 billion	3.17 billion	6.28 billion

Unless the City experiences significant growth in the future or receives significant funding assistance from the upper tiers of government, it will be unable to replace all its tangible capital assets at the end their useful service lives. To ensure financial sustainability, steps must be taken to develop formal asset management programs, rationalize capital assets and service levels, and shift funding

from operating to capital budgets. These steps will align the annual capital budgeting process with the long-term financial plan and asset management plan.

Recommendations:

1. Continue to seek additional funding from upper tiers of government to address the City's infrastructure funding requirements;
2. Continue to move forward with plans to develop a financially sustainable asset management program to rationalize the City's tangible capital assets and manage their lifecycle costs more effectively;
3. Identify options to increase the capital budget to help address the \$3.1 billion of infrastructure funding requirements that were identified by KPMG in the City's asset management plan;
4. Initiate a core service and service level review program to rationalize service levels to allow funding to be directed from operating budgets to capital budgets;
5. Examine the potential merits of using alternative financing strategies such as public private partnerships when planning for the replacement of the City's aging tangible capital assets; and
6. Require business cases to be prepared for all new infrastructure projects to demonstrate their need as well as their affordability within the long-term financial plan.

**Partially
Implemented**

Original Management Response

City management and staff understand the pressures facing the City of Greater Sudbury and its capital infrastructure funding requirements since the first long term financial plan completed in 2002. It is important to note that all municipalities are experiencing the same pressure with its capital infrastructure. For example, the President of the Association of Municipalities of Ontario has been quoted relating to understanding Canada's municipal infrastructure deficit by saying:

"The infrastructure underinvestment problem has emerged over the last two decades. In the early 1990s, the federal government transferred a significant portion of its operating deficit to provinces and territories by drastically cutting funding transfers. In Ontario, in turn, the provincial government downloaded part of its operating deficit to municipalities by downloading costs for programs such as welfare, social housing, ambulance services and 5,000 kilometers of provincial highways and related bridges. The results are clear. Federal and Provincial historical budget deficits have been transformed into a municipal infrastructure deficit. As a result of the massive shift in financial responsibilities, municipalities have had to increase taxes year after year, reduce services in the community, and defer infrastructure rehabilitation to later in its lifecycle."

Staff has presented options for past and current Councils for a special capital levy during the annual budget process. As stated by the Auditor General, past City Councils have approved a special levy to improve the capital budget during the years of 2005, 2006, 2007, 2008 and 2012 which have been partially offset by permanent reductions in years 2010 and 2015.

In addition, staff agrees with the recommendations from KPMG within the Asset Management Plan that was presented to City Council in December 2016. The recommendations include the following:

- a) Establishing service levels that consider employment of assets beyond the end of their useful lives
- b) A multi-year program of affordable tax increases (e.g. 2%) that would be restricted to capital

(special capital levy)

- c) The increased use of debt for the financing of major capital projects
- d) The realignment of the City's capital envelopes to ensure appropriate balancing
- e) A focus on asset rationalization
- f) Service rationalizations

These recommendations will be reviewed by staff and presented to Council(s) for consideration of any changes to service levels, use of debt financing (such as for the large projects) as well as special capital levy to improve the infrastructure requirements. Also, staff is preparing a revised Capital Budget Policy which will have one capital envelope that will be used to fund capital projects based on ranking of certain criteria/ranking system. This will ensure that the capital funds are allocated to the capital projects with highest priority for the overall City as opposed to by department/division. This new Capital Budget Policy will also include recommendations from the Asset Management Coordinator, which was a new position that City Council approved during the 2017 Budget.

Actions Taken, Results and /or Actions Planned - As of May 31, 2018

The first draft of the new Capital Budget Policy will be presented to the Executive Leadership Team (ELT) on June 21, 2018. Based on feedback from ELT, the Policy will be updated and presented to Council in early fall. Consistent with previous years, the consideration of a capital levy was provided in the 2018 Budget.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

The Capital Budget Policy was approved by Council in January 2019 and the methodology in the new Capital Budget Policy was used for preparation of 2019 Capital Budget. Consistent with previous years, the consideration of a capital levy was provided in the 2019 Budget.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Staff continues to seek additional funding from upper tiers of government including submitting applications for various grant programs as they are announced.

Staff is moving forward to developing an asset management program which is being coordinated by the Asset Management Coordinator that started in late 2017 and the City will achieve the Provincial requirement of a comprehensive asset management plan by July 2024. The limited funds available are allocated towards the organization's projects of highest priority.

Through each budget process, staff recommends a special capital levy to help address the infrastructure funding requirements. During the 2020 Budget deliberations, Council did approve a special capital levy of 1.5%. Staff prepared two reports on potential capital projects that can be completed with these funds. It is important to remember that the amount of the infrastructure funding requirement is an estimate based on estimated replacement values and estimated useful life of each asset. The City, like all other municipalities, do utilize their assets beyond its estimated useful life. The special capital levy of \$4.1 million approved in the 2020 Budget was a permanent funding source, so the 2021 Capital Budget is expected to have an additional \$4.1 million available to allocate towards capital projects.

Staff have completed the core service review which has been presented to Council. It continues to be reviewed and discussed by Council and any directions or decisions will be provided to staff at a later time due to the ongoing COVID-19 pandemic.

Since 2018, the annual Budget has included business cases for new infrastructure projects such as The Junction, Kingsway Event Centre, and Pioneer Manor Bed Redevelopment.

The Capital Budget Policy was approved by Council in January 2019 and the methodology has been used in the preparation of the 2019 and 2020 Capital Budget and will continue to be used for the 2021 Capital Budget and future years.

However, due to the COVID-19 pandemic that commenced in our community in March 2020, the special capital levy has not been approved towards capital projects. The special capital levy funds may be set aside to assist with the funding for the expected deficit the City will incur due to the COVID pandemic in 2020. If the funds are not required in 2020 due to COVID, then Council will approve the available amount to capital projects later in 2020 or in 2021.

In early 2020, staff recommended a revised Reserves, Reserve Funds and Trust Funds By-Law as well as a Reserve Fund Policy that have been approved by Council. The key changes to the By-law include consolidation of various capital financing reserve funds to coincide with the Capital Budget Policy along with other reserves and reserve funds to be in accordance with the City's enterprise-wide approach. In addition, staff created a Reserve Fund Policy which recommends minimal target amounts for some of the reserves to ensure the sufficiency of these funds to meet future service sustainability needs. If a reserve fund balance does not meet the minimum target, attention will be given to those reserve funds and effort will be made to increase the fund balances to the minimum target level.

Starting with the 2021 Budget, staff will recommend within the annual Budget direction for Council's consideration to include a contribution to reserves that will be prorated to the three main reserves of: Tax Rate Stabilization Reserve; Capital Financing General Reserve Fund; and Winter Control Reserve Fund. Council's consideration for the actual contributions to the reserve funds will be based upon factors in given year including financial pressures or challenges being faced, such as COVID-19, downloading of costs from upper levels of government, decreases in other sources of funding such as grants from upper levels of government, user fees, and investment income.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Starting with the 2021 Budget Process, staff have recommended within the Long-term Financial Plan a contribution to reserves starting in 2023 from the operating budget. This allocation will be the equivalent of 1% of the 2022 Municipal Levy and prorated to the three main reserves of: Tax Rate Stabilization Reserve; Capital Financing General Reserve Fund; and Winter Control Reserve Fund. This allocation will provide Council with the ability to enhance the capital budget as well as ensure that there are sufficient funds to meet future service sustainability needs. This allocation has been provided for in the 2023 Forecast identified in the 2022 Budget Direction Report and Long-term Financial Plan update which are on the June 22, 2021 Finance and Administration Committee agenda.

Re: Performance Audit of Facilities Management

Audit Report released	May 2018
Original # of Observations	3
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	1
# of Action Plans on Next Follow Up	1
Status as of May 31, 2021	In progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by Corporate Services)	

Observation 1

The “Asset Management Strategy” that was presented to Council in October 2017 identifies the City’s legislated requirement to prepare an asset management plan and sets out the steps that will be taken to prepare an asset management strategy. A draft enterprise asset management policy was also recently developed to address the risk of failure of the City’s ageing infrastructure assets. Once staff obtain condition assessments for all City facilities, they can finalize the asset management strategy. Until the strategy is complete, however, the service level, cost and risk implications associated with the City’s ageing facilities and other infrastructure will remain unclear.

Recommendations

To ensure the corporate strategic goal of sustainable infrastructure can be met, it is recommended that staff move forward expeditiously with the development of the asset management strategy and provide Council with annual updates on how the service levels, costs and risks associated with the City’s ageing facilities and other infrastructure are being managed.

**Partially
implemented**

Original Management Response: Agreed

- Staff has advised Council that the City is moving forward with the production of comprehensive asset management plans that will have defined service levels, asset condition data and risk considerations.
- Staff has outlined the new legislative requirements and deadlines for asset management in a report to the Finance Committee on April 17, 2018. Included in this report is the City’s completed Asset Management Policy. The deadline for completion of this policy is July 1, 2019. The City is well ahead of schedule.
- Staff will continue to work towards meeting and/or exceeding the legislated deadlines while ensuring Council is kept apprised of the status of this work and any implications resulting from it.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Staff have completed the City’s Asset Management Policy which was presented to Council on April 17, 2018, 14 months prior to the legislated deadline of July 1, 2019. Additionally, Staff continues to work expeditiously on a number of facets of the Asset Management Plan. Particularly, staff are focused on completing the Roads, Storm water, Bridges and Water/Wastewater plans by the July 1, 2021 deadline. Considerable work has also been undertaken in the areas of facilities and fleet where asset inventories and condition data are being completed and compiled. Staff will be bring a “State of Asset Management” report to Council in the 2nd half of 2019 in order to keep Council apprised of the Asset Management planning progress at the City.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Staff have presented the first annual Asset Management Status Report to the Finance Committee in October 2019 and will continue to provide these annual updates to ensure Council is apprised of developments with the Asset Management Plans for various asset classes. The next deadline of July 1, 2021 will require the completion of asset management plans for Water, Wastewater, Storm Water, Roads and Bridge assets. To the end of May 2020, Water, Wastewater and Storm Water plans have been completed.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

During April of 2021, the Province of Ontario provided a one-year extension to the scheduled deadlines contained within Ontario Regulation 588/17. However, the City intends to exceed the deadline to have asset management plans completed for core infrastructure with the implementation of the Enterprise Asset Management Plan 2021 (EAMP). The EAMP will exceed the legislated requirements in terms of timing and scope by including fleet and equipment and municipal infrastructure in addition to core infrastructure. The EAMP is under review with senior management and final preparations are being implemented to present the EAMP to Council for approval in the third quarter of 2021.

Observation 2

While recent steps have been taken to improve the coordination of maintenance services within the Assets & Fleet Services Section of the Corporate Services Division, many of the responsibilities for maintaining the City's facilities continue to be dispersed between various operational departments. This service delivery model which includes both centralized and decentralized functions presents the following risks:

- Lack of integration increases the risk of completing work that extends the life of individual building components past the residual life of the buildings/structures;
- Lack of expertise in managing facility maintenance requests initiated by operating departmental managers with authority over operating budgets; and
- Missed opportunities to build internal capacity and to achieve economies of scale for maintenance work that may currently be outsourced.

Recommendations

Consider establishing a matrix reporting relationship between operational department heads and the Director of Assets & Fleet to ensure that effective communication and coordination occurs for asset maintenance and management initiatives.

Complete

Original Management Response: Agreed

- Management has adopted an approach which will, over time, centralize the management of facilities in Corporate Services. Staff favour and have created a structure which has a single point of accountability for delivery of each city service, including those services such as facilities and fleet management with a business partnership approach within the operational departments. The risks you have identified will be minimized over time with an evolution to centralized facilities management which respects the continuity of services and operational realities.
- The Facilities Management section implemented a formal work management system in 2016, which has enabled the section to exploit scheduled preventative maintenance on facility assets

thereby reducing reactive and often more costly repairs. The use of this work management system could be expanded to include other facilities across City of Greater Sudbury (C.G.S).

- In the past, Leisure Services staff has maintained libraries and museums in the City. In December of 2017, the Facilities Management section accepted responsibility for the maintenance of 3 libraries and 2 museums. This revision has allowed staff to further expand the use of internal skilled labour and expertise to prevent costly repairs and minimize downtime of facility assets. This expertise will also allow the City to benefit from lower costs over the long term as proper maintenance treatments are provided for in a timely manner.
- The Capital projects section currently assists Citizen and Leisure services in designing and delivering the facility portion of their capital program. The Capital projects section can add value and efficiency to other departmental facilities via the knowledge of buildings systems, and ensuring high quality work through a consistent approach.
- The Asset Management Coordinator that was authorized by Council for the 2017 budget will be assisting all departments in designing, developing and delivering on formal asset management plans that will assist in ensuring capital dollars are allocated to the highest priority projects identified in the capital budgeting process.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Staff continue to pursue opportunities to centralize facility management. In addition to taking on facility management at the libraries and museums, the Facilities Management section acquired responsibility for the Lionel E. Lalonde Centre in Azilda. Staff are working at standardizing work at this facility and incorporating in house expertise to perform and advise on maintenance planning. Staff will continue to centralize facility management in a methodical approach that seeks to limit service disruptions and increase the effectiveness and efficiency of the facility.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

In addition to the above noted progress, facilities staff continue to work with operating departments to assume responsibility for facilities and/or assist them via both capital and operating guidance. Specifically, the Asset Management Coordinator is in the process of collecting, organizing and documenting building condition data into a formal software that can be used to analyze and predict capital needs of all City facilities. This will assist in the determination and enterprise prioritization of capital needs amongst the various City facilities. Additionally, facility maintenance staff continue to provide guidance and expertise to various operating departments in the form of assessment, remote monitoring and repair/replacement.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Facilities staff continue to provide guidance and assistance to operating departments as it relates to facility maintenance and manage any Council approved capital projects. In addition to fulfilling this recommendation, in the second quarter of 2021 facility maintenance staff have taken direct responsibility for the maintenance of City owned properties that are leased to health networks.

Re: Governance Audit of Greater Sudbury Community Dev. Corp. [GSCDC]

Audit Report released	May 2018
Original # of Observations	9
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	1
# of Action Plans on Next Follow Up	7
Status as of May 31, 2021	In Progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by GSCDC and Corporate Services)	

Observation 4.1

The Operating Agreement is dated and requires formal review and updating to ensure that there is a shared understanding of the respective roles, responsibilities and authorities of the GSDC and the City for vetting projects with a major economic impact on the City.

The GSDC should work with the City to review and update the Operating Framework to ensure there is a shared understanding of the respective roles, responsibilities and authorities of the GSDC and the City for vetting projects with a major economic impact on the City.

Complete

The City should ensure its boards and wholly-owned corporations have established appropriate LTFPs if they are dependent on the City for financial support of any type.

Original Management Response

We accept this recommendation. The GSDC Board, with the assistance of staff of the CGS Economic Development Division and CGS Legal Services, will initiate a Governance Review in Q3 2018. Reaffirming the relationship between the CGSCDC and City of Greater Sudbury will form part of this review and a written operating agreement between the two organizations will be a deliverable of this process.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Third-party review and consultation process completed; the Board continues to review findings to determine action to follow.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

In collaboration with the Mayor's office and with support of staff from Economic Development and Legal, the GSDC Board is working to finalize a new Operating Agreement to guide the working relationship between the City of Greater Sudbury and the Greater Sudbury Development Corporation. This new agreement will address the recommendations of the AG's 2018 report, and will require agreement and approval of both the GSDC Board and City Council before it is executed.

This is anticipated to take place by Q3 2020.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

During spring and summer 2020, the GSDC Board worked with the City's Economic Development staff as well as with the Mayor's Office to develop a revised Operating Agreement that incorporates the appropriate recommendations from the governance review process. This new Agreement confirms a shared understanding of the roles and responsibilities of the GSDC Board in terms of its work with the City, including with City Council, as well as the CGS Economic Development Division. The Agreement was approved by the GSDC Board and recommended for Council's endorsement on June 24, 2020 through GSDC Board motion 2020-042. Council subsequently approved the agreement on September 8, 2020 as Resolution CC2020-224 and the Agreement was executed by both parties shortly after that date.

Observation 4.2

The By-laws of the GSDC and City are ambiguous on the role of the GSDC for vetting major projects with a major economic impact on the City. The City's and the GSDC's applicable By-laws should be updated to support their respective roles, responsibilities and authorities for economic development.

**Partially
implemented**

Original Management Response

We accept this recommendation. The GSDC Board, with the assistance of staff of the CGS Economic Development Division and CGS Legal Services, will initiate a Governance Review in Q3 2018. Reaffirming the relationship between the CGSCDC and City of Greater Sudbury will form part of this review and a written operating agreement between the two organizations will be a deliverable of this process. Part of the Governance Review will be a consultation with Council to determine whether this role is appropriate and desired in the future. Results of these deliberations will be incorporated in the revised operating agreement and in by-laws as appropriate.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Bylaws updated to encompass requirements for Municipal Accommodation Tax implementation (see attached Letters patent); further review and action anticipated following review of consultant findings and next steps.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Completed and updated Letters Patent in 2019; Agreement now fully executed between GSDC and CGS for Municipal Accommodation Tax revenues for tourism sector investment.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Governance work continues as a focus of the GSDC Board, which has established a Policy Review Committee of the Board to align with obligations outlined in the Operating Agreement and to support ongoing efforts to update Board policy including updates of GSDC By-laws No. 5 and 6.

Observation 4.3

Under the GSDC's Operating Bylaws (Bylaw #5, Section 8), the General Manager of Growth and Development is appointed as the Chief Administrative Officer of the GSDC. This responsibility has been passed to the Director of Economic Development as the position of General Manager no longer exists.

**Partially
implemented**

Bylaw 5 of the GSDC should be updated to clarify that the Director of Economic Development is now the General Manager of the GSDC.

Original Management Response

We accept this recommendation. The GSDC Board, with the assistance of staff of the CGS Economic Development Division and CGS Legal Services, will initiate a Governance Review in Q3 2018. The GSDC's Operating Bylaw will be updated as a result of this review and changes will be made to address this issue.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Third-party review and consultation process completed; Board continues to review findings to determine action to follow.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Third-party review and consultation process completed; new Operating Agreement now under review by both CGS and GSDC Board that includes updated role for Director of Economic Development (revised from former GM role).

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The GSDC Board continues to work within the new Operating Agreement in terms of how the Director of Economic Development is engaged with Board activities.

Observation 4.4

The roles of the executives of the board are briefly described within the By-laws but are not defined separately and clearly within job descriptions.

**Partially
implemented**

The roles of the executives of the board should be defined separately and clearly within job descriptions.

Original Management Response

We accept this recommendation. The GSDC Board, with the assistance of staff of the CGS Economic Development Division and CGS Legal Services, will initiate a Governance Review in Q3 2018. Outlining the role of the Executive and other committees, and developing job descriptions for each committee position, will be a deliverable of this review process.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Third-party review and consultation process completed; the Board continues to review findings to

determine action to follow.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Third-party review and consultation process completed; new Operating Agreement now under review also outlines role of board members.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The Policy Review Committee of the GSDC has guided the development of new Terms of Reference for the Board of Directors which includes clarification of roles and responsibilities for the Board members themselves; the Terms were approved by the GSDC Board at their regular meeting of May 12, 2021 as Motion 2021-027. This document will guide the development of policies outlining the role of the Executive and other committees, and developing job descriptions for each committee position as noted.

Observation 4.5

The mandate of the Executive Committee is not specified in the By-laws or clearly identified in other documents. The mandate of the Executive Committee should be formalized and included in the GSDC's By-laws.

**Partially
implemented**

Original Management Response

We accept this recommendation. The GSDC Board, with the assistance of staff of the CGS Economic Development Division and CGS Legal Services, will initiate a Governance Review in Q3 2018. Outlining the role of the Executive and other committees, and developing job descriptions for each committee position, will be a deliverable of this review process.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Third-party review and consultation process completed; the Board continues to review findings to determine action to follow.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Third-party review and consultation process completed; new Operating Agreement now being finalized with language to outline mandate of executive committee.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

GSDC Board By-laws No. 5 & No. 6 are included in the work plan for the GSDC's Policy Review Committee and will be updated to align with the newly adopted Terms of Reference and Operating Agreement expectations in 2021.

Observation 4.7

The GSDC's orientation of new Board members does not provide sufficient context with respect to the duties and obligations of Councilors as Board members and the potential for conflict between the interests of a Councillor and as a member of the GSDC Board.

The Board Orientation Program provided by the GSDC should be updated to increase the focus on the obligations of Councillor Members of the Board to the GSDC in their capacity as Board members.

Partially
implemented

Original Management Response

We accept this recommendation. The GSDC Board, with the assistance of staff of the CGS Economic Development Division and CGS Legal Services, will initiate a Governance Review in Q3 2018. Updating the Board Orientation Program will form part of this review process and appropriate updates will be made to address this recommendation.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Partly completed. Education and training was provided to Board members in December 2018 in handling potential conflict of interest situations.

In order to foster public engagement and involvement in local Boards, BIAs, Corporations and Statutory Committees, the City of Greater Sudbury held a Board Fair on Tuesday, January 15th from 2:00 p.m. – 4:00 p.m. at Tom Davies Square.

The goal of the Board Fair was to provide additional education and information to potential members regarding each body so that they may have the tools at their disposal to make a more fulsome decision as to which body they would like to participate in and contribute to.

A booth/table was set up for each respective body where their designated representative provided Council and citizen representatives with information such as but not limited to the following:

- Role of members
- Scope of organization
- Frequency of meetings/meeting preparation requirements
- Experience or knowledge that may be useful to participating members

In addition, the City Solicitor and Clerk provided a power point presentation to City Council in December 18, 2018. The presentation provided a brief overview on the roles and responsibilities of Council members regarding outside boards and corporations.

A report was also brought forward to the January 28, 2019 City Council meeting regarding the appointment of Council Members to Boards.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Partly completed - subject to verification with Clerks for their part.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The GSDC's Policy Review Committee has developed a policy for Board Member Orientation that is under review for approval by the GSDC Board in Q2 2021. This policy will also outline approaches for Council member orientation

Observation 4.8

The Board is responsible for appointing the General Manager but does not prepare his/her annual performance appraisal or evaluate the quality of support received from the City in conjunction with the expectations set out in the Operating Agreement.

The Board's responsibility for preparing an annual performance appraisal of the General Manager should be documented. Additionally, the Board should assess the quality of services provided by the City on an annual basis.

Partially
implemented

Original Management Response

We accept the principle of this recommendation. The GSDC Board does not have a traditional employer/employee relationship with the General Manager as all staff resources are provided by the CGS. It is appropriate, however, for the GSDC Board to establish performance goals for the General Manager and review these with him or her on an annual basis. The GSDC Board, with the assistance of staff of the CGS Economic Development Division and CGS Legal Services, will initiate a Governance Review in Q3 2018. Developing an appropriate process for setting and reviewing performance goals will be a deliverable of this process. In addition, reviewing the services provided by the CGS under a new operating agreement, will form part of the GSDC's Annual Report beginning in 2019.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Third-party review and consultation process completed; the Board continues to review findings to determine action to follow.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Third-party review and consultation process completed; new Operating Agreement outlines process for GSDC Board input into performance review of Director of Economic Development role (revised from GM).

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

In line with the Operating Agreement, the Director of Economic Development will work with the CAO to develop a template for GSDC Board feedback to be incorporated into the Director's annual performance review.

Observation 4.9

The Board does not prepare an annual business plan or budget or monitor its progress annually against these documents. Instead, it develops annual strategic priorities and monitors progress against them at each meeting.

To ensure it meets its mission, the Board should consider preparing an annual

Partially
implemented

business plan and budget and monitor its progress against these documents.

Original Management Response

We accept this recommendation. The GSDC Board, with the assistance of staff of the CGS Economic Development and Legal Services, will initiate a Governance Review in Q3 2018. The potential for the GSDC Board to develop an annual business plan and budget will form part of this review and the Board will determine options and a course of action based on the results of the review.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

Third-party review and consultation process completed; the Board continues to review findings to determine action to follow.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Third-party review and consultation process completed; new Operating Agreement now under review outlines annual business planning and budget process for GSDC Board.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The GSDC Board has undertaken strategic planning for economic recovery with a session on April 22, 2021; the results of the planning session are being used as part of review of Board finances and funding available and as a decision-making framework for funding decisions and business planning. The Business Planning process will focus on economic recovery and will be brought forward to Council through Finance & Administration in Q3 2021.

Re: Governance Audit of Greater Sudbury Police Services Board [GSPS]

Audit Report released	May 2018
Original # of Observations	4
# of Action Plans Previously Complete	2
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	2
Status as of May 31, 2021	In Progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by GSPS)	

Observation 4.3

The City and Police Services presently share a number of services. Opportunities to share additional services such as fleet have not been closely examined to determine if they can be delivered more economically and effectively by the City.

The City should work with GSPSB staff to examine opportunities for additional shared services such as fleet services if they can be delivered more economically and effectively by the City.

**Partially
implemented**

Original Management Response

Given the scope of such a recommendation, consideration needs to be given for the current lack of capacity to service such a large client as well as the effect such an undertaking would have on the Fleet Services work plan and existing clients.

In order to provide capacity, significant renovations, investment and operational changes would need to occur. Renovations to accommodate additional parts and vehicle storage, investment in technicians and supervisory capacity, and transitioning the Lorne street garage to add a third shift to daily operations would be required.

Fleet has fairly recently transitioned to the Finance, Assets and Fleet Division within Corporate Services. There are a number of process improvement projects underway to improve both systems internal to Fleet and further definition of service levels with existing customers. In order to not compromise service to existing divisions/departments as well as the Fleet work plan, it is not recommended that Fleet Services provide service to Police Services at this current time.

The City will continue to review other areas where services can be shared effectively in addition to the current services provided in Human Resources, Information Technology and Finance including accounts payable, payroll, purchasing, accounting and budget system maintenance.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

These discussions are part of ongoing dialogue with City staff in order to maximize efficiencies through use of staff resources and systems where possible. Well-developed systems are in place with the finance division for services such as budget, accounts payable, accounts receivable and

financial audit. As well, the Service works effectively with payroll, procurement, legal services, mail room, benefit and pension administration, facilities management including cleaning contracts and common space building security, WSIB claims management and where possible staff resources are shared. New initiatives include access to architectural services and other facility specialized contracts. For example, the City has just tendered for a number of standing offer facilities services including architectural and miscellaneous facilities services.

Fleet services is another area, that Police would like to explore, although to date, the City has indicated that the centre operates at capacity now, and would not be able to accommodate the number and type of vehicles associated with police. This remains an area for further development and discussion with all parties willing to explore a partnership.

Police are currently working with the By-law department exploring efficiencies with respect to call management and alternative response means including abandon motor vehicle, animal control, neighbor disputes, noise complaints and theft of gas. At this time, this is a work in progress with no specific actionable items at this time. A review is also underway examining the possibility of sharing the shipping and receiving area with the City as a means of addressing some facilities challenges at Police Headquarters.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

The City concluded its selection of several standing offer Facility Services such as Professional Engineering and Architectural Service providers. The Service is able to directly avail access to these standing contracts which is timesaving and efficient when addressing facility needs.

There has been no further action on the sharing of fleet services. The City is working at capacity at that facility at this time.

Through concerted efforts with City Services, specifically City By-law, the Service has made significant progress in the area of towing of vehicles contrary to the Winter Parking By-law and responding to noise complaints.

In the last two months with COVID-19 response efforts, the City and Police have worked extensively and collaboratively in ensuring a proactive approach. The City 311 line has served as an invaluable screening resource for all COVID/State of Emergency Calls, ensuring appropriate screening and directing calls only as appropriate to the 911 Emergency Communication Centre for response. This Service will continue beyond COVID-19 and will ensure a streamlining of calls to the Police.

In addition, there have been extensive collaboration efforts with the City's Procurement Division. Both groups have worked tirelessly in the acquisition of much needed personal protective and safety equipment during these trying times. Again, systems have been established to ensure that joint equipment and supply procurement needs are met efficient and effectively.

The Service also works extensively with the City's Real Estate section on the review and determination of space options for police, most notably around lease negotiations. The expertise of City Staff is of considerable value to Police when determining appropriate space alternatives.

The Service also continues to work with the City's Legal Services and Risk Management Divisions, primarily on commercial and business agreements. In addition, we work extensively with City insurers on civil litigation matters and where appropriate on inquests where both the Police and City

are involved.

This year, Police will be working collaboratively with Fire Services and the Geographic Information Systems Planning Services Division on the Computer Aided Dispatch mapping project to ensure all maps used to support dispatch functions are updated. There is considerable expertise in these areas which is of mutual benefit to all involved parties.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The City's Standing Offer for facility services was utilized for the retention of Architectural Services for 190 Brady Street in doing its review of vacated space with the relocation of certain divisions to 128 Larch Street. Access to facilities services has been facilitated through the Standing Offer process and made business practices more efficient.

Discussions have been initiated with City fleet services. The Police have provided several documents and information has been shared relative to the types of vehicles requiring service, the total number of vehicles and the service deliverables expected. Additional meetings will be held pending a further review of the material provided to the City and capacity of the City's fleet services division to assist with the police fleet.

The Service continues to have ongoing dialogue with City of Greater Sudbury By-law. The relationship is positive and highly collaborative on determining which agency is best suited to respond to calls for service on an ongoing basis. This assists with maximizing resources between the two services. There is continual and ongoing evaluation of our response to calls for service. Hours of work for by-law impact somewhat on response to calls outside of the regular workday wherein police continue with that responsibility for call screening or response as required.

Our COVID Task Forces have worked collaboratively on enforcement of orders through both By-law and/or Police.

Throughout the pandemic, the City and Police have worked extensively and collaboratively in ensuring a proactive approach to COVID-19. The City's 311 line has served as an invaluable screening resource for all COVID/State of Emergency calls, ensuring appropriate screening and directing calls only as appropriate to the 911 Emergency Communication Centre for response.

The 311 line operated by the City is an excellent tool as a means of streamlining appropriate calls to the Police while diverting to other services as appropriate.

Work with the City's procurement division is ongoing with several contracts pursued through this route during the past year. The two groups work highly collaboratively and efficiently in acquiring needed goods and services for the police. Systems are well established to ensure procurement needs are met in accordance with required guidelines and protocols.

The Service also works with the City's Real Estate on primarily lease preparation, lease renewals and interpretation of lease agreements. When required, staff engaged in lease negotiations as well. The expertise of City Staff is of considerable value to Police when determining appropriate terms and conditions in lease documents and when required, securing space for purposes such as storage, radio towers and location of video surveillance cameras.

City Legal Service and Risk Management Divisions are engaged primarily for commercial and business agreements. In addition, the Service works extensively with City insurers on civil litigation matters and where appropriate, on inquests where both the Police and City are involved. City Risk

Management is also available to assist the Board with understanding insurance coverages and application of policies.

Police, Fire and the City's Geographic Information Systems Planning Services Division has been working collaboratively on the Computer Aided Dispatch mapping project to ensure all maps used to support dispatch functions are updated. Unintended delays have been occurred due to COVID; however, it remains a priority for completion. There is considerable expertise in these areas which is of mutual benefit to all involved parties.

As always, the Service works extensively with City Financial Services in budgets, accounts payable and receivable. Automated systems have been established to work efficiently to maximize the use of resources. The same is seen with Human Resources in our work on benefits and pension administration along with payroll processing.

Discussions this year will be initiated with Communication and Information Technology Divisions to collaborate on specialized expertise in their respective divisions. This did already occur this year with specialized network assistance with a project.

The City and Police have ongoing collaboration and discussion on areas where staff can work together to achieve greater productivity.

Observation 4.4

The Police Services and KPMG have identified that several facilities deficiencies are an impediment to providing police services safely, effectively and efficiently.

As facilities are a critical infrastructure requirement for police services - which is a core service of the City - the upgrade or replacement of these facilities should be prioritized within the City's asset management and facilities management planning processes.

**Partially
implemented**

Original Management Response

The City of Greater Sudbury has approximately 550 facilities within its portfolio. In order to direct capital expenditures to the highest priority projects staff has advised Council that the City is moving forward with the production of comprehensive asset management plans that will have defined service levels, asset condition data and risk considerations. Combined with a revised capital budgeting model that is aimed at ensuring the highest priority projects receive funding; capital investment will be allocated where it is most effective at ensuring safety, reducing risk, foregoing costs, and meeting legislative and operational requirements. The Facilities Capital Project section will continue to work closely with Police Services at identifying and articulating future capital requirements. Similarly, the Facilities Maintenance section will continue to promptly service and rectify any maintenance related issues at Police occupied facilities.

Actions Taken, Results and /or Actions Planned - As of May 31, 2019

The Police Services Board has authorized a third location to extend HQ in order to accommodate immediate pressures at Headquarters with a commitment that the facility is located in very close proximity to 190 Brady Street. This will alleviate some of the urgent problems creating operational inefficiencies. At the same time, the Board has authorized a comprehensive facilities needs assessment to be undertaken with a view of a permanent solution. The Board has also endorsed

that the Police work with the City to explore the feasibility of an Emergency Service Centre if there is interest to do so, to house Police, Fire and EMS on one site. It is anticipated that this work will get underway later this year. The Board also continues to establish a Capital Financing Plan to ensure the necessary resources to fund the project. This is being achieved through annual contributions to a reserve fund.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Renovations are currently underway at 128 Larch Street a third location that has been secured which will serve to alleviate some of the space pressures at Police Headquarters.

The Board has established a capital financing strategy to ensure necessary resources to fund current and future Police Services facilities needs and associated costs. The Police and Community Safety Division have been working collaboratively to retain a consultant to conduct a feasibility study on a co-location of the Police and Community Safety Headquarters. The RFP for this work had been underway and has been temporarily suspended during COVID-19. The work will resume at a later date.

Actions Taken, Results and/or Actions Planned - As of May 31, 2021

Renovations at 128 Larch Street were completed and relocation has occurred. Human Resources, Recruiting, Finance, Professional Standards, Crime Stoppers, Senior Liaison Community Safety Personnel, Police Museum and Equipment and Supplies Services have relocated here. In keeping with the plan, vacated spaces at 190 Brady Street have created some capacity to address overcrowding. A comprehensive review of all areas has now been completed with a renovations plan adopted. This includes the requirement for building infrastructure replacements, which are at end of life, and upgrades to interior spaces. The process to obtain detailed plans will now proceed as a next step. These are interim measures to address facility priorities in the short term of five to seven years. These plans are in keeping with the Board's operating and capital financing strategy to ensure necessary resources to fund current and future Police Services facilities needs and associated costs.

The Board had also determined that it was prepared to now move forward with the work that would see the Police and Community Safety Division work together to conduct a feasibility study on a co-location of the Police and Community Safety Headquarters. This project had been placed on hold and suspended at the onset of COVID-19. City Council has decided that it will not proceed with this project. This, notwithstanding, the Board will proceed with its portion on the examination of options for a new police headquarters.

Re: Performance Audit of Roads Infrastructure Maintenance Audit

Audit Report released	March 2019
Original # of Observations	5
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	4
Status as of May 31, 2021	In progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by Community Services)	

Observation 1

Capital and Operating Budgets:

Since 2002, the amount of spending on the renewal of the City's roads has been increasing gradually; however, as shown in Figure 1 on the next page, the increases have been insufficient to prevent the ongoing deterioration of some of the City's roads. This trend has caused increased levels of complaints about the City's roads and declining levels of citizen satisfaction.

Recommendation:

Work with asset management and finance staff to identify sustainable levels of service for each category of road and identify funding requirements to manage relevant risks and ensure compliance with relevant legislation.

**Partially
implemented**

Original Management Response

Two financial plans have previously been presented to council. These include the KPMG report "Financial Planning for Roads, Structures and Related Infrastructure" dated July 10, 2012 and the KPMG report "Municipal Asset Management Plan" dated November 28, 2016. Infrastructure Capital Planning and Linear Infrastructure Services staff will work with Asset Management and Finance staff to update the Roads Financial Plan (and other asset categories as required) to identify levels of sustainable funding and manage risk.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Infrastructure Capital Planning staff have been working with Linear Infrastructure Services and Asset Management in preparation of a Roads Asset Management Plan that will be issued as a requirement of Ontario Regulation 588/17 and will be completed to meet the legislated deadline of July 1, 2021. The asset management plan will provide the data required to update the financial plan.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Infrastructure Capital Planning staff have been working with Linear Infrastructure Services and Asset Management to meet the requirements of Ontario Regulation 588/17. Legislated deadlines have

been deferred one year however staff plan to present the first part of the asset plan for core infrastructure in Q3 2021. Part 1 of the asset plan will define current levels of service and investment. Work on the second part of the plan will commence upon completion and acceptance of the first. Part 2 will provide options for proposed levels of service and investment for Council's consideration and decisions regarding the long term Roads Financial Plan.

Observation 2

PAVEMENT CONDITION INDEX (PCI) AND OVERALL CONDITION INDEX (OCI):

Staff has been prioritizing road renewal projects using an Overall Condition Index (OCI) which directs funding toward roads before they experience significant and rapid deterioration. The OCI is determined by the pavement condition index, safety considerations, timing of water and waste water infrastructure projects, economic development initiatives and extent of road congestion. This approach attempts to maximize the City's return on investment on road renewal projects by extending the useful lives of roads which are in average condition. The City also employs crack sealing programs to extend the useful lives of roads. One of the unintended consequences of relying solely on the OCI to prioritize capital projects for roads is that insufficient emphasis has been placed on roads with significant deterioration. The Ontario Good Road Association (OGRA) sets out various triggers for road projects based on their Pavement Condition Index.

Category	2007 AVG PCI	2009 AVG PCI	2013 AVG PCI	2016 AVG PCI	% Change from 2007	Rehabilitation		Reconstruction		Total km of Roads in City ¹
						Lane km	% of Total	Lane km	% of Total	
Arterial	72.8	68.4	59.2	59.6	18%	40	14%	58	20%	282
Collector	68.1	64.0	51.1	48.7	28%	71	28%	86	34%	254
Local	63.0	59.2	49.8	46.3	27%	155	13%	268	23%	1,168
Other road sections (<i>Ramp, Prov. Hwy & Private</i>)										200
TOTAL:										1,904

Table 2 above indicates that a significant percentage of the City's roads require rehabilitation or reconstruction according to the maintenance methodology recommended by OGRA.

Recommendations:

To address the continual deterioration of roads, use a revised OCI measure that consists of PCI, safety factors and the timing of water/waste water initiatives to prioritize rehabilitation and reconstruction projects. Prepare separate business cases to justify additional spending on roads projects that have economic benefits or other merits.

Partially
implemented

Original Management Response

Staff can review and update the OCI components. Staff notes the OCI factor which included the

¹ Represents the total kilometers of roads that are assessed for PCI and excludes gravel roads.

economic benefits factor was created before the City's Cost Sharing Policy was in place. As other City processes currently consider development and economic benefits, a review of the OCI measure and its components is warranted.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

An upgrade of the pavement management system software is currently in progress. We are reviewing the components of the OCI calculation which will include both a review of components previously incorporated and a review of proposed new criteria. The OCI review will be completed as part of the roads asset management work that is required to be complete for July 1, 2021.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Upgrade to the pavement management system software required for Part 1 of the Asset Plan is complete. Work including review of revisions to trigger limits and modifications to the OCI calculation is in progress and is expected to be completed in parallel with the Part 2 Roads Asset Plan work.

Observation 4

MINIMUM MAINTENANCE STANDARDS

The Minimum Maintenance Standards (MMS) for municipal highways prescribed by Ontario Regulations 239/02 stipulate varying times for the completion of maintenance activities including pothole repairs, crack sealing and road inspection. The MMS stipulate timelines that vary between 4 to 60 days for the remediation of potholes based on the class of highway, surface area and depth. Road inspections are presently documented on paper-based forms without reference to their frequency, completeness or coverage. Manual processes increase the risk of non-compliance with the regulations prescribed by the province.

Recommendations:

- A. Assess the feasibility of using hand held units to record inspections and repairs of potholes;
- B. Take a lead in the study to identify best practices to repair potholes and ensure the scope of the study includes plant and equipment and well as processes, materials and labour.

**Partially
implemented**

Original Management Response

- A. We agree to assess using hand held units.
- B. We agree and we intend to pursue the review of pothole repair best practices.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

- 1. Management has been working with IT on an application that when fully developed will be able to help in identifying the location of road deficiencies including but not limited to potholes. Work on the application is ongoing and has been very encouraging to date.
- 2. Management is continuing work on the Pothole Repair and Material Study. Staff is preparing to update Council on the findings to date at the June 2020 Operations Committee Meeting.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

- A. The application has been fully implemented since September of 2020 for both winter and summer road patrols. Management is now working with IT to have this fully integrated into CityWorks and reviewing further reporting capabilities.
- B. Management is continuing to work on the Pothole Repair and Material Study. Phase 1 of the study is complete and work is ongoing to apply the results to standard practices. Phase 2 of the study is anticipated to commence in Spring of 2022.

Observation 5

RISK MANAGEMENT PROCESSES

Management has taken steps to identify, assess and mitigate significant risks associated with maintenance of road infrastructure.

Recommendation:

Continue to integrate risk management processes with other management processes.

**Partially
implemented**

Original Management Response

Staff will continue to review risks in LIS and Infrastructure Capital Planning processes and look for opportunities to mitigate risks.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Infrastructure Capital Planning staff are in the process of incorporating risk assessment into the planning procedures for road and bridge capital projects. Risk assessment will be a component of the asset management plans for both roads and bridges and will be incorporated in the City's pavement management program to assist in prioritizing road projects.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The Bridge Risk Assessment and Analysis Report is complete. Risks identified in the report are being reviewed and will be used for project prioritization and inclusion into capital works or maintenance programs. Risk assessment of road assets is in progress and will be incorporated into the Pavement Management System as Part 2 of the Roads Asset Plan work.

Re: Performance Audit of Winter Maintenance Programs for Roads

Audit Report released	Sep 2019
Original # of Observations	5
# of Action Plans Previously Complete	3
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	2
Status as of May 31, 2021	In progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by Community Services)	

Observation 2 A

Our review of winter maintenance events in 2018 and 2019 identified opportunities to make greater use of technology when responding to winter maintenance events. The City does not always make effective use of data from its Road Weather Information Station (RWIS) in Levack or from the Ministry of Transportation's RWIS network when deploying in-house and contract staff to respond to winter maintenance events.

Our review of costs indicated that the current 60/40 mix of contractors and in-house staff for sanding, salting and plowing activities does not provide an optimal balance between economy and effectiveness for years with higher levels of snowfall. The last round of collective bargaining resulted in scheduling changes that will provide 6,000 labour hours at regular rates which will reduce annual overtime costs and reliance on contractors. Comparisons of performance are not being made between in-house staff and contractors.

Recommendations:

Examine opportunities to make greater use of technology when deploying staff and contractors to manage winter maintenance events. Prepare a business case for additional RWIS stations across the City for more proactive resource deployment. Work with Finance staff to prepare a business case for additional staff and equipment to identify the savings that might be realized from reducing reliance on contractors for winter maintenance activities. Consider revising the standing offer for plowing to 8 years to coincide with the expected useful lives of the snow plows to obtain more competitive rates from contractors. Develop performance measures to enable comparisons of the efficiency, economy and effectiveness of City crews and contractors for winter operations.

**Partially
implemented**

Original Management Response

Roads Operations will examine opportunities to make greater use of technology when deploying staff and contractors to manage winter maintenance events. A business case will be prepared for additional RWIS stations across the City for more proactive resource deployment. Management understands that the balance of contracted services versus in-house services requires review on a regular basis. Changes in weather patterns, as well as changes in road usage can impact the ability to maintain service levels with anticipated utilization of contracted services. Business cases will be prepared to analyze alternative service delivery models with additional City staff and equipment.

Management is currently working on a new plowing service contract and is willing to consider this change. Management agrees and will move to incorporate performance measure comparisons throughout the annual business processes.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

1. Roads Operations will continue examining new opportunities to make greater use of technology when deploying staff and contractors to manage winter maintenance events. Staff regularly participates in a road maintenance user group with other various municipal partners to discuss such technological advancements and will continue to do so.
2. Staff is currently making arrangements to install new RWIS stations at three locations to assist in winter maintenance deployment. This will bring the RWIS station total to four locations which are consistent with the recommendation provided in a report title "City of Greater Sudbury Road Weather Information System (RWIS) Design & Procurement Specifications" prepared by AMEC Foster Wheeler in August 2016. In addition to installing new RWIS sites, the City has implemented a new customized weather system that includes an app with access to Ministry of Transportation RWIS sites that are in close proximity to the City. The combination of the new RWIS sites and ready access to the MTO's RWIS sites provides another decision making tool for staff to use during winter events.
3. Management understands the value associated with the proper balance of contracted versus in-house services and continues to review those principles each time a business case for the renewal / implementation of maintenance services is completed. For example, prior to preparing the tender award for winter control plowing services staff completed an analysis of in-house versus contracted services to ensure the City was utilizing the best approach for snow plowing services.
4. The new contract for plowing services has been awarded and is an eight year with two single year options as per the audit recommendation.
5. Management continues work to ensure our work management system is developed in such a way to facilitate these types of performance measurement reports. Roads Operations staff participates in the Cityworks Program Committee which has the task of prioritizing work needed to be completed in the works management system. One of the priorities established by the committee is reporting. Staff expects that this will facilitate the type of performance measurement reports discussed in the audit. The Cityworks Program Committee was scheduled to make a presentation to the Information Technology Governance Team (ITGT) in March with a plan to formalize the priority list but has been delayed due to the impacts associated with the global pandemic.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

1. Roads Operations continues to participate in this working group.
2. Staff engaged in discussions with consultants regarding the advancement of RWIS technology and implementation strategies in 2020. Unfortunately, due to limited time resources, this opportunity could not be pursued any further. However, it is still our intent to proceed with the installation of additional RWIS units at locations recommended in a report titled "City of Greater Sudbury Road Weather Information System (RWIS) Design & Procurement Specifications" prepared by AMEC Foster Wheeler in August 2016. To this effect, a request for funding in 2022

will be made of the prioritization committee. In addition to installing new RWIS sites, the City has implemented a new customized weather system that includes a computer App with access to Ministry of Transportation RWIS sites that are in close proximity to the City. The combination of the new RWIS sites and ready access to the MTO's RWIS sites provides another decision making tool for staff to use during winter events.

3. Staff continues to analyze the balance of in house versus contracted services on an on-going basis as described above.
4. Complete
5. The CityWorks working group is currently working on this initiative but their goal is to get this completed for Distribution & Collection first and then bring it to Roads as many of the workflows and CityWorks templates are already in place for Distribution & Collection thus making it a reasonable starting point. The time line for this Distribution & Collection priority was set for Q2 of 2021. Roads will follow. Much of the Business analysis has been completed. Prior to the above, a review of Roads CityWorks inputs needs to be completed in order to ensure that reporting can be effective. This is expected to be completed in Q4 of 2021.

Observation 2 B

Pothole Repair Management

Like many municipalities in Northern Ontario, the City faces significant challenges managing its road infrastructure with limited capital budgets. To address these challenges, the amount of capital funding for the renewal and repair of existing road infrastructure has nearly doubled during the last 5 years compared to the average annual expenditure between 2002 and 2014.

During the 2019 budget process, Council approved a capital budget that included \$50.5 million for new and existing road infrastructure and applied the entire one time additional gas tax of \$10.2 million for 2019 to road renewal and repairs.

In spite of the additional investments made to the City's existing road infrastructure in the last 5 years, this audit revealed that the condition of the City's paved roads has declined since 2002, causing significant potholes every winter and spring.

Reporting and tracking: A tracking list is maintained at each of the five depots identifying the location of potholes reported in Active Citizen Requests and those identified during inspections. Repair work for road stretches is prioritized based on road class. Work completed is input and updated in CityWorks.

Resourcing: In-house crews and contractors repair potholes identified by road inspections and complaints from residents. Expenditures for pothole repairs in 2019 accounted for approximately 10% of the total.

Patching: Subject to availability and weather conditions, road crews are deployed with a 'tracking list' issued by depot scheduling staff that identifies road sections for repair work. Repairs are completed with a variety of materials including cold mix, warm mix and hot mix depending on their availability.

Observations:

1. Insufficient capital budgets have resulted in the ongoing deterioration of the City's paved roads which has led to increasing levels of public dissatisfaction and pothole claims filed against the City.
2. The City currently has insufficient capacity to use recycled asphalt for repairs to the City's paved roads which had an overall PCI rating of less than 50 percent when they were last measured.
3. Comparisons of performance are not being made for in-house staff and contractors.
4. Management typically assesses the conditions of the City's paved roads every two years, but a Pavement Condition Index (PCI) study has not been completed since 2016.

Recommendations:

1. Explore ways to increase capital budgets for roads with Finance staff to improve service levels.
2. Prepare a business case to make greater use of recycled asphalt to repair potholes.
3. Develop performance measures to enable comparisons of work of city crews and contractors.
4. Measure the PCI of paved roads every two years to determine current levels of service and ensure that budgets respond effectively to current road conditions.

**Partially
implemented**

Original Management Response

A long-term financial plan for road infrastructure was prepared by KPMG for Council's consideration in 2012. In 2018, the overall City long-term financial plan was updated, including the long-term financial requirements for the City's road infrastructure. Management will continue to provide Council with the best available information for consideration in the annual budget process. Management generally agrees that the state of road condition can affect the ability of the road maintenance division to perform repairs efficiently as required to meet minimum maintenance standards.

Staff commenced a study of best practices in the field of road repair and, is collaborating with the Ministry of Transportation and other Cities in Northern Ontario to complete the study. It is understood that alternative pothole repair strategies and business practices will be incorporated as necessary and as budgets permit. Alternative paving systems and equipment will be evaluated within the scope of current studies. Any changes in service will be presented as a business case or incorporated into the capital prioritization process.

Staff will develop performance measures to enable comparisons between city crews and contractors.

In order to ensure that budgets respond effectively to current road conditions, a new vendor has been selected and plans are underway to evaluate the PCI of the paved roads in 2019. Management intend to continue to evaluate pavement condition generally every two years.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

1. Management is working with Asset Management staff and is in the process of improving the Roads Asset Management Plan (as per O.Reg. 588/17) which will inform the Capital Budget

planning process to assist in proposing options that will maximize efficiency in spending of capital funds and will enable staff to review different service levels for consideration.

2. Management is continuing work on the Pothole Repair and Material Study. Staff is preparing to update Council on the findings to date at the June 2020 Operations Committee Meeting.
3. Management continues work to ensure our work management system is developed in such a way to facilitate these types of performance measurement reports. Roads Operations staff participates in the Cityworks Program Committee which has the task of prioritizing work needed to be completed in the works management system. One of the priorities established by the committee is reporting. Staff expects that this will facilitate the type of performance measurement reports discussed in the audit. The Cityworks Program Committee was scheduled to make a presentation to the Information Technology Governance Team (ITGT) in March with a plan to formalize the priority list but has been delayed due to the impacts associated with the global pandemic.
4. Road cracking and defects were measured in 2019 and will continue to be measured every two years for the purposes of prioritizing and budgeting using the City's Pavement Management System. This work includes the calculation of PCI using the measured factors for all individual road segments in the road network.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

1. Infrastructure Capital Planning staff have been working with Linear Infrastructure Services and Asset Management to meet the requirements of Ontario Regulation 588/17. Legislated deadlines have been deferred one year however staff plan to present the first part of the asset plan for core infrastructure in Q3 2021. Part 1 of the asset plan will define current levels of service and investment. Work on the second part of the plan will commence upon completion and acceptance of the first. Part 2 will provide options for proposed levels of service and investment for Council's consideration and decisions regarding the long term Roads Financial Plan.
2. Management is continuing to work on the Pothole Repair and Material Study. Phase 1 of the study is complete and work is ongoing to apply the results to standard practices. Phase 2 of the study is anticipated to commence in Spring of 2022.
3. The CityWorks working group is currently working on this initiative but their goal is to get this completed for Distribution & Collection first and then bring it to Roads as many of the workflows and CityWorks templates are already in place for Distribution & Collection thus making it a reasonable starting point. The time line for this Distribution & Collection priority was set for Q2 of 2021. Roads will follow. Much of the Business analysis has been completed.

Prior to the above, a review of Roads CityWorks inputs needs to be completed in order to ensure that reporting can be effective. This is expected to be completed in Q4 of 2021.

4. No change to previous response.

Re: Governance Audit of the Downtown Sudbury Improvement Area

Audit Report released	Sep 2019
Original # of Observations	2
# of Action Plans Previously Complete	0
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	2
Status as of May 31, 2021	In progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by Community Services)	

Observation 1

The Board is not responsible for preparing the annual performance appraisal of the Executive Director. On behalf of the Board, the Co-Chairs should complete an annual performance appraisal for the Executive Director to identify both accomplishments and areas for improvement.

**Partially
implemented**

Original Management Response

The Executive agrees with your recommendation and further recommends that this review be undertaken in the fall which will coincide with the Board's annual Budget/Work Plan preparation. Further, this should be included in the overall Board 'Organization Manual' and that the Executive Director also conduct similar reviews of any additional staff. It was also noted that these reviews should be a two-way discussion with Staff having the opportunity to provide feedback to the Board.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

- As the Board's Strategic Plan process was still underway in the fall 2019, and as this Plan sets the base for the Work Plan and Budget which the performance appraisals are to be based upon, this was delayed and did not occur at that time.
- The first step was initiated in January/February including a 'Time Audit' by all staff.
- Due to COVID-19, including the shut-down of the BIA offices in March, this was temporarily halted but will resume and be completed upon staff return to the office.
- Reference to the process has been included in the Board's 'Organization Manual'.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

COVID19 continued (and continues) to impact the operations of the BIA, both in programming and administration, resulting in major changes:

- In November 2020, the Executive Director advised the Board of her intention to retire, with the offer to remain for a period of time (to June 30, 2021) to assist with the transition
- As a result of a number of factors - primarily COVID-19 and its economic impact on BIA members and the area, together with a Member Survey conducted in the fall of 2020 - the Board of Directors felt it important to review and restructure to better meet the needs of our members
- In January 2021, the Board began its search for a new 'Managing Director' who began in March 2021

- In February, both the Program Co-ordinator and the Member Communications Staff were terminated as part of the restructuring
- The above (restructuring) was presented at the Annual General Meeting held in March
- There has been discussion about ongoing board evaluation to be implemented, and the first annual performance appraisal of the Managing Director is planned for the end of 2021.

Observation 2

The City's oversight duties include monitoring the activities of Downtown Sudbury to ensure they align with its legislated mandate which is set out in the *Municipal Act, 2001*.

Since the sections of the *Municipal Act, 2001* that describe the legislated mandate of Board of Management for a Business Improvement Areas are somewhat ambiguous, the City should update the City's relevant by-laws to identify activities of Downtown Sudbury that fall outside of its legislated mandate.

Partially
implemented

Original Management Response

We agree. Staff will prepare a report with recommendations for Council's consideration to update bylaw(s) governing business improvement areas. This will be part of 2020 work plans, with a report to Council no later than the fourth quarter of 2020.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

- OBIAA is currently working with the Province to review the existing legislation specific to BIAs with the goal to update and better reflect the current roles and activities of BIAs as they have grown and developed over the years.
 - Outcomes from this review will then be further applied to BIAs individually.
 - This review has been delayed due to COVID-19.
 - In addition, the Board undertook a Strategic Planning process in 2019, with the assistance of a Facilitator. Public & Member surveys, together with stakeholder and public information sessions were held to assist in the determining of goals, priorities, etc. This was then presented to the Membership at the AGM (February 2020) for discussion and support (The newly developed vision and purpose statements, together with values, goals, etc. continue to align with the Municipal Act the continued development and evolution of BIAs.
 - The following activities of the BIA also continue to align with the Municipal Act:
- **Various Partnerships with the Municipality**, i.e.
 - *Pilot Project for downtown specific By-Law Enforcement Officers to help address the ongoing safety concerns as raised by both members and the public (\$50,000 contribution)
 - *current Streetlighting program – conversion to LED (\$100,000 contribution)
 - *Outdoor patio program
 - *Hanging Basket program – BIA purchases, installs, removes and the City waters/fertilizes
 - *Yellow bin recycling program
 - *ongoing discussions specific to street cleaning, snow removal, waste management, etc.
 - **Tree lighting program** – this includes the installation of thousands of lights in the planter trees (BIA purchases the lights which have then been installed thanks to the assistance of Vianet and Hydro) ...

- **Special Events** – both hosted/organized by the BIA (ie May Yard Sale, Blues For Food, Ribfest, Christmas), as well as BIA assisted through logistical planning advice and sponsorship funds (ie Earth Day, Graphic Con, Jazz Fest, Up Here, Santa Claus Parade) ... together attracting well over 100,000 to our core
- **Member Communications, Information Sessions** i.e.
 - *strong and consistent communications during COVID-19 to ensure members are aware of programs, funding opportunities, webinars, contacts, etc.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Sudbury Downtown:

- As a result of a Member Survey conducted in the fall of 2020, together with the economic impact resulting from COVID-19, the Board of Directors agreed to undertake a review of their Strategic Plan in 2021 (formally unveiled at the February 2020 AGM)
- In place of a Bylaw update, City Council directed that the BIA and CGS enter into a Memorandum of Understanding (to be completed in 2021). The first draft of that memorandum was received by the BIA on May 25th 2021, and work on reviewing/approving/implementing that memorandum is now underway.
- BIA Co-Chairs made a presentation to Council (May 25, 2021), outlining current programs and upcoming initiatives

Partnerships and programs

- Continue with various City partnerships – extended patio program (further developed and expanded upon from 2020) (including a financial incentive from the BIA to encourage increased member participation, both retail and hospitality), completion of LED streetlighting conversion, clean-up, hanging planters/street planters, winter maintenance program, as well as new initiative ‘0 Vacancy’ Program, a business recruitment and retention program (discussions began in spring 2021 with Economic Development), Larch St. project (work group consisting of City and BIA to ensure open communications on this major infrastructure project expected to begin late 2021, into 2022)
- Increased discussions specific to major issues/challenges facing the area – homelessness, opioid crisis ... including participation in the Mayor’s Downtown Task Team, Safe Consumption Site Work Group and others
- Partnership initiated spring 2021 with the YMCA specific to ‘clean-up’ as well as a sponsorship contribution to the 24 hour drop in centre initiative ... discussions continue with various social service agencies to expand/develop related programs
- Partnership with the GSPS continues ... Safety Forum held in fall 2020, ‘Coffee with a Cop’ sessions will continue to be scheduled over 2021

City of Greater Sudbury:

Economic Development and Legal Services staff recently shared a draft Memorandum of Understanding (MOU) with Downtown Sudbury. Further refinements to the MOU are anticipated later this year in order to clarify reporting and levy requirements.

The purpose of the MOU is to strengthen and formalize the working relationship between the BIA Board and staff, and the City. Economic Development staff will provide the BIA with a consistent contact point as liaison on the City's side, connecting the BIA with other staff contacts and municipal resources as appropriate.

Re: Governance Audit of Greater Sudbury Public Library

Audit Report released	Dec 2019
Original # of Observations	4
# of Action Plans Previously Complete	0
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	4
Status as of May 31, 2021	In progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by Community Services)	

Observation 3.1

The oversight framework is not designed effectively to set out the mandate of the Board for proper oversight of the GSPL. Specific concerns include:

- a) The requirement for the GSPL to be under the management and control of the Board as set out in section 3(3) of the Public Libraries Act (the Act) is not clearly identified within the Board manual;
- b) The agreement between the GSPL Board and the City has not been updated since it came into effect on February 14, 2002;
- c) The City has appointed only one member of Council to the Board of the GSPL. This practice is inconsistent with most of the City's municipal peers which appoint a higher number of Council members to their respective Library Boards;
- d) The requirement for the GSPL to be under the management and control of the Board should be clarified to members who are appointed to the Board during the orientation sessions following each municipal election; and
- e) The agreement between the GSPL Board and the City should be updated to align with the Board's powers and duties which are set out in the Act.

The oversight framework should be revised to address the above concerns and Council should consider appointing at least two members of Council to the Board of the GSPL.

**Partially
implemented**

Original Management Response

The Library's Board agrees. The City also agrees and will undertake a process to work with the GSPL Board to review and update the operating agreement by the end of Q2 2020. By the end of Q1 2020, for Council's consideration, the City of Greater Sudbury will bring a recommendation to the CGS Nominations Committee to appoint an additional member of Council to the GSPL.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

In Q4 2019, staff initiated discussions with the Greater Sudbury Public Library Board and provided legal briefings on the powers and responsibilities of library boards in Ontario. Initial dialogue towards developing a draft Operating Agreement for consideration by both the Board and CGS Council began in February of this year. As a result of the significant resources allocated to the City's COVID-19 Emergency Response, further efforts have been delayed for several months. In late May, staff and GSPL Board representatives agreed to set aside time in the next two months to move this process forward with a commitment to finalize arrangements by the end of 2020. In parallel with the process

to finalize the terms of a formal relationship, staff are working to provide the GSPL Board more insight and authority into budget proposals and library programming. Several reports regarding aspects of this overall governance development process can be expected at CGS Council over the next six months.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Staff continue to work closely with the GSPL Board to support their efforts to transition to a new level of autonomy. The Board has had significant turnover and is focused on the hiring of a new Chief Librarian/Chief Executive Officer as well as developing a new operating agreement with the CGS.

Observation 3.2

There are a number of Board duties that are set out in the Act that are not clarified in the current Board Manual, including:

- a) Seek to provide in co-operation with other library boards, a comprehensive and efficient public library service that reflects the community's unique needs;
- b) Seek to provide library services in the French language, where appropriate;
- c) Operate one or more libraries and ensure that they are conducted in accordance with this Act and the regulation;
- d) Fix the times and places for Board meetings and the mode of calling and conducting them, and ensure that full and correct minutes are kept;
- e) Make an annual report to the Minister and make any other reports or provide any information required by the Public Libraries Act or regulations;
- f) Make provision for insuring the board's real and personal property;
- g) Take proper security for the Treasurer for relevant amounts owed to the GSPL;
- h) Although the agreement between the GSPL and City automatically appoints a Treasurer and Solicitor, the statutory obligation of the Board to appoint a Chief Executive Officer and Secretary are not identified;
- i) The duties of the Chief Executive Officer and Secretary are not defined within the agreement between the GSPL and the City or in job descriptions;
- j) The duties of the Treasurer are not identified in the agreement between the GSPL & City;
- k) The specific duties and powers of the Board that are set out in the Act should be identified clearly within the Board Manual.

In addition to updating the Board Manual, the Board should appoint a Chief Executive Officer and Secretary every 4 years to coincide with the term of the Board. The duties of the Secretary and Chief Executive Officer should be defined within the agreement between the GSPL and the City and in job descriptions as these individuals have an ongoing working relationship with the Board and important statutory obligations. The duties of the Treasurer should be identified in the agreement between the GSPL and the City to ensure both the statutory and non-statutory duties are fulfilled.

**Partially
implemented**

Original Management Response

The Library's Board agrees. The City of Greater Sudbury also agrees and will undertake a process to work with the GSPL Board to review and update the operating agreement by the end of Q2 2020.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

In Q4 2019, City staff initiated discussions with the GSPL Board and provided legal briefings on the

powers and responsibilities of library boards in Ontario. Initial dialogue towards developing a draft Operating Agreement for consideration by both the Board and CGS Council began in February of this year. As a result of the significant resources allocated to the City's COVID-19 Emergency Response, further efforts have been delayed for several months. In late May, staff and GSPL Board representatives agreed to set aside time in the next two months to move this process forward with a commitment to finalize arrangements by the end of 2020. In parallel with the process to finalize the terms of a formal relationship, staff are working to provide the GSPL Board more insight and authority into budget proposals and library programming. Several reports regarding aspects of this overall governance development process can be expected at CGS Council over the next six months.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Staff continue to work closely with the GSPL Board to support their efforts to transition to a new level of autonomy. The Board has had significant turnover and is focused on the hiring of a new Chief Librarian/Chief Executive Officer as well as developing a new operating agreement with the CGS. It is staff's understanding that the new CEO will lead the revisions to GSPL policies and processes.

Observation 3.3

The Board has not established systems and practices to monitor the performance of the GSPL or to assess the extent to which its established objectives have been achieved. For example, the Board has not:

- a) updated the last Strategic Plan that was developed for 2011 to 2015;
- b) approved the annual budget for the GSPL;
- c) received financial statements or benchmarking information to monitor the performance of the GSPL;
- d) approved the annual report to the Minister; or
- e) conducted an annual performance appraisal for the Chief Executive Officer or Secretary.

The Board should:

- a) update the strategic plan;
- b) approve the annual budget for the GSPL;
- c) review and approve quarterly financial statements of the GSPL and benchmarking information on an annual basis to allow Board members to monitor the GSPL's performance;
- d) ensure it reviews and approves the GSPL's annual report to the Minister; and
- e) conduct annual performance appraisals for the Chief Executive Officer and Secretary.

**Partially
implemented**

Original Management Response

The Library's Board agrees and the City agrees. In its role as Financial Services Provider, the City of Greater Sudbury will work with the GSPL to establish systems and reporting structures to ensure that the Board has the appropriate information in a timely manner so as to meet its obligations as outlined in this recommendation. This undertaking will be reflected in the updated agreement between the two organizations.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

In Q4 2019, staff initiated discussions with the GSPL Board and provided legal briefings on the

powers and responsibilities of library boards in Ontario. Initial dialogue towards developing a draft Operating Agreement for consideration by both the Board and CGS Council began in February of this year. As a result of the significant resources allocated to the City's COVID-19 Emergency Response, further efforts have been delayed for several months. In late May, staff and GSPL Board representatives agreed to set aside time in the next two months to move this process forward with a commitment to finalize arrangements by the end of 2020. In parallel with the process to finalize the terms of a formal relationship, staff are working to provide the GSPL Board more insight and authority into budget proposals and library programming. Several reports regarding aspects of this overall governance development process can be expected at CGS Council over the next six months.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Staff continue to work closely with the GSPL Board to support their efforts to transition to a new level of autonomy. The Board has had significant turnover and is focused on the hiring of a new Chief Librarian/Chief Executive Officer as well as developing a new operating agreement with the CGS. It is staff's understanding that the new CEO will lead the revisions to GSPL policies and processes. In the interim period, CGS staff have shifted the GSPL Budget to align with other outside boards and are presenting the GSPL Board quarterly updates on the financial position.

Observation 3.4

The City has not established an effective general framework for the oversight of the GSPL.

- a) The City does not review and approve a separate annual budget for the GSPL as the financial results are included within the results for Children and Citizen's Services;
- b) The City does not review and approve the annual return to the Minister for the GSPL; and
- c) The City does not recruit and appoint separate members to an Advisory Panel to oversee the City's museums in accordance with the Ontario Heritage Act and applicable governance standards for community museums. Instead, the members of the GSPL Board have traditionally been appointed to this panel which meets twice a year in accordance with the Ontario Heritage Act.

The City should review and approve a separate annual budget for the GSPL and review and approve the annual return to the Minister for the GSPL. Following the next election, the City should recruit and appoint members to an Advisory Panel to oversee the City's museums in accordance with the Heritage Act and applicable governance standards for community museums.

**Partially
implemented**

Original Management Response

The City agrees. In its role as Financial Services Provider, the City of Greater Sudbury will work with the GSPL to establish systems and reporting structures to ensure that the Board has the appropriate information in a timely manner so as to meet its obligations as outlined in this recommendation. This undertaking will be reflected in the updated agreement between the two organizations.

The City will work with the GSPL to establish a process to review and approve the annual return to the Minister.

The City accepts the recommendation regarding museums and will undertake a full strategic review of Greater Sudbury Museums by the end of 2020.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

In Q4 2019, staff initiated discussions with the GSPL Board and provided legal briefings on the powers and responsibilities of library boards in Ontario. Initial dialogue towards developing a draft Operating Agreement for consideration by both the Board and CGS Council began in February of this year. As a result of the significant resources allocated to the City's COVID-19 Emergency Response, further efforts have been delayed for several months. In late May, staff and GSPL Board representatives agreed to set aside time in the next two months to move this process forward with a commitment to finalize arrangements by the end of 2020. In parallel with the process to finalize the terms of a formal relationship, staff are working to provide the GSPL Board more insight and authority into budget proposals and library programming. Several reports regarding aspects of this overall governance development process can be expected at CGS Council over the next six months.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

As indicated above, in the interim period while a new operating agreement is being developed, the GSPL Board is able to present its annual budget to CGS Council as a Service Partner. The review of CGS Museums was delayed by COVID-19. Council has directed that this take place in 2021 with a report expected in Q3.

Re: Performance Audit of the Asset Management Program

Audit Report released	Dec 2019
Original # of Observations	3
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	2
Status as of May 31, 2021	In progress

Observation and Summary of Progress	Self-assessed Status
(Based on Self-Assessment conducted by Community Services)	

Observation A

Regulation 588/17 requires all municipalities to develop Asset Management Plans for their infrastructure assets. This regulation also requires municipalities to manage the life cycle costs of its assets and to communicate the service levels for these assets to residents. To adhere to this regulation, the City must develop a plan for its core infrastructure assets (water, wastewater, storm water, road, bridges and culverts) by July 1, 2021 and a plan for all other assets by July 1, 2023. A financial plan to fund the activities required to achieve the proposed levels of service for the City's assets is required by July 1, 2024.

In 2016, KPMG prepared an asset management plan (AMP) and recommended the City consider a strategy that incorporates the following components to address the City's \$3.1 billion of aging infrastructure assets which were at or near the end of their useful lives.

To ensure the City's aging assets are addressed on a timely basis, we recommend that management continue its efforts to integrate the City's asset management program with the City's annual business plans and long-term planning processes.

**Partially
implemented**

Original Management Response

We agree. Staff will continue to develop and refine the corporate asset management program and provide linkages and integration to other City planning documents such as but not limited to the annual business plan, annual budgets, and long-term financial plan in order to fulfill the strategic plan of Council. Financing decisions, and the level of financial support associated with asset renewal efforts, remain within City Council's control.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

Staff have continued to integrate and parallel the Asset Management program with City planning documents such as the annual business plan, annual budgets, and long term financial plan in order to fulfill the strategic plan of Council.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

During April of 2021, the Province of Ontario provided a one-year extension to the scheduled deadlines contained within Ontario Regulation 588/17. However, the City intends to exceed the deadline to have asset management plans completed for core infrastructure with the implementation

of the Enterprise Asset Management Plan 2021 (EAMP). The EAMP will exceed the legislated requirements in terms of timing and scope by including fleet and equipment and municipal infrastructure in addition to core infrastructure.

The EAMP is under review with senior management and final preparations are being implemented to present the EAMP to Council for approval in the third quarter of 2021. The EAMP is developed to integrate with the City's long-term financial planning process, master plans, the newly adopted Community Energy and Emissions Plan and annual business and budget processes.

Observation C

Risks are uncertain events which can be measured by calculating the product of the likelihood and impact of these events. Most risks can be mitigated by purchasing insurance. Other mitigation techniques include applying controls related to the application of human and contract resources; development and implementation of formal procedures; utilization of plant, equipment and tools; and collection and utilization of relevant information. In September 2018, management developed an Enterprise Risk Management Policy to systematically identify, recognize, evaluate and manage risks that could affect the achievement of the City's objectives.

Management should continue its efforts to establish an enterprise-wide risk management framework to mitigate the risks that may compromise achievement of the City's asset management goals.

**Partially
implemented**

Original Management Response

We agree. The Executive Leadership Team has very recently approved a governance structure, operating guidance and processes to support the implementation of the corporation's Enterprise Risk Management Policy. Among the actions staff will undertake will be a thorough understanding of Council's level of risk tolerance for a number of potential risk areas. Staff will be gauging Council's understanding and acceptance of the risk O2, O4 and O3. These are reasonable risks to our asset management program and approach.

We disagree with the potential for "errors and omissions" to contribute to less than optimal decision making. While errors and omissions are a risk in any endeavor, staff have acknowledged that asset information is more precise and scientific for some classes than information currently available for other classes. This does not mean that staff is providing erroneous information in the budget package, rather there is an evolution underway in our understanding of asset condition. Staff will continue to develop and refine the corporate asset management program and provide linkages and integration to other City planning documents such as but not limited to the annual business plan, annual budgets, and long-term financial plan in order to fulfill the strategic plan of Council.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

The Executive Leadership Team has approved a governance structure, operating guidance and processes to support the implementation of the corporation's Enterprise Risk Management Policy. As part of this, an Enterprise Risk Advisory Committee comprised of a cross functional team and lead by the Executive Director of Strategic Initiatives, Communications and Citizen Services has been put together. The steering committee will be responsible for:

- i. Review the Corporate Risk Register and risk treatment plans for significant and critical risks; and recommend further actions to mitigate risks, if necessary.
- ii. Provide semi-annual reports (or as deemed necessary) to the Enterprise Risk Steering Committee regarding the Corporation's risks and identify risk owners.
- iii. Elevate significant and critical risks, as necessary, to the Enterprise Risk Governance Committee for direction/action.
- iv. Develop procedures to ensure effective implementation of this framework.

Enterprise Risk Management has also been linked to the Asset Management Framework that is detailed within the Enterprise Asset Management Policy. This link was included with the asset management policy update discussed in the previous Observation B.

As well, many departments have undertaken asset condition assessments to further develop and improve the reliability of the information used to drive asset management planning, thereby reducing the risk inherent in any plan.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The link between Enterprise Risk Management has been strengthened in most asset classes. Risk frameworks such as 5x5 heat maps have been developed and adopted for stormwater management, water and wastewater, fleet and equipment, municipal parking and buildings and facilities. A detailed risk investigation was implemented for all bridges and large culverts owned by the City. The risk investigation and inspections culminated in a quantified risk ranking for all structures.

The City has seen progress with significant data collection initiatives from CCTV inspection of underground infrastructure, to Building Condition Assessments and the 2020 Bridge and Large Culvert Structural Inspection. Asset Management reporting including discussion on condition data is presented to Finance and Administration Committee annually prior to budget deliberations.

Asset renewals and replacement are prioritized annually based on the impact of probability and the consequence of failure with the implementation of the Capital Prioritization Tool.

The EAMP is developed to integrate with the City's enterprise risk management, long-term financial planning process, master plans, the newly adopted Community Energy and Emissions Plan and annual business and budget processes.

The City is prepared to meet and exceed the next deadline mandated within O. Reg. 588/17.

Re: Cash Controls at the Citizen Service Centre at Tom Davies Square

Audit Report released	Mar 2020
Original # of Observations	3
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	0
# of Action Plans on Next Follow Up	2
Status as of May 31, 2021	In progress

Observation and Summary of Progress (Based on Self-Assessment conducted by Community Services)	Self-assessed Status
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Observation 1

Contrary to City policy, there is shared access to cash drawers during breaks and lunch as well as during vacations and illness. Accountability for errors and shortages is diluted.

Partially implemented

Only one Cashier should control and access a cash drawer.

Original Management Response

We agree with the recommendation. Although this is a rare occurrence, and several other mitigation measures are in place, we are working to develop a solution that will address this through staff scheduling and resourcing, and improved technology and software licensing. We expect to have this recommendation fully implemented by the end of 2020.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

In progress.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021.

Due to COVID-19 and the closures/appointment based customer service, implementation of this recommendation is on hold. Upon opening of the One-Stop-Shop in late 2021, this recommendation will be fully implemented.

Observation 3

Cash was being closed at the end of each day and a bank deposit was being prepared every other day.

Partially implemented

Errors or shortages may not be detected on a timely basis and accountability for errors and shortages is diluted.

Cash should be closed and a bank deposit prepared at the end of each day.

Original Management Response

We agree with this recommendation. As a result of this recommendation, staff has implemented daily morning balancing, which means that cash is balanced the morning after a shift. Due to current restrictions in the Collective Bargaining Agreement, operational requirements and customer service needs, a morning balance has been implemented as a temporary solution to daily end-of-day balancing. We expect to have this recommendation fully implemented by the end of 2020.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

In progress.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Employees now balance cash drawers at the beginning or end of each shift. Upon opening of the One-Stop-Shop in late 2021, this recommendation will be fully implemented.

Re: Cash Controls at the Downtown Transit Terminal

Audit Report released	Mar 2020
Original # of Observations	3
# of Action Plans Previously Complete	1
# of Action Plans Being Closed Now	1
# of Action Plans on Next Follow Up	1
Status as of May 31, 2021	In progress

Observation and Summary of Progress (Based on Self-Assessment conducted by Community Services)	Self-assessed Status
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Observation 1

Contrary to City policy, two cashiers operate from a single cash drawer and Point of Sale (POS) terminal during shifts. At the end of shifts on weekdays, cash is not balanced in accordance with the City's Cash Handling Policy and Procedures. Bank deposits are also not prepared at the end of each day. As a result, accountability for errors or cash shortages cannot be determined.

Each cashier should have their own POS terminal and cash drawer. Daily receipts for one terminal should be verified by the cashier for the other terminal. Staff should balance at the end of each shift in accordance with the City's handover policy. One bank deposit should be prepared at the end of each day for cash receipts from both terminals and signed off by both cashiers on duty

Complete

Original Management Response

We agree with the recommendation. It is important to note, however, that due to lack of space for a second POS terminal or cash drawer, planning will be required for a redesign and renovation of the space. We will begin coordination with Finance, IT and Assets to meet this improvement.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

A second POS and cash drawer has been added which will allow us to comply with the recommendations made on this observation. Beginning on June 8, 2020 each Staff will balance at the end of each shift, and a daily bank deposit will be prepared at the end of each day.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

- Each cashier now operates their own POS terminal and cash drawer during their shift.
- Daily receipts are balanced at the end of shift by the cashier operating that cash.
- The Kiosk cashier clerk prepares the daily revenue report with the breakdown and attaches their names to the report.
- The Transit Cashier Clerk prepares the bank deposit for each day and signs off.

Observation 3

Sales of photo identification (ID) cards are not controlled adequately as they are not assigned sequential numbers. As a result, unrecorded sales may occur.

Sequential numbers should be developed and assigned to photo ID cards to ensure all sales are recorded.

**Partially
implemented**

Original Management Response

We are moving towards eliminating ID cards with smart technology in fare payments, therefore eliminating this issue when implemented.

Actions Taken, Results and /or Actions Planned - As of May 31, 2020

It is planned to address this recommendation Q3/Q4 2021.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

We are still moving towards eliminating ID cards with smart card technology in fare payments, The ID cards will be eliminated.

Re: Performance Audit of Fleet Services

Audit Report released	Sep 2020
Original # of Observations	5
# of Action Plans Previously Complete	0
# of Action Plans Being Closed Now	1
# of Action Plans on Next Follow Up	4
Status as of May 31, 2021	In progress

Observation and Summary of Progress

(Based on Self-Assessment conducted by Community Services)

**Self-assessed
Status**

Observation A

Mandate of Fleet Services

1. Establish a policy to clearly establish Fleet Services as having lead accountability for all vehicle and equipment acquisitions, maintenance and disposals;
2. Develop a formal replacement policy for fleet to ensure that all relevant factors such as age, condition, utilization, need, suitability and lifecycle costs are consistently considered during replacement decisions; and
3. Develop a formal policy requiring all proposed long-term leases to be submitted to the Director of Assets and Fleet Services for formal approval prior to being executed to ensure these decisions are supported by a business case that considers all relevant costs to the corporation.

**Partially
implemented**

Original Management response:

Agreed. Management have implemented business processes that define the acquisition and disposal of vehicles and equipment. These business processes consistently consider all relevant factors when replacing vehicles and equipment. Although the business processes have been implemented, they have not been formalized in a policy. Management will produce an Acquisition and Replacement policy that reflects the business processes performed and addresses these recommendations.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

A draft policy that encompasses these recommendations has been written and will be presented to the Fleet Governance Committee in the latter half of 2021 for approval.

Observation B

Asset Management

Benchmarking reports indicate that the City has more general fleet on a per capita basis and on a full-time equivalent basis than our municipal peers in Hamilton, London, Windsor and Thunder Bay as well as Chatham-Kent. Some, but not all of these differences can be

explained by the fact that the City of Greater Sudbury is much larger geographically than its peers.

Recommendations:

To reduce the City's investment in fleet to a more sustainable level and to lower its lifecycle costs:

**Partially
Implemented**

1. Review the level of fleet with users such as Linear Infrastructure Services to rationalize their fleet by identifying opportunities to reduce spare units or to share units with other divisions;
2. Review the level and condition of the transit fleet to reduce spare units and to prioritize older units with high mileage for replacement; and
3. Work with operating departments to update the custodial use policy to reduce the personal use of City vehicles for travel to and from work. Operating departments should review policies with the goal of reducing the amount of custodial use of City vehicles for employees who are not on-call or who have low annual usage.

Original Management response:

Agreed, however management views the need for vehicles and equipment from the perspective of service delivery and not on a per capita basis. Consideration for geography, number of services delivered, scope of assets serviced and service levels need to be taken into account when defining an optimal level of vehicles and equipment. Fleet management reviews and will continue to review the level of usage with operating departments with an aim to providing service in an economical fashion. Through this process Linear Infrastructure Services and Transit Services have reduced their fleet by one heavy vehicle and one bus respectively in coordination with Fleet Services and will continue to look for further opportunities to optimize the fleet footprint without compromising service. As with all departments, Fleet management will continue to provide condition information to Transit management for their bus replacement decisions. Management will work with Human Resources and operating departments to update the Custodial Use Policy in an attempt to optimize the custodial use of City vehicles.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The actions recommended are taken into account annually. Fleet services will continue to monitor, guide and recommend ways to economize the fleet used in operating departments.

Observation C

Cost Recovery

Fleet services estimates the amount of costs to be recovered for each item of fleet used by departments at the time of acquisition. For the general fleet, this estimate is based on the original capital cost, inflation, repairs, insurance and licensing during the unit's expected useful life. The overall recovery rate is currently set with the objective of recovering 85% of

capital costs from user departments. As transit acquires its own fleet, they are only charged for maintenance costs on the transit fleet that are invoiced to the transit cost center. Fire services is charged for three maintenance staff and actual costs for maintenance on the fire trucks since it also acquires its own fleet. Paramedic services also purchases its own vehicles, so is presently charged based on a rolling average of work order costs for its vehicles over the last two years.

Observations:

While the net recovery rate for Fleet Services improved from 80.7% to 86.5% between 2016 and 2019, almost \$6 million of costs were not recovered from user departments during this period. Cost recoveries declined from a high of 91.8% in 2018 to 86.5% in 2019 due to higher than expected maintenance costs on aging transit buses and higher than anticipated repairs on winter maintenance vehicles from record levels of snow in 2019.

Recommendation:

1. To ensure service delivery is accurately costed and programs are treated equitably, perform a rate review to maximize the accuracy of the charges to divisions such as Linear Infrastructure Services and to provide a more homogeneous rate structure for all divisions serviced including EMS, Fire and Transit; and
2. To ensure that programs that are cost-shared with the province reflect all relevant charges to maintain the City's fleet, update the rates to fully recover all eligible program costs.

Partially
Implemented

Original Management response:

Agreed. Management periodically performs a rate review for all classes of units that are acquired and maintained by Fleet Services. The last rate review for these units was performed in 2018. Management will undertake a review of the rates for the various classes of equipment in 2021 and reflect any adjustments in the 2022 budget. Emergency Medical Services is the only division that receives upper level government funding and will be reviewed as part of the rate review.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Staff are currently reviewing actual unit costs within each equipment category in order to determine whether the current cost recovery are accurate. Verification is now underway and if necessary, recommendations for any adjustments of a material nature would follow and be reflective in the 2022 budget.

Observation D

Maintenance of Vehicles and Supply of Parts

While most staff work out of the Lorne Street garage, four mechanics were assigned to work from public works depots across the City in 2019 to improve the timeliness of maintenance on snow plow trucks and to increase the availability of these trucks for service.

Fleet Services staff employs mainly senior technicians to perform maintenance functions and contracts out some functions during peak periods and when there is staff turnover. This audit determined that opportunities exist to improve the economy of maintenance services by

changing the mix of staff and contractors for routine maintenance functions.

The responsibility for maintenance of the transit fleet was transferred to Fleet Services in 2018. While “running repairs” are now done outside of peak service periods for the transit fleet, opportunities exist to optimize the timing of repairs to maximize the number of buses available for service.

Fleet Services also employs three staff that work in the Parts department. In the last two years, a number of changes have been implemented to improve the purchase, handling and storage of inventory. Notwithstanding, the level of staffing in Parts is insufficient to support timely maintenance of the fleet.

Recommendations:

1. Review the mix of staff and contractors to identify opportunities to reduce the cost of routine maintenance;
2. Prepare a business case for a part-time helper in Parts to support timely maintenance of the fleet; and
3. Coordinate with Human Resources and Organizational Development staff to negotiate changes to schedules for maintenance staff to maximize the number of transit buses available for service during peak periods to allow management to reduce the number of spare buses.

Complete

Original Management response:

Partially Agree. Management has made changes to permanent job classifications, employed apprentices, changed shift schedules and reporting locations in an attempt to increase efficiencies and optimize service delivery. Similarly, management has identified particular pieces of work which are more economically attained by contracting out. Management will continue to review the mix of contracted work, unlicensed employees, apprentices and licensed technicians in the future. Similarly, management will continue to monitor service demand as it relates to technician availability and adjust accordingly. Management recently completed a business process review that provides guidance on the allocation of human resources and alternatives to increasing the overall compliment by employing technology and vendor managed inventory solutions. Management will prioritize the need for the part-time helper recommendation and will include in the 2021 budget process if necessary.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Management has identified particular pieces of work which are more economically attained by contracting out. Management will continue to review the mix of contracted work, unlicensed employees, apprentices and licensed technicians as a part of the management process. Part time hours were approved in the 2021 budget and a part time helper for the parts section has been recruited. The schedules for technicians are commensurate with the service delivery of Transit Services and consequently the ebb and flow of demand for technicians. There is no further requirement to adjust shifts.

Observation E

Overall Management

Notiform Inc. recommended that Fleet Services replace its current work order system which has limited functionality. We agree that the current system does not allow Fleet Services staff to effectively measure and manage the cost drivers for maintenance services.

Recommendations:

1. Develop key performance measures to measure the efficiency, effectiveness and economy of the overall Fleet Services function as well as the maintenance and parts activities; and
2. In conjunction with staff from the Information Technology Services and Finance Services Divisions, identify information systems options which will more effectively meet the requirements of Fleet Services staff.

Partially
Implemented

Original Management response and action plan:

Agreed. As part of the recently completed Fleet Business Process Review, it was determined that a new fleet work management system would be required. Current systems on the market allow for more vibrant data capture and reporting that will allow Fleet management to develop more robust performance measures in order to more actively monitor and manage the work processes. Management will be including this project in the 2021 Capital Budget.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

The workplan for Fleet Services in 2021-2022 includes the procurement of a Fleet information system that will enable management to gather and assemble data and produce reporting that defines progress as it relates to efficiency, effectiveness and economy.

Re: Performance Audit of Compensation Management

Audit Report released	Sep 2020
Original # of Observations	4
# of Action Plans Previously Complete	0
# of Action Plans Now Closed	0
# of Action Plans on Next Follow Up	4
Status as of May 31, 2021	In Progress

Observation and Summary of Progress (Based on Self-Assessment conducted by Community Services)	Self-assessed Status
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A. Human Capital Management Plan

Recommendation:

Refine the draft Human Capital Management Plan to continue to evolve CGS' human resource systems, policies and programs to ensure their ongoing relevance, appropriateness and alignment with CGS's mission statement, strategic goals and long-term financial plan.

Little Action

Original Management Response and Action Plan:

The development and implementation of a human capital management plan is included under the strategic priority to continue to demonstrate innovation and cost-effective service delivery. There is ample research that specifically ties supported and motivated employees to financial success for an organization. By investing in its employees, organizations are able to improve customer/citizen satisfaction and realize positive, bottom-line financial results. Motivated and engaged employees foster a healthy, safe, and productive work environment for all which results in higher productivity and achievement or corporate strategic goals and objectives.

The Human Capital Management Plan provides the "blueprint" for priority actions to ensure there are sustainable staffing plans in place and to align Human Resource systems, policies and processes with the long-term financial and human resource strategic goals of the organization. As all organizations are constrained by limited financial resources, the Human Capital Management Plan will enable the City to focus our efforts on those activities which ensure we can continue to attract, develop and retain a high performing, diverse workforce now and into the future.

To provide additional clarity, management will incorporate a stronger statement within the Human Capital Management Plan (HCMP) about the linkage with the Long-Term Financial Plan.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Revisions to the HCMP have not been made to date due to support required for the PHSD vaccination clinics. The anticipated timeframe to complete this action is end of July, 2021.

B. Salary Administration Plan

B.1 Benchmarking of Compensation Costs

Benchmark with additional single-tier municipalities to identify further opportunities to update compensation management practices to improve the cost effectiveness of service delivery within CGS by adopting practices such as:

Partially
implemented

- Changing the staff mix to employ more students, PT staff, volunteers to deliver seasonal programs;
- Creating entry-level positions at lower rates of compensation to perform basic functions;
- Creating business cases for co-op students for the IT, Engineering Services, Linear Infrastructure Services and Water/Wastewater Divisions;
- Introducing additional pay steps to move staff more slowly to top rates of pay; and
- Contracting in or out additional services or functions where business cases support change.

Original Management response and action plan:

Staff will review the current list of approved comparators and make recommendations to Council to add additional single-tier municipalities. In addition, staff will review the recommendations with the operating areas to see if there are additional opportunities to improve the cost effectiveness of service delivery. On average, CGS hires 275 summer students each year to deliver summer programs and approximately 1300 part-time staff (43%) to deliver programs. CGS does hire co-op students as well as apprentices in a number of areas. Staff will continue to explore additional opportunities where feasible.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

During the 2021 Budget process, staff proposed and received approval from Council for a reduction in the number of summer students to be hired. Only those critical to Parks Services and Waterfront were approved. As a result of a successful application for Canada Summer Jobs funding, staff have proceeded to hire some additional summer students to support Engineering Services. Staff anticipate being able to dedicate time associated with the review of comparators during Q3 and Q4 2021.

B.2 Job Evaluation Plan for Non-Union Staff

Implement formal processes to track the source and destination of salaried personnel to improve retention rates.

Partially
Implemented

Original Management response and action plan:

A job evaluation plan must be applied consistently across all job classifications to meet the requirements for pay equity legislation as well as meet the intention to ensure internal equity. CGS has a policy driven approach to deviating from job rates derived from job evaluation where there is difficulty recruiting or where “hot skills” drive rates of pay out of line with the market on a temporary basis. The Non-union Market Adjustment Policy establishes a set of criteria which

allows for an increase of one CGS pay increment to address these types of situations. To ensure we continue to meet our goal of external equity, on an annual basis, CGS participates in the MERCER Ontario Municipal Compensation Survey, the Municipal Benchmarking Network Canada Survey, and the Human Resources Benchmarking Network Survey. Additionally, CGS initiates eight to ten ad hoc external market surveys annually with other municipalities and participates in around 60 ad hoc external market surveys with other municipalities.

The Human Capital Management Plan (HCMP) highlights a number of initiatives to address the challenges experienced with a competitive labour market, higher turnover rates, pending retirements and evolving skills and abilities required to meet the strategic priorities of the organization moving forward. Feedback from exit interviews with employees who voluntarily leave or retire was reviewed and considered in the development of the action items in the HCMP. Management will include the implementation of a more formal process to track our appeal for successful candidates and to track where employees go when they leave the City. A more formal process to capture information obtained through onboarding and exit interviews, along with other information from employee engagement surveys will help direct our efforts to improve our ability to attract, retain and develop employees.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Due to other priorities associated with support for the PHSD vaccination clinics, this action has been delayed. Revised timeline for development of the more formal process is Q1, 2022. CAO has added a review of aggregated feedback from exit interviews to his quarterly performance update to Council.

B.3 Collective Bargaining with Unionized Staff

During the collective bargaining process, continue to identify the significant limitations that exist on the City's ability to pay such as the City's sizable infrastructure deficit and modest annual rates of economic growth.

**Partially
Implemented**

Original Management response and action plan:

In negotiations, the City's proposal contains financial and service related information as context for the negotiations process. For renewal negotiations with our locals, (IAFF, CLAC, CUPE Local 4705 – Inside, Housing and Outside, ONA, and CUPE 148 Units), managerial staff from operations as well as Finance provide the ability to pay context for the City's proposals throughout the process.

Staff will continue to provide Council with substantive information during the collective bargaining process, including cost benefit analysis of opportunities to negotiate changes to collective bargaining agreements to enable changes to service delivery models or contracting in opportunities. With respect to interest arbitration with Fire Services, it is too early to tell the impact this legislation will have on outcomes from arbitrators. However, staff will continue to present ability to pay arguments during the negotiation and/or interest arbitration process.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Although the recommendation is an ongoing action, there have not been any collective bargaining mandates sought since the time of the audit. Staff are working on a mandate report and presentation for negotiations with Local 527 of the SPFFA (IAFF) and will include routine ability to pay information in our proposal package. Also, our Long Term Financial Plan update features a section on employment costs in Police and Fire in particular to highlight the influence these employment costs have on the long term financial outlook for the corporation.

Re: Performance Audit of Wastewater Service

Audit Report released	Dec 2020
Original # of Observations	4
# of Action Plans Previously Complete	0
# of Action Plans Being Closed Now	1
# of Action Plans on Next Follow Up	3
Status as of May 31, 2021	In progress

Observation and Summary of Progress (Based on Self-Assessment conducted by Community Services)	Self-assessed Status
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Observation A

Master Plan and Long-Range Financial Plan

This audit determined that the 20-year phase in strategy that was recommended within the 2019 water and wastewater long-range financial plan places insufficient emphasis on the risks of asset failure and ignores significant capacity limitations within some of the City's treatment plants. As a result, a number of upgrades to treatment plants and lift stations that have higher risks of failure and were recommended in the 2017 master plan have been deferred.

Update the water and wastewater long-range financial plan in 2024 to ensure it incorporates sound asset management and risk management practices and recommends sufficient funding to maintain and, where necessary, expand the capacity of the wastewater assets.

**Partially
Implemented**

Original Management response and action plan:

The Long-Range Financial Plan is scheduled to be updated in 2024. Even though the current plan is following a 20-year timeframe, by Ontario Regulation the plan has to be updated no less frequently than every 5 years as part of the drinking water license renewal process. This 5-year renewal period may see a change in forecasted rates and, if necessary, an appropriate recommendation for a rate change to Council will be made at that time. Two factors that will have a major impact on the financial plan will be the implementation of the Advanced Meter Infrastructure (AMI) and the work of the Inflow and Infiltration (I&I) Task Force.

The AMI portion is significant and as of mid-2022, we will have a more accurate value of water consumption and available funding. The Infiltration and Inflow task force is now gaining momentum and have started formulating design plans and producing recommendations which will assist in Council's intent of minimizing the impact of peak weather flow on our Wastewater systems. The data collected between now and 2024 will provide an update to our risk assessments and have an impact on capital allocation that may differ from recommendations in the 2017 Master Plan (MP) by directing funds towards maximizing reduction of I&I thereby minimizing the more costly option of expanding facilities.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Asset Management Plan and Long-Range Financial Plan are expected to commence in 2022/2023 and 2024 respectively. The Water and Wastewater Master Plan will be included in the planned 2022 budget. The budget item will allow us to issue an RFP to hire a consultant to update the existing Master Plan.

The Inflow and Infiltration (I&I) Task Force work is progressing. We have completed flow monitoring in Lively and we are in a process of data analysis. Additional flow monitoring and CCTV are in procurement for some additional areas.

Observation B

Asset Management

In 2016, an infrastructure backlog of \$882 million was identified in the Water/Wastewater division that needed to be addressed by 2026. Since then, the City has spent less than 5% of that amount on capital upgrades to the wastewater treatment plants and lift stations to improve their reliability and efficiency.

Table 3 summarizes the status of the upgrades to wastewater assets with higher risks of failure that were identified within the 2017 water and wastewater master plan.

Recommendations

1. In the short-run, introduce or expand cost effective infiltration and inflow control programs within communities where insufficient capacity exists to treat peak flows; and
2. Update the water and wastewater long-range financial plan in 2024 to address the updated condition assessments and any significant risks of failure identified within the asset management plans for the wastewater assets.

**Partially
Implemented**

Original Management response and action plan:

The expansion of the I&I program with the deliberate attempt of focusing capital funding on minimizing system leaks into the collection system will require constant adjustment and updates of any risk assessments conducted, including those identified in the 2017 Master Plan (MP) that have not yet had capital funding allocated. Our intent is to use this process to ensure capital is allocated to areas determined critical through the ongoing updates to the condition and risk assessments completed during the asset management planning process rather than relying on old data from the 2017 MP.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

In order to ascertain water and wastewater facilities capital needs we are engaging in condition assessment with risk assessment as its basis for future capital needs recommendations, which ultimately will form the future Asset Management Plan Update. The long-range financial plan is scheduled for 2024. We have completed all the wastewater treatment facilities condition assessment and are in the process of procuring the remaining sewage lift station.

Observation C

Overall Management

Management participates within annual benchmarking exercises such as the BMA municipal study and the National Benchmarking Index study for Water/Wastewater but does not disclose relevant performance measures from these studies in the annual budget package.

To provide more insights on wastewater services operations, provide additional performance measures in the annual budget package from the BMA and National Benchmarking studies.

Original Management response and action plan:

Complete

Staff will expand annual reporting to include the recommended performance measures. In addition to the BMA performance measures that provide municipal averages, staff will make an effort to compare the City to municipalities with similar processes and magnitude of infrastructure. The number of facilities over the broad square area of coverage continues to create a disproportionate factor when comparing to other municipal benchmarks. Additionally some of our costs also include the treatment of a Class A Biosolids facility, which may not be the case with a number of the municipalities in the BMA study.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Staff have worked to improve reporting through the National Water/Wastewater Benchmarking Index (NWWBI) and the Municipal Benchmarking Network Canada (MBNCan) and utilize this data to benchmark against comparator municipalities. This has included rationalizing data to only report values for the Sudbury Wastewater Treatment Plant in order to provide a more effective comparison as the inclusion of outlying facilities tends to disproportionately affect the data due to the broad service areas and low population densities serviced by those facilities. Data for 2020 showed significant improvement, and operations was able to more effectively identify areas for improvement.

Additionally, Water/Wastewater is now providing data for reporting through the World Council on City Data (WCCD) and work continues on the development of meaningful, actionable Key Performance Indicators (KPIs) for all operating sites.

The Budget for 2021 included extensive data on service level expectations, activity levels and key performance indicators for Wastewater service including the total operating cost of wastewater treatment per megalitre treated and total operating cost of water treatment per megalitre treated versus municipal median costs.

Observation E

Risk Management

Management has taken steps to mitigate significant risks within the Wastewater Services Section. Management should take steps to further mitigate residual risks that are above 10.

Partially
implemented

Original Management response and action plan:

F1/O1 are being addressed by continuing to complete the facility assessments in order to be compliant with the provincial mandate of recognizing assets as part of the overall asset management plan. This will give us a clear picture of the state of the assets and allow us to develop a plan to prioritize capital spending over a 5-year period (subject to updates as per management responses as noted above).

F3 will be considered at least every 5 years and an appropriate adjustment will be recommended to Council if required.

O3 is mitigated by our upgrade of high-risk facilities from a capital perspective but also by maintaining a robust emergency response by our crews during periods of asset failures/peak flow during weather events.

F2/O2 are addressed by Wastewater Treatments continuous improvement program where analysis of data is conducted and any recommendations for an increase in efficiency is implemented. It should be noted that the funding allocated to O and M has minimally increased over the past 5 years despite disproportionate cost increases in labour, energy, chemicals and materials.

O4 has been designated a high inherent risk, but field data indicates this risk can be effectively mitigated. Wastewater Treatment has seen “0” Loss Time Injuries over the last 2 years due in large part to the serious manner in which we administer both our employee engagement as well as the robustness of our health and safety program.

L1 is mitigated by our Compliance section which oversees and proactively recommends solutions regarding all legal and regulatory parameters for wastewater.

R1 takes into account the process of our Standard Operating Procedures for which all staff are regularly trained. These SOP’s serve to minimize situations that may damage the City’s reputation.

F4 indicates that all purchases, tenders and RFPs made by wastewater staff adhered to the Purchasing By-law.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Residual risks that are above 10 continue to be actively managed, monitored and mitigated.

Re: Performance Audit of Service Contract Management Processes

Audit Report released	Feb. 2021
Original # of Observations	2
# of Action Plans Previously Complete	0
# of Action Plans Now Closed	0
# of Action Plans on Next Follow Up	2
Status as of May 31, 2021	In progress

Observation and Summary of Progress (Based on Self-Assessment conducted by Community Services)	Self-assessed Status
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Observation A

A. Maintenance of Insurance

Introduce processes to ensure that staff verify that contractors maintain appropriate insurance coverage.

Partially implemented

Original Management response and action plan:

Agreed. Purchasing will reinforce to Authorized Persons, in training and upcoming annual Business Partner meetings of their contract administration responsibilities. In addition, the 2021 Purchasing Workplan includes an update to the Purchasing Contract Administration Policy. Improvements will be made to the policy to enhance clarity of roles and responsibilities. The 2021 Purchasing Workplan includes implementation of modules in the updated bids&tenders bidder submission software platform used by the City. We have initiated this project and by the end of 2021, the Contract Management Module will be utilized for all contracts that Purchasing coordinates. The bids&tenders Contract Management Module will provide the ability for all parties (Purchasing, the Contract Administrator and the Supplier) to view, manage and submit the various contract documents, including insurance. The system will notify the Supplier of an insurance certificate expiry, the Supplier will upload a new certificate and staff can approve/reject the certificate. In addition, Purchasing will have access to a dashboard that identifies expired contract documents for monitoring and further investigation. In the 2022 Workplan, Purchasing will develop a formal training program for all new management hires that will encompass the Purchasing By-Law and associated policies and procedures.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Annual Business Partner meetings are currently taking place through June. Authorized Persons are being reminded of their contract administration responsibilities (insurance/WSIB records maintenance and performance management). The bids&tenders Contract Management Module is in its final stages of testing and will be rolled out within the next few months.

In the 2022 Workplan, Purchasing will develop a formal training program for all new management hires that will encompass the Purchasing By-Law and associated policies and procedures.

Observation B

Performance Monitoring of Contractors

Formal processes are not in place to document the performance of service contractors. While the decisions to renew/extend two of the contracts that were examined during this audit appeared sound, they were made without reference to documented records of contractor performance. Performance monitoring processes for other service contracts that we examined during this audit were also not documented consistently. As a result, service contract award decisions may not be fully informed.

Recommendation:

Introduce a formal performance monitoring system to ensure contract extension decisions are supported by contractor performance documentation.

Partially
implemented

Original Management response and action plan:

Agreed. Immediately, Purchasing staff will incorporate messages in Business Partner meetings that reinforce expectations regarding the need for actively managing contractor performance management.

In the 2022 Workplan, Purchasing will be developing a formal Contractor Performance Management System. It will be a holistic system that starts with defining contract requirements, conducting contract risk assessments, and developing key performance indicators. There will be a process to record performance and escalate issues to ensure that penalties are appropriate and that issues are escalated to the right people within the City and the Contractor. This formal system will reinforce the current provisions in the Purchasing By-Law "Disqualification of Bidders", to ensure that expectations are clearly defined, proper notice procedures are followed and that penalties are administered systematically to avoid legal challenges. This is not only meant to be a punitive process as satisfactory performance will also be recorded in order to document the City's reasoning for awarding option years on multi-year contracts, to serve as references for future Bid Solicitation process and to recognize Contractors that provide excellent services. The development of a formal system will include the evaluation of the bids&tenders Vendor Performance Management Module which can provide the ability for all parties (Purchasing, the Contract Administrator and the Supplier) to send, fill-out and receive associated forms, as well as tracking due dates of performance review and records retention.

Actions Taken, Results and /or Actions Planned - As of May 31, 2021

Annual Business Partner meetings are currently taking place through June. Authorized Persons are being reminded of their contract administration responsibilities (insurance/WSIB records maintenance and performance management).

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