

# COMMITTEE AGENDA



TO **Governance Committee**

DATE March 3, 2015

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 3:00 p.m.

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## DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

**CONFIRMATION OF MINUTES** – July 8, 2014 open meeting minutes

## APPOINTMENT OF THE VICE-CHAIR

## PRESENTATIONS (Items with no accompanying report)

a) None

## CONSENT AGENDA

*The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Governance Committee Consent Agenda will be approved in one resolution.*

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
GOV-2015.1 Annual Report of the Integrity Commissioner		• Robert Swayze, Integrity Commissioner	√
GOV-2015.2 Internal Audit Reporting Structure			

Resolution to adopt the balance of the Governance Committee Consent Agenda.

## ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

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**STAFF UPDATES AND ANNOUNCEMENTS**

**ADJOURN**

**NEXT MEETING** – May 5, 2015



The Corporation of the City of Guelph  
Governance Committee Minutes  
Tuesday, July 8, 2014 at 3:00 p.m.

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**Attendance:**

Members: Chair Farbridge  
Councillor Dennis  
Councillor Hofland  
Councillor Bell  
Councillor Findlay

Councillors: Councillors Furfaro, Van Hellemond, Wettstein

Staff: Ms. A. Pappert, Chief Administrative Officer  
Mr. M. Amorosi, Executive Director, Corporate & Human Resources  
Mr. S. O'Brien, City Clerk  
Mr. D. Godwaldt, General Manager, Human Resources  
Ms. B. Boisvert, Corporate Manager, Strategic Planning and Corporate Initiatives  
Mr. D. McMahon, Research Assistant  
Ms. T. Agnello, Deputy Clerk  
Ms. G. van den Burg, Council Committee Coordinator

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**Call to Order:** (3:00 p.m.)

Chair Farbridge called the meeting to order.

**Disclosure of Pecuniary Interest and General Nature Thereof:**

There were no disclosures.

**Confirmation of Minutes:**

1. Moved by Councillor Dennis  
Seconded by Councillor Hofland

That the closed meeting minutes of the Governance Committee held on May 6, 2014, be confirmed.

That the open meeting minutes of the Governance Committee held on May 6, 2014, be amended as follows:

**To record Councillor Dennis as voting against Item GOV-2014.7 regarding Electronic Device Policy – Amendment; and**

**To record Councillor Dennis as voting in favour of Item GOV-2014.10 regarding Internal Audit.**

VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)  
VOTING AGAINST: (0)

CARRIED

**Consent Agenda:**

The following items were extracted:

- GOV-2014.11 COUNCIL ORIENTATION & LEADERSHIP DEVELOPMENT PROGRAM
- GOV-2014.12 2015+ STRATEGIC PLANNING
- GOV-2014.13 COUNCIL COMPOSITION AND EMPLOYMENT STATUS REVIEW – TERMS OF REFERENCE
- GOV-2014.14 PROPOSED AMENDMENTS TO CITY OF GUELPH PROCEDURAL BY-LAW 2012-19375 GOVERNING COUNCIL AND COMMITTEE MEETINGS
- GOV-2014.15 INTERNAL AUDIT SYSTEM – FLOW OF REPORTS
- GOV-2014.17 REVIEW OF DISCRETIONARY POSITIONS

**Balance of Consent Items:**

2. Moved by Councillor Hofland  
Seconded by Councillor Bell

That the balance of the Governance Committee, July 8 2014 Consent Agenda, as identified below, be adopted:

**GOV-2014.16 Non-union and Management Employee – Overtime Policy Changes**

That the July 8, 2014 report entitled “Non-union and Management Employee – Overtime Policy Changes” be received for information.

**GOV-2014.18 Municipal Election Compliance Audit Committee Appointments**

1. That the Municipal Election Compliance Audit Committee Terms of Reference, as set out in Appendix A to this report, be approved and adopted; and
2. That City Council appoint the following selected people to the Committee, as required under the Municipal Elections Act, 1996, from December 1, 2014 until the end of the term of the incoming Council, November 30, 2018:
  - George Gorringer\*\*
  - Glenn Greer
  - Lyndsay Monk

\*\* means incumbent

**GOV-2014.19 Governance Committee Outstanding Motions**

That report CHR-2014-47 – Governance Committee Outstanding Motions, be received for information.

*VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)*

*VOTING AGAINST: (0)*

CARRIED

**Extracted Consent Items:**

**GOV-2014.11 Council Orientation & Leadership Development Program**

Mr. Dylan McMahon, Research Assistant, highlighted the goal of the Council orientation program is to make orientation information accessible, digestible, and easy to understand by creating an new electronic User Guide to Local Government to replace the Governance Manual and Councillor’s Handbook.

Mr. Stephen O’Brien, City Clerk, provided an overview of the foundational governance orientation – a 2 day orientation that will provide new Councillors with initial information to perform their duties.

Mr. David Godwaldt, General Manager of Human Resources, explained that a leadership program will be introduced to Councillors that will mirror the staff leadership program.

3. Moved by Councillor Hofland  
Seconded by Councillor Bell

That CAO report CAO-C-1404 entitled, “Councillor Orientation and Leadership Development Program” and the new *User Guide*, be received for information and discussion.

*VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)*

*VOTING AGAINST: (0)*

CARRIED

**GOV-2014.12 2015+ Strategic Planning**

Ms. Ann Pappert, CAO, briefly explained how the corporate strategic framework will continue to deliver outstanding municipal services into the next term of Council.

Ms. Brenda Boisvert, Corporate Manager, Strategic Planning and Corporate Initiatives, explained how the Strategic Plan can work to implement the vision of Council and what the progress has been on the Strategic Plan.

4. Moved by Councillor Hofland  
Seconded by Councillor Bell

That the Governance Committee receive the report ‘2015+ Strategic Planning’ for information and discussion to further continuous improvement and Council orientation planning.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)

VOTING AGAINST: (0)

CARRIED

**GOV-2014.13 Council Composition and Employment Status Review – Terms of Reference**

5. Moved by Councillor Dennis  
Seconded by Councillor Hofland

The report dated July 8, 2014, titled "Council Composition and Employment Status – Terms of Reference," be received.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)

VOTING AGAINST: (0)

CARRIED

**GOV-2014.14 Proposed amendments to City of Guelph Procedural By-law 2012-19375 Governing Council and Committee Meetings**

6. Moved by Councillor Findlay  
Seconded by Councillor Bell

1. That the report from the City Clerk dated July 8, 2014 regarding the Procedural By-law be received; and
2. That a by-law be enacted to repeal and replace By-law 2012 -19375, as amended, being the Procedures Governing Council and Committee meetings to incorporate the changes proposed as attached hereto as Appendix "A".

**First Amendment**

7. Moved by Councillor Hofland  
Seconded by Councillor Findlay

**That Section 8.11 of Appendix A be deleted and replaced as follows:**

**"8.11 a) For the purpose of Council meeting agendas, delegates have until 9:00 a.m. on the Friday of the week prior to the meeting to notify the Clerk to be a delegate or to submit a written comment.**

**"8.11 b) For the purposes of Standing Committee meeting agendas:**

- (i) Delegates have until 11:00 a.m. the day of the meeting to register with the Clerk to speak to an item listed on that meeting agenda.**

- (ii) Delegates have until 9:00 a.m. on the Friday of the week prior to the meeting to notify the Clerk to submit a written comment for any meeting occurring the following week.”**

*VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)*

*VOTING AGAINST: (0)*

CARRIED

### **Second Amendment**

8. Moved by Councillor Findlay  
Seconded by Councillor Bell

**That Section 8.7 of Appendix A be deleted and replaced with the following:**

**If a delegate is unable to attend the meeting for which they are registered, they may have another person read their written submission.**

*VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)*

*VOTING AGAINST: (0)*

CARRIED

### **Third Amendment**

9. Moved by Councillor Findlay  
Seconded by Councillor Bell

**That Section 9.2 (b) and (d) of Appendix A related to electronic petitions, be deleted and Section 9.2 (a) be amended as follows:**

**9.2 (a) Petitions shall include a statement or position that the signers are supporting and include legible names.**

*VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)*

*VOTING AGAINST: (0)*

CARRIED

### **Main Motion as Amended**

10. Moved by Councillor Hofland  
Seconded by Councillor Findlay

1. That the report from the City Clerk dated July 8, 2014 regarding the Procedural By-law be received; and
2. **That Section 8.11 of Appendix A be deleted and replaced as follows:**

**"8.11 a) For the purpose of Council meeting agendas, delegates have until 9:00 a.m. on the Friday of the week prior to the meeting to notify the Clerk to be a delegate or to submit a written comment.**

**"8.11 b) For the purposes of Standing Committee meeting agendas:**

**(i) Delegates have until 11:00 a.m. the day of the meeting to register with the Clerk to speak to an item listed on that meeting agenda.**

**(ii) Delegates have until 9:00 a.m. on the Friday of the week prior to the meeting to notify the Clerk to submit a written comment for any meeting occurring the following week."**

**3. That Section 8.7 of Appendix A be deleted and replaced with the following:**

**If a delegate is unable to attend the meeting for which they are registered, they may have another person read their written submission; and**

**4. That Section 9.2 (b) and (d) of Appendix A related to electronic petitions, be deleted and Section 9.2 (a) be amended as follows:**

**9.2 (a) Petitions shall include a statement or position that the signers are supporting and include legible names; and**

**5. That a by-law be enacted to repeal and replace By-law 2012 -19375, as amended, being the Procedures Governing Council and Committee meetings to incorporate the changes proposed as attached hereto as Appendix "A", as amended.**

*VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)*  
*VOTING AGAINST: (0)*

CARRIED

**Balance of Extracted Consent Items:**

11. Moved by Councillor Hofland  
Seconded by Councillor Findlay

That the balance of the extracted items from the Governance Committee, July 8 2014 Consent Agenda, as identified below, be adopted:

**GOV-2014.15 Internal Audit System – Flow of Reports**

1. That the internal audit process flow of reports described in report CAO-A-1409 be approved; and
2. That the Quarterly Status report from the Internal Auditor be discontinued.

**GOV-2014.17                      Review of Discretionary Positions**

The report dated July 8, 2014, titled "Review of Discretionary Positions," be received for information.

*VOTING IN FAVOUR: Mayor Farbridge, Councillors Bell, Dennis, Findlay, Hofland (5)*

*VOTING AGAINST: (0)*

CARRIED

**Adjournment:** (4:59 p.m.)

12. Moved by Councillor Dennis  
Seconded by Councillor Hofland

That the July 8, 2014 meeting of the Governance Committee be adjourned.

CARRIED

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Tina Agnello – Deputy Clerk

**GOVERNANCE COMMITTEE  
CONSENT AGENDA**

**March 3, 2015**

Members of the Governance Committee.

**SUMMARY OF REPORTS:**

The following resolutions have been prepared to facilitate the Committee’s consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Governance Committee Consent Agenda will be approved in one resolution.

**Reports from Administrative Staff**

<b>REPORT</b>	<b>DIRECTION</b>
<p><b>GOV-2015.1 ANNUAL REPORT OF THE INTEGRITY COMMISSIONER</b></p> <p>1. That the report of the Integrity Commissioner dated March 3, 2015 be received.</p> <p>2. That the Code be amended by the addition of the following clause after the section entitled Improper Use of Influence:</p> <p style="padding-left: 40px;">“Members should not advocate on behalf of any person at a hearing of an adjudicative board (as listed on the City’s web site) and should not contact any member of such a board regarding any application before it. Councillors may file a letter with the secretary of such board providing information on an application and infrequently may appear before such board to provide information.”</p>	Approve
<p><b>GOV-2015.2 INTERNAL AUDIT REPORTING STRUCTURE</b></p> <p>1. That internal audits will be reported through to the Audit Committee.</p> <p>2. That management continue to refine the processes and terms for functional and administrative reporting by the internal audit function and report back on any recommended amendments to the <i>Internal Audit Charter</i>, in 2015, to the Governance Committee.</p>	Approve

Attach.

TO **Governance Committee**

FROM Integrity Commissioner

DATE March 3, 2015

**SUBJECT Annual Report of the Integrity Commissioner**

## SUMMARY

### **Purpose of Report:**

To provide a summary of the activities carried out by the Integrity Commissioner during 2014 and to provide a recommendation regarding Councilors appearing before adjudicative tribunals.

### **Council Action:**

To receive the report of the Integrity Commissioner dated March 3, 2015.  
To amend the Code of Conduct for members of Council and Local boards (the "Code")

## RECOMMENDATION

That the report of the Integrity Commissioner dated March 3, 2015 be received.

That the Code be amended by the addition of the following clause after the section entitled Improper Use of Influence:

"Members of Council should not advocate on behalf of any person at a hearing of an adjudicative board (as listed on the City's web site) and should not contact any member of such a board regarding any application before it. Councillors may file a letter with the secretary of such board providing information on an application and infrequently may appear before such board to provide information."

## BACKGROUND

I was appointed Integrity Commissioner for the City of Guelph by By-law on November 28, 2011. My services to the City are covered by Contract number 11-116 which expires on December 31, 2015. I currently serve also as the Integrity Commissioner for Mississauga, Brampton, Oakville and four other municipalities in Ontario.

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My duties in Guelph as Integrity Commissioner include the following:

1. To provide advice to individual members of Council, Council as a whole, members of City staff and the public on interpretation of the Code;
2. To conduct inquiries into whether a member has contravened any applicable provision of the Code; and
3. To attempt to settle any complaints between a complainant and member.

## **REPORT**

I received no complaints and carried out no investigations in 2014. This inactivity is a credit to the conduct of all members of Council during the year particularly since the year included a municipal election. The Code of Conduct establishes rules of ethics for Councillors to follow and constitutes an offer to all citizens of the City of Guelph to file complaints if any of them feel that any member of Council or Local Board has failed to follow the Code.

During the year, I participated in meetings of the Integrity Commissioners of Ontario where all of the Commissioners in Ontario discuss items of mutual interest. I hosted the October meeting at the City of Mississauga. I also participated as a panel member in a conference at Osgoode Hall Law School on ethics, with the Integrity Commissioners for Toronto and Ottawa.

This year will be my fifth year serving as Integrity Commissioner for the City and have appreciated the cooperation and support of members of Council and staff throughout the term of the contract.

## **ADJUDICATIVE TRIBUNALS**

A complaint filed in 2013 centered around an appearance by a member of Council at the Committee of Adjustment to oppose a staff recommendation. The complaint was settled but in my report, I advised Council that the Code should be reviewed in relation to Councillors' relationship with adjudicative tribunals such as the Committee of Adjustment.

The City's web site lists its "Quasi-Judicial/Adjudicative Committees" as:

Appeals Committee (Licensing)  
Committee Of Adjustment  
Municipal Election Compliance Audit Committee  
Property Standards/Fence Viewers Committee  
Well Interference Committee

All of the members of such committees are appointed by Council and tasked with making independent decisions on the basis of fairness and with consistency. Councillors who intervene on behalf of a party at a hearing or privately with one of the members, may be perceived to be using their influence improperly.

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I have had occasion to advise another client/municipality on this subject which resulted in considerable debate and two changes to its Code of Conduct. I firstly recommended that Councillors be permitted to file a letter with the secretary of the committee containing information about an application but that no other contact should occur with the members including making representations at the hearing or private contacts. Several months later a Councillor advised Council that it is vital that he appear before the Committee of Adjustment to lock in a down-zoning agreed to by the developer because he was the only person with complete information on the application which he acquired over several years. A second amendment to the Code was approved which prohibited advocacy by a Councillor but permitted infrequent appearances to provide information only.

I recommend that the following section be added to the Code on page 7 after the section headed Improper Use of Influence:

*Members of Council should not advocate on behalf of any person at a hearing of an adjudicative board (as listed on the City's web site) and should not contact any member of such a board regarding any application before it. Councillors may file a letter with the secretary of such board providing information on an application and infrequently may appear before such board to provide such information.*

## **CORPORATE STRATEGIC PLAN**

This report supports strategic goal 5: "A community-focused, responsive and accountable government"

## **FINANCIAL IMPLICATIONS**

N/A

## **DEPARTMENTAL CONSULTATION**

N/A

## **ATTACHMENTS**

None.

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### **Prepared and Recommended By:**

Robert J. Swayze  
Integrity Commissioner  
519-942-0070  
[robert.swayze@sympatico.ca](mailto:robert.swayze@sympatico.ca)



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Robert J. Swayze  
Integrity Commissioner

# STAFF REPORT



TO Governance Committee

SERVICE AREA Chief Administrative Officer, Office of the CAO

DATE March 3, 2015

**SUBJECT Internal Audit Reporting Structure**

REPORT NUMBER CAO-A-1502

## EXECUTIVE SUMMARY

### SUMMARY OF REPORT

To provide an update and recommendations with respect to staffs' ongoing review of the reporting structure for the internal audit function.

### KEY FINDINGS

1. It is a best practice to have a municipal Internal Auditor report the findings of audits to an Audit Committee.
2. Best practice also states that the position of Internal Auditor reports '*functionally*' to the Audit Committee and '*administratively*' to the Chief Administrative Officer. As Guelph evolves the internal audit function, it is timely to clarify and refine what comprises functional and administrative reporting and processes. Staff continue to review these matters in greater detail and will report to Governance Committee in 2015 as part of the term review of the *Internal Audit Charter*.

### FINANCIAL IMPLICATIONS

N/A

### ACTION REQUIRED

To approve the recommendations in report CAO-A-1502.

## RECOMMENDATION

1. That internal audits will be reported through to the Audit Committee;

And;

2. That management continue to refine the processes and terms for functional and administrative reporting by the internal audit function and report back on any recommended amendments to the *Internal Audit Charter*, in 2015, to the Governance Committee.

## BACKGROUND

Guelph City Council established its internal audit function in July 2012. Its role is to provide a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, controls, policies and processes.

An *Internal Audit Charter* was created that defines the mandate, scope, authority, independence, responsibility and reporting structure of the function. The *Internal Audit Charter* is to be reviewed at least once during each term of Council.

Since 2012, the Internal Auditor has functionally reported to the Audit Committee and administratively reported to the Chief Administrative Officer. On May 26, 2014 Council passed the following resolution to temporarily change the reporting structure of the internal audit function:

### **GOV-2014.10 Internal Audit**

1. That the City of Guelph Internal Auditor report to the Committee of the Whole for the remainder of the 2010-2014 Council term; and

2. That the Governance Committee review the reporting relationship for the Internal Auditor on an on-going basis commencing with the next term of Council.

## REPORT

The Corporation of the City of Guelph is evolving its internal audit function.

Now into its 3<sup>rd</sup> year, the organization has embraced this audit function as a tool to support the assessment of operations, policies and business processes. It also provides a professional system for the corporation to address any enterprise risk management of assets.

### General Reporting for an Internal Auditor

Through experience with the internal audit function, we are gaining a greater understanding of its role and the differences between an Internal Auditor and an Auditor General. This report serves to provide this clarity.

To be specific, whereas an Auditor General is responsible **only** to Council and typically performs only value for money type audits, an Internal Auditor has responsibilities to **both** Council and Management and seeks to improve operations and internal controls as Managements' business partner.

The current best practice is for an Internal Auditor to report '*functionally*' to the Audit Committee and '*administratively*' to the Chief Administrative Officer.

# STAFF REPORT



This practice is supported by a survey of 12 municipal comparator cities of which 93% maintain this reporting structure. Guelph's external auditors (Deloitte) also advise that this is a common reporting structure.

Therefore, Management is confident upon receiving this recent review, to recommend that internal audits will be reported to our Audit Committee as a Standing Committee of Council. This is the first recommendation of this report.

## Further consideration: Functional and Administrative reporting

The City of Guelph continues to evolve its organizational systems, structures, processes and practices.

Maintaining the independence of an Internal Auditor is essential and must be done while balancing several management functions. For example, we must ensure that an audit work-plan is coordinated with the annual workload of service areas (this is done through the Executive Team); that the assignment of resources to support audits is successfully budgeted; that the Internal Auditor's performance review is supported by an informed process; and that we can assure all that a "business partner" role of the internal audit function is well supported throughout the organization to ensure success.

At this time, we wish to continue to explore and delineate, for clarity, the obligations and processes for the internal audit functional and administrative reporting. For example, current research provides the definition of 'administrative' oversight as the Chief Administrative Officer providing approvals 'for items such as vacations, expenses and training.' Functional oversight means 'approvals for annual work plans and performance evaluations.'

This continued review will involve the Internal Auditor, the Executive Team and consultation with the Audit Committee prior to returning with recommendations to the Governance Committee. It is intended that this review will satisfy the intent of Council's May 2014 to "review the reporting relationship of the Internal Auditor on an ongoing basis commencing with the next term of Council."

Therefore, management recommends that we continue to refine the functional and administrative reporting model for the internal audit function and report back on any recommended amendments to the *Internal Audit Charter* in 2015, to the Governance Committee.

## **CORPORATE STRATEGIC PLAN**

1.3 Organizational Excellence – Build robust systems, structures and frameworks aligned to strategy.

2.3 Innovation in Local Government – Ensure accountability, transparency and engagement.

# STAFF REPORT

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## **DEPARTMENTAL CONSULTATION**

Internal Auditor  
Executive Team

## **COMMUNICATIONS**

N/A

## **Authored and Recommended to Council**

Ann Pappert, Chief Administrative Officer, City of Guelph

A handwritten signature in cursive script, appearing to read "Ann Pappert".

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